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Doing Business in Japan

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CHAPTER 6 Intellectual Property

3-6 Doing Business in Japan § 6.03

§ 6.03 Trademarksⁿ¹

[1] In General.

[a] Overview of Trademarks (*Shohyo*) A trademark is any letter, sign, or symbol which is used with respect to goods by a person producing, processing, transferring, or certifying the goods in business, under the Japanese Trademark Act. ⁿ² Unlike the United States or Britain, Japan is a country where prior registration, not prior use, gives the surest protection to a trademark owner. Thus, this chapter is mostly about requirements for registering trademarks and protection of registered trademarks under the Trademark Act. Unfortunately, only trademarks, not service marks, can be registered at the Japanese Patent Office. Intended use alone is sufficient to support an application for trademark registration. Examination of such applications takes place without a specific request for examination, and if the proposed mark is not similar to another's registered trademarks or otherwise meets the requirements of the law, the application is published for opposition to be filed by any person. If unopposed, or if the examiner still thinks that the trademark should be registered over the opposition, the trademark can be registered for ten years from the registration date, a renewal application being due not sooner than six months or later than three months before expiration. Trademarks must be used within three years of registration, and use must not be discontinued for more than three years or they are subject to another's request for cancellation or are ineligible for renewal.

[b] Trade Names, Service Marks, Unregistered Marks. While this chapter focuses on registered trademarks, the reader should take note that there are other laws which may be applicable to unregistrable marks and other business identifiers. Protection of a trade name (*Sho go*), the name under which a person's or company's business is carried out, is provided by the Commercial Code (*Sho Ho*), Articles 16-31. This law provides for local registration at the principal office of business and branch offices, and prohibits others from registering an identical trade name, and from using a trade name likely to cause confusion with other's business. Also, well-known trade names, service marks and trademarks, registered or unregistered, are provided protection by the Unfair Competition Prevention Act (*Fusei Kyoso Boshi Ho*). This act gives civil remedies in the courts against competitors who use similar marks that cause confusion of merchandise or business, use false or misleading indication of origin for goods, make false representations as to the quality, nature, purpose of use, or quantity of their goods, or disparage the business reputation of another. ⁿ⁴ Legislation for the registration of service marks at the Patent Office is under consideration, but will not be available soon.

[c] Categories of Mark Registrations.

[i] Ordinary Trademark Registrations. Since registrable trademarks are a statutory creation, Japanese law has

found it helpful to create three types: ordinary (independent) trademarks, associated trademarks and defensive marks. Usually an applicant will apply for an ordinary trademark, which is the most general type and not dependent on any other registration for the right conveyed. But such a trademark is not always available, such as when the applied-for mark is very similar to one of his own prior registrations for similar goods. In such case an understanding of associated trademarks and their limitations as sketched below should prove helpful. For the owner of a widely known trademark, a defensive mark registration is also available, as explained below in detail.

[ii] Associated Trademark Registrations. As the purpose of the Trademark Act is to protect the goodwill which the user has created or will create with respect to the trademark, as well as to protect the general public's expectation that all goods bearing the same mark have the same origin and quality, a later trademark identical with or similar to one with prior rights cannot be registered. However, since 1909, an exception has been made in the event such later trademark belongs to the same person as the one with prior rights; in this case the later mark can be registered as an associated trademark, and both the prior and the later trademark become associated trademarks.

According to Article 7 of the Trademark Act, when the owner of a registered trademark later wishes to register a similar trademark which is used in connection with the same goods as those of the registration, or when he later wishes to register the same trademark or similar trademark in connection with goods similar to those described in the already existing trademark registration, he can do so only when he files for an associated trademark. The associated trademark application can be filed either in association with a prior existing trademark registration or application. An application can be filed from the beginning as an associated trademark application or an independent application can be converted to an associated application on the applicant's own initiative or after receiving a preliminary notice of rejection from the Patent Office based on the same owner's prior registration or application. n5 In either instance, the Patent Office's decision on the registrability of a trademark as associated trademark is final. Once the decision has become final, an application cannot later be changed either to an independent trademark application or to an associated trademark, respectively. n6

An associated trademark must meet the same substantive registration requirements as an independent trademark, such as distinctiveness, dissimilarity to third parties' trademarks, and dissimilarity of the goods to those of prior third parties using marks of like appearance, etc.

The scope of an associated trademark is determined as if it were an independent trademark, and the associated trademark registration enjoys the same full effect as an ordinary registered trademark. However, in order to avoid confusion among the public as to the origin of the goods, an associated registration can only be transferred together with the transfer of the other associated trademark registration, although a license to use an associated trademark can be separately granted from a right to use the other associated trademark. n7 Furthermore, a trademark which is associated with other registered trademarks is renewable even if it has not been used, provided that its associated trademark has been used. In such case, the registrant who wants to renew the non-used associated trademark has to file evidence of use of the other associated trademark which has been used.

By availing himself of the associated trademark system, a registrant may expand the exclusiveness of his original trademark right to similar goods and similar trademark, keeping his registrations up to date with developments in actual trademark use.

[iii] Defensive Mark Registrations. The defensive mark registration system was adopted in 1959 to give broader protection to a widely known trademark.

A defensive registration is one that can be obtained only by the owner of a registered trademark so "widely known" among consumers as indicating the designated goods relating to his business that a third party's use of the same trademark, even in connection with goods dissimilar to those listed on the widely known trademark's registration, would cause "confusion as to the origin of the second party's goods." n8 In other words, a defensive mark is obtainable (1) for

a trademark identical with the applicant's already widely known registered trademark and (2) for goods dissimilar to those listed in the widely known trademark's registration, but (3) only when confusion as to the origin of the goods is likely. There are no other requirements, such as that the defensive mark must be a coined word or invented word, and no requirement that the registrant himself will use the mark in connection with the goods listed in the defensive registration.

According to *Guidelines for Examination of Trade Marks*, edited by the Patent Office, a "widely known" registered trademark is one that has attained the status of being "famous." A trademark's fame is evaluated by considering:

- (1) The time when the use commenced, the duration and area of use, and the range of goods on which the trademark is used.
- (2) The extent to which the mark has been advertised or otherwise publicized.
- (3) The overall nature and scale of the user's businesses, including other items handled in connection with the goods.
- (4) The fame and recognition the trademark already enjoys in the Patent Office.

The Guidelines further suggest factors to consider in determining whether there will be confusion as to origin if others deal in the goods listed in the defensive application:

Whether or not dealing by others would cause confusion as to the origin of the goods listed in the defensive application is to be comprehensively decided by considering the relationship between the designated goods of the original registration and the designated goods to be covered by the defensive registration:

[i] Although dissimilar, are both types of goods generally recognized as coming out from the same enterprise in view of manufacturers, traders, or the trading system, in view of the materials concerned or customary usage?

[ii] In cases other than (1) above, is the origin of the goods of the defensive application generally recognized as having an intimate connection with the owner of the original registered trademark?

To date, there have been very few defensive mark registrations granted, probably owing to the difficulty of persuading an examiner to recognize the "widely known" status of applicant's registered trademark. In this connection, traders and practitioners have urged the Patent Office to switch to a more attainable standard of commercial fame.

An application for an independent trademark can be converted into a defensive mark application no later than the time when the Patent Office serves the applicant with its decision to publish the independent trademark application for opposition. n9

A defensive mark's life depends on that of its parent trademark registration. Thus, transfer, assignment, and expiration of the defensive trademark must take place together with and at the same time as the parent. n10 Unlawful use of a defensive mark by a third party is not an infringement upon a separate defensive mark right but rather upon the original parent trademark right. n11

[iv] Service Mark Registrations. During Diet deliberation before passage of the current Trademark Act, special attention was paid to adoption of a system for service mark registration, but a survey of public opinion revealed that adoption now would be premature. Taking into consideration the survey results as well as various problems to be solved before adoption, such as the scope of the services to be protected, the examination procedure for determining similarity

between trademarks and service marks and the relationship between trademarks and services, adoption of a service mark system was postponed. Thus, there is no provision for registering service marks in the Trademark Act.

Amendment of the Trademark Act, including, inter alia, establishing a system to protect service marks has been discussed recently in the Industrial Property Council, an advisory committee of the Minister of International Trade and Industry. In January 1991, the Council submitted a report to the Minister, proposing the protection of service marks under almost the same conditions as for trademarks.

Following the report, a bill to amend the Trademark Act to protect service marks was presented to the Diet by the Ministry of International Trade and Industry and the Patent Office. The bill passed the Diet, and the new Act came into force on April 1, 1992.

Even before the legislation, however, service marks which had become well known in Japan were protectable under the Unfair Competition Prevention Act. In actual practice, many entrepreneurs obtained ordinary trademark registrations for their service marks with respect to goods closely related to their services, although they knew that a protection of service marks per se could not be expected. Service marks are often used as a business's trade name, in which case they can be, under certain conditions, recorded for protection at local government offices where the business has its headquarters or a branch under the Commercial Code (*Sho ho*).

[v] Collective Mark Registrations (Abolished). There is no provision for registering a collective mark in the present Japanese Act. n12 The formulators of the present Act felt that since the present Act allows granting license, to use the registered trademarks freely, the collective mark system of the old Law had become unnecessary and useless.

[2] Nature of Trademarks

[a] General. Article 2, paragraph 1 of the Trademark Act provides that a "trademark" is any word, figure, or mark, or their combination, with or without the use of colors, which a person who manufactures, processes, certifies or transfers goods uses on his goods.

A registrable trademark must be a plane visual representation. Three-dimensional marks, such as configurations of goods, are not acceptable. Although two-dimensional representations of a beverage bottle and a patch pocket for jeans have been registered by the Japanese Patent Office, the Patent Office does not consider either the three-dimensional bottle or the jeans pocket to be a trademark as such. Rather, the Patent Office believes that these trademarks will be used as labels of the registered appearance affixed somewhere to the goods, for example, respectively, to a bottle or the upper part of a jeans pocket.

[b] Word Marks.

[i] Trademarks of Different Characters. Because the Japanese language is written in a special script, the registration of trademarks consisting of Japanese scripts raises difficulties for foreigners. In the Japanese language, there are three types of script symbols: the phonetic syllabic symbols called *Katakana* and *Hiragana*, and the pictographic *Kanji* (Chinese characters). Until about thirty years ago, the stiff style *Katakana* syllabary (51 letters) was the first script taught to children. Now the more cursive *Hiragana* syllabary (51 letters) is first taught, and then later the *Katakana* syllabary, which is usually used phonetically to indicate the sound of foreign words or letters. Letters of the Roman alphabet are also taught at school first, with the purpose of providing foreigners with phonetic rendering of the Japanese language and later as a means of teaching the English language. In contrast to the alphabet-like phonetic *Katakana* and *Hiragana*, each *Kanji* Chinese character, without exception, has its own meaning. Although *Katakana*, *Hiragana*, *Kanji* (Chinese) characters and Roman letters are all used in forming trademarks, *Katakana* and Roman letters are the most popular and effective. It should be noted that a trademark written in one type of script symbol can be transliterated into a separate trademark in another type of script symbol.

[ii] Composite Trademarks.

[A] Two or More Different Scripts. Under the practice of the Japanese Patent Office, it is permissible to illustrate a trademark in two or more different character scripts (for instance, in both Roman letters and the equivalent *Katakana* in a single trademark application, or in both letters and a design or numerals). The composite marks showing two or more different character scripts play an important role in trade related to foreign products, as the Japanese consumer is much more sensitive to and likely to remember *Katakana* characters than Roman letters, especially when a foreign Roman letter trademark cannot be easily pronounced by the Japanese public. In fact, a large number of composite trademarks have been registered, primarily to save the extra expense of filing two or more separate applications.

Composite marks comprising two or more different scripts are not, however, free from disadvantages. Particularly, a foreign trademark written in Roman letters can be, and is, very often pronounced in different ways by different Japanese, and each of these pronunciations would be written differently in *Katakana* script. When the Roman letter trademark is registered as a composite mark in combination with only one selected *Katakana* equivalent, its Japanese pronunciation is generally considered to be restricted to that of the particular *Katakana* equivalent with which it has been registered. Hence, one drawback is that there is some question as to whether a composite trademark is infringed by a trademark which is similar to the mark written in one script but dissimilar to the mark written in the other script. For example, a registered mark consisted of the Roman letters "Ferreen" and was given a phonetic equivalent in *Katakana* pronounced "Faaren"; how should this be compared with another combined trademark "Fereen" accompanied by a *Katakana* equivalent which was pronounced "Fereen"? Similarly, a *Katakana* counterpart of "Culorex" had the pronunciation "Kyurorekkusu"; how should it be compared with a combined trademark whose *Katakana* is "Colourex"? Furthermore, for composite trademarks, use of either the Roman letter version alone or the *Katakana* version alone is, as a rule, not considered to be use of the said *registered* composite trademark in compliance with the statutory use requirements. An exception is when both the Roman letter version and the *Katakana* version at issue are very common and popular among the general public, and thus upon seeing one version the public may easily picture the other version. For example, the average person can usually recognize the *Katakana* equivalents of these common English words: "General" (*Zeneraru*), "Natural" (*Nachuraru*), and "Cup" (*Kappu*).

The possibility of numerous *Katakana* equivalents for a single mark in Roman letters makes composite mark registrations impractical for yet another reason. It is often difficult to choose the best *Katakana* equivalent until after the mark has been used in the Japanese market. It often happens that the Japanese distributor decides, on the basis of his marketing experience, that he prefers a different *Katakana* version from the one initially selected to appear in the registered composite mark. However, in the case of pharmaceutical products or cosmetics, the Japanese regulations controlling the sales of such products require that such products be labeled with a Japanese script trademark corresponding to the one listed in an application with the Ministry of Health and Welfare for authorization to sell the product in Japan.

Therefore, for foreign marks it is always advisable to file separate applications for the mark in Roman letters and in Japanese *Katakana* to secure the broadest, safest protection.

[B] Comparison Difficulties. In a comparison for similarity with another mark, composite trademarks cause various difficulties due to differences in the relationship of the component parts or differences in the weight of each component part, such as differences of size, style, color or distinctiveness among the versions of the composite registration. n13

[C] Trademark Colors. As in other countries, most of the trademarks filed in Japan appear in black and white, but trademarks can be registered in a specific color or colors which the applicant designated.

According to the Act, a "registered trademark" includes any similar trademark which would be identical if it had the same color as the registered mark; this is applied in connection with the effect, scope, and exclusive right to use the

registered trademark, and in trials for cancellation because of non-use. n14 Therefore, if the registrant uses, for example, the mark "OLYMPUS" in red letters instead of the black letters shown in the registration, he cannot be charged with non-use of the *registered* trademark.

A trademark may have a unique color serving to draw the public's attention to the mark. Hence a long, extensive use of a trademark in a certain color may cause the trademark to acquire distinctiveness (secondary meaning). n15

[c] Design Mark. There can be design marks composed of only a design or device without any letters. An explanation of the design is not required, and no limitation is placed on the kind of design that can be adopted.

[3] Registrability of Trademarks

Requirements for registration are minutely stipulated in Articles 3 and 4 of the Act, but in practice, a trademark is most often found unregistrable because the mark is similar to a prior registered trademark or well-known unregistered trademark or likely to cause confusion as to the origin or nature of the marked goods. Marks are also rejected for lack of distinctiveness.

[a] Similarity to a Registered Trademark.

[i] General. Article 4, paragraph 1, item 11 provides as follows:

"A trademark is not registrable if it is identical with, or similar to, another person's registered trademark based upon a trademark application filed prior to the application for the trademark concerned, and the trademark concerned is to be used for goods identical with or similar to the goods designated in the other person's registration."

General principles for judging similarity are difficult to state because the criteria for similarity are not uniform throughout the whole 34 classes of goods for which a trademark can be filed. Moreover, even within the same class, the examiners' opinions are not always the same.

In Japan, similarity is analytically examined; that is, the mark is viewed in terms of its components and their relative proportions and functions. n16 As explained in the section "Nature of Trademarks," this is probably because trademarks are seen as primarily composed of various kinds of letters, such as Chinese characters, *Katakana*, *Hiragana*, Roman lettered words and phonetic alphabetic transcriptions of Japanese (for example, "MITSUBISHI," "KAGOME"). Therefore, similarity of trademarks has to be judged among those different letters or characters. Generally speaking, however, trademark similarity is, as in other countries, judged from three main aspects: appearance, pronunciation, and meaning (or associated idea). n17 Although there are three main aspects, two marks are considered similar to each other as a whole if any one of these three aspects is found similar. However, the relative importance of these three aspects differs in accordance with the goods on which the trademarks are used. In deciding similarity, consideration is paid to the type of persons who will be the principal consumers of the marked goods (for example, specialists, elder people, children or women).

Consideration is also given to the distinctive part of the trademark which most draws a person's attention, such as the beginning part of a trademark, the *Katakana* characters in a composite trademark shown in both *Katakana* and English, and the *Katakana* or familiar design part of a complex trademark. For example, when a Roman letter trademark is accompanied by a Japanese *Katakana* version of the mark, the pronunciation of the Roman letters is considered to be limited to the particular *Katakana* version unless the *Katakana* is extravagantly unnatural. Thus, "STYROCUP" was determined to be dissimilar to "STYRON" which was accompanied by a *Katakana* version pronounced "su-ta-ee-ron," in connection with plastic cups (class 19). On the other hand, "SUN-S/shirt" with an accompanying symbol was judged similar to "SSS" which was accompanied by a *Katakana* version pronounced "san-es" (in this case the *Katakana* pronunciation triggered the associated meaning *san* = 3 es = S, hence 3S), in connection with clothing (class 17). Since

letters which are not familiar to Japanese are likely to be omitted from the trademark in the similarity examination, a foreign mark's distinctive and nondistinctive portions may be different in Japan than in the home country. For example, as shown below, the Examiner has isolated one portion of the applicant's mark as a distinctive element and then found a conflicting prior registration. The decision of the Patent Office was upheld by the Court.

Trademark Registration Cited by Examiner

[Click here to view image.](#)

(pronunciation is "makku," which is identical with the pronunciation of "Mack" of the Applicant's trademark). n18

For composite trademarks special attention should be paid to the similarity examination, taking into consideration the closeness of the nature and relationship of the component parts. Generally, unless the component parts are inseparably combined in terms of appearance, pronunciation, or meaning, each part will be observed independently and the composite trademark will not be examined as a single unit. Thus, the initial word part of "PEARLQUEEN" in *Katakana* was judged to make the entire mark similar to "Perl" in *Katakana*, with respect to cosmetics. n19 On the other hand, "WORLD CUP" was determined to be dissimilar to "CUP" with respect to clothing because "WORLD CUP" was a single word having meaning in its entirety. n20

The Guidelines of the Patent Office further say that:

(1) A composite trademark including an adjective indicating quality, raw materials used, etc. shall be considered as similar to another trademark which lacks such adjective. Along this line, "Lumisuper" in *Katakana* was rejected on account of "Lumideluxe," because both "super" and "deluxe" are popular English adjectives. n21 (2) In the case of composite trademarks whose parts differ in size, the sound of each part may be respectively considered for similarity with other marks. Thus the mark "SUN Moon" is similar to two marks, both "SUN" and "moon." (3) Also if two component parts are shown separately with enough space between them, each part may be observed independently in the similarity examination. (4) In some cases the public is likely to use an abbreviation of a lengthy composite trademark or a composite trademark whose components have different degrees of distinctiveness. In such cases the full unabbreviated mark will be unregistrable if the abbreviated mark is considered similar to another registered trademark consisting of only the abbreviation. Hence, the Tokyo High Court found that the general public would call "DUO-DECADRON" by the more pronounceable abbreviation "DUO" and hence "DUO-DECADRON" should be rejected in view of similarity with a prior registration for "DUO," with respect to chemicals and drugs. n22 (5) If one of the constituents is a common name, a name customarily used with the designated goods, a geographical name or a numeral, such common constituent is generally not taken into consideration in the similarity examination. Thus a composite trademark differing from a prior mark only by such common constituent will be considered similar to such prior mark. Accordingly, "Swing Custom," filed with reference to sporting goods, was rejected on account of the registered trademark "Swing" because "custom" often means "high class" or "specially made," especially for "golf equipment." n23 (6) If one constituent of a composite mark is a famous trademark of another, even if this part is an inseparable part of the composite mark in appearance, the composite mark is unregistrable because of a conflict with the famous mark.

[ii] Similarity of Pronunciation. Trademarks consisting of Roman letters or foreign words are always pronounced in the Japanese way. English is the most popular foreign language in Japan. Consequently, Roman letters of foreign words are usually pronounced using the nearest Japanese syllables in a Japanese-accented English style sometimes called "Japanese-English." The rules for pronunciation of the two Japanese syllabaries are much simpler than the rules for pronouncing letters in English. n24

Japanese pronunciation is built around 5 basic vowel sounds (a, i, u, e, o) whose pronunciation symbols we will

represent in Hepburn romanization as follows: "a" is the "a" of "father"; "i" is the "i" of "machine"; "u" is the "u" in "put"; "e" is the "e" in "bet"; "o" is the "o" in "horse." Thus the full Syllabary Chart appears as follows:

JAPANESE SYLLABARY CHART

Native Japanese (*Katakana*, *Hiragana*) and corresponding Hepburn Romanization

[Click here to view image.](#)

The most striking characteristic of the Japanese language is the need for each syllable except "n" to end in one of the five vowels, a, i, u, e, o. This means every word ends in a vowel or "n." Thus the popular term "song" gets pronounced "so-n-gu" and "ham" becomes "hamu." In Japanese, there is no distinction between the English sounds "R" and "L," "B" and "V," "S" and "TH," "Z" and "TH," and "F" and "H." There is no occurrence of the "f," "v," "j," "R" and "C"; also there are no final "K" "T," "S" sounds, etc. in Japanese.

Owing to the relatively narrow range of Japanese phonetic transcription, the phonetic distinction between differently spelled trademarks is often narrowed or lost altogether. For instance, Japanese pronunciation of "PAMEX" is identical to "PERMEX"; "SELLOGEN" sounds like "SEROGAN."

It is generally accepted that in examining for similarity of pronunciation, the nature, volume, tone, and syllable content of the sounds should be taken into account.

Firstly, differences in the nature of the sound are judged by differences in vowel sounds and in consonant sounds. It may be said that if two trademarks differ in a consonant but have the same or similar vowel sounds, these two trademarks are likely to be considered similar to each other. This is especially so if the differing consonant is in the middle or the last part of the trademarks, or if it occupies a similar position in tone in both marks.

Therefore, "MILA STOR" is similar to "MIMA STOR," but "LA SOL" was considered dissimilar to "MA STOR" (in class 1).

Furthermore, all consonant plus vowel syllables belong to a syllabary group having a common consonant, e.g., ka, ki, ku, ke, ko and sa, shi, su, se, so. Syllables classified in the same syllabary group are generally considered closely similar to each other. Therefore, "ELEX" resembles "ELAX" (with "LE" and "LA" being treated as "RE" and "RA" respectively), and "MALICOT" resembles "MERICOT" ("LI" is treated as "RI").

Secondly, as for the volume of sound, where trademarks differ from each other only in sound length, (for example, Lehman vs. Leman) or existence of assimilated sound (for example, Coroneet vs. Coronet), these two will be considered similar to each other.

Thirdly, regarding sound tone, such as strength, accent or stress, it may be said that where the difference between two trademarks resides in weak sound, or in sound length, particularly in the middle or the last part, it cannot make the two trademarks distinguishable. Where the same strong sound or accent is placed at a similar position in the two marks, particularly in the first or last part, the marks will generally be found similar to each other.

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Lastly, referring to the sound syllables, two trademarks will resemble each other if they each contain the same number of syllables and the syllables have a similar break-down.

It must be added that the trademark may be shown in English, French and other foreign letters and Japanese such as *Katakana*, *Hiragana*, and Chinese characters, and those different languages of the trademarks must be compared in a similarity examination.

When two trademarks, each in a different language, are compared, the sound similarity will be decisive. Thus "COPAN" in Roman letters is considered similar to a word written in *Kanji* pronounced " "; (*koban*) that means an ancient Japanese gold coin.

The following examples are given in the Guidelines (x indicates dissimilar trademarks):

(i) Same number of syllables with the same vowels

	Schipper (<i>Katakana</i>)	v. SKIPPER
	VANCOGIN	v. BUNCOMIN
x	HANSEL	v. ANGEL
x	EBIOS (<i>Katakana</i>)	v. BIOS (<i>Katakana</i>)

(ii) Same number of syllables and the same Japanese syllabary

	ASPA (<i>Katakana</i>)	v. ASPE (<i>Katakana</i>)
	Atomim	v. ATAMIN
	VULKENE	v. VALCAN
x	DORICO (<i>Katakana</i>)	v. ZORICO (<i>Katakana</i>)
x	AKUPAN (<i>Katakana</i>)	v. AKURIRAN (<i>Katakana</i>)

(iii) Same number of syllables with differences only in voiced, voiceless or semi-voiced sound.

	HETRON	v. PETRON
	KUREKA	v. GLECA
	SUNSEEL (<i>Katakana</i>)	v. SANZEEL

(iv) Differences in weak sound

	DANNEL	v. DYNEL
	YAMASEI (<i>Hiragana</i> and Chinese character)	v. YAMASE (<i>Katakana</i>)
	VINYLA	v. Binilus

(v) Differences in length, weakness and assimilated sounds

	Lehman (<i>Katakana</i>)	v. Leman
	Coroneet (<i>Katakana</i>)	v. Coronet
	Takarahato (<i>Hiragana</i>)	v. Takarahto (<i>Katakana</i>)

	(vi) Differences in one sound in lengthy marks	
	SYBATORON (<i>Katakana</i>)	v. SYMOTORON (<i>Katakana</i>)
	CAMPBEL	v. Cambell
x	SANSOCIZER	v. SANTICIZER

	(vii) Similar vowels or consonant	
	TYREX	v. TWYLEX
	FOLIOL	v. HELIOL
	SALIGZE	v. Sally Gee
	CERELAC	v. SELENOC
	POPISTAN	v. HOSPITAN

[iii] Differences in Meaning or Idea. The scope of similarity of a trademark's meaning or idea is relatively narrow. Only if a certain trademark instantly reminds us, without reflection, of another trademark will these two be considered similar to each other. A coined word like "Exxon" is considered to have no idea or meaning.

Disputes usually arise in comparing a foreign word mark with a Japanese word or word mark. The meaning of a foreign word is its usual Japanese translation. Only if a foreign word is very popular among consumers or traders involved and causes them to easily imagine its Japanese counterpart, will similarity be found between the foreign word and its Japanese counterpart. Thus the English word "SPRING" is similar to the Chinese character " "; which means spring and is pronounced "haru," and "RHEUMAZORON" in *Katakana* was found similar to "RHEUMASON" in *Katakana* with respect to medicine for rheumatism. n25 Similarity of idea is also recognizable between two foreign trademarks, depending on the degree of popularity of the foreign words. In this connection, "Winner" was considered similar to "Pennant Winner" in idea with respect to sporting goods. n26 But similarity was denied between "Cherrygold" and "SAKURA," even though the word for "cherry" in Japanese is "sakura," with respect to rubber and *gutta-percha*. n27 Due to less familiarity among the Japanese with the German language, "Eisbar" was determined dissimilar to the Chinese characters " "; (shi-ro-ku-ma) meaning "white bear," with respect to clothing in class 17.

As French is also less popular, the English word trademark "BECAUSE" has been registered despite opposition based on the registered French word trademark "Parce que" meaning "because," for cosmetics and soaps (class 4). The famous U.S. carbonated drink "7 UP" was considered dissimilar to "FIVE UP" and "EIGHT UP" in connection with fresh drinks and fruit drinks (class 29). Antonyms such as "cool" v. "hot" are considered dissimilar to each other.

[iv] Similarity of Appearance. The scope of similarity in general appearance is comparatively narrow at the Patent Office, and it is rare that two trademarks are found similar to each other as a whole simply because of a similarity in appearance. In general, a Roman letter trademark is not considered similar in appearance to either another's *Katakana* trademark or another's composite trademark in Roman letters and *Katakana* letters, even if the Roman letter mark being examined is a counterpart of the other's *Katakana* and vice versa. In the case of lengthy, complicated trademarks, similarity of appearance will be relatively easily found; thus "PERENDALE" has been found similar in appearance to "PERMADALA," for woven fabrics (class 16).

The Tokyo High Court, which has exclusive jurisdiction to hear appeals from Patent Office decisions, seems to have a broader view than the Patent Office as to what constitutes similarity of appearance. The owner of the well-known "SINGER" registered mark was unsuccessful in the Patent Office with its claim that the word "Single" prominently written across a stylized circle and, in another case, across a star, were similar in appearance to the word mark

"SINGER" with respect to sewing machines. On appeal the Tokyo High Court reversed, finding similarity of appearance because the word "single" was more important than the background circle or star devices; therefore comparison could be made between "Single" and "SINGER." According to the Court, only one letter of "Single" differs from "SINGER," that is "L" and "R"; the remaining letters are shared in common. Furthermore both "Single" and "SINGER" are written in the identical style of lettering generally used. (As stated previously, the Japanese do not distinguish the pronunciation of "L" from "R.") It may be added that in this instance, the worldwide fame of "SINGER" as a sewing machine trademark was taken into consideration. Along the same line, " "; (ki-mi-su) written in *Katakana* was judged similar in appearance to " "; (ki-su-mee) in *Katakana* and its English translation "Kiss me," with respect to dyestuffs, pigments and rouge.

Trademark on
application

Trademark cited by
the Examiner n28

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(ki-mi-su) (ki-su-mi)

[v] Similarity of Goods.

[A] Classification of Goods. Even if the trademark to be registered is determined to be similar to another's trademark, to deny registration the Patent Office must make a further finding that the applicant intends to use his mark on goods similar to the goods of the other's trademark. The official Guidelines for Examination of Trademarks enumerate various "criteria" to be considered when examining for similarity of goods and requires examiners to follow the "Standards for Examining for Similarity of Goods" published by the Trademark Department of the Patent Office.

Japan has its own classification of goods for trademark. Article 6, paragraph 1 of the Trademark Act provides that "an application for trademark registration shall be made for each trademark, designating one or two more items of goods on which the trademark is used, within the scope of *the classification of goods prescribed by a Cabinet Order.*" Under this provision, the Trademark Act Enforcement Order classifies goods in 34 classes which are different in substance from the 34 classes of the International Classification of Goods and Services of the Nice Union adopted by the United States in 1973 and used as a principal or subsidiary classification system by other foreign countries. The Japanese classification contains approximately 4, 500 items grouped mainly according to similarities in distribution area, selling place, use, type of trader or customer and manufacturing place, which are listed as criteria in the official Guidelines.

The Standards for Examining for Similarity of Goods were originally published to provide a guide for both trademark examiners and traders. The Standards are revised from time to time in line with changing circumstances and conditions of trade. At present under the Standards most of the official classes are divided into subclasses, which are in turn further divided into small groups. Class 17 is shown in the table as an example, at the end of this section [e].

Difficulty has been caused in comparisons between the goods under the present classification and those of the older classifications. In order to simplify similarity examination of goods classed differently under the current and old systems, the Trademark Department has published a bulky cross-reference "Manual" enumerating all goods under the old system, which prevailed almost 40 years, and indicating the corresponding class, subclass, and group of the current system. n29 The Standards and the cross-reference Manual are the basis for the examiner's examination for similarity of goods.

[B] Examination for Similarity of Goods. Article 6, paragraph 2 mentioned above provides that: "The classification of goods shall not fix the scope of similarity of goods." Even so, the Patent Office examiners comply rather strictly with the grouping of goods in the Standards and cross-reference Manual. According to the Standards, goods belonging to different classes are as a rule considered dissimilar. Goods of the same class which belong to different subclasses are, in principle, judged as distinguishable (not similar). Further, among goods of the same

subclass, goods in different groups are generally considered dissimilar. The Standards explicitly list certain exceptions for specific similarities; for instance, "Bedding" in class 17 is considered similar to "Bed" in class 20. Exceptions in the Standards are only for enlarging the scope of similarity across divisions of class, subclass or group.

An examiner conducts a similarity search only within the class of goods designated in the application. No cross-related examination beyond that particular class is carried out unless in the standards for this class an exception is clearly indicated. In class 17 for example, a specific exception obliges the examiner to search "Beds" in class 20 but not other classes. Although a registration owner may wish to broaden his registration's effect by asserting that the scope of similarity of his goods goes beyond one class, subclass or group, it is extremely difficult to so persuade the examiner in view of the classification guidelines.

In Japan almost all the registrations, especially those obtained by Japanese nationals, designate all the goods of a class. Therefore, for later applicants similarity of the goods with those listed in a prior class-wide registration is very easily found. In other words, a cited registration usually covers a whole class and thus the later applicant is forced to give up his application, or approach the prior registrant to ask him to abandon or assign the prior trademark registration or at least the part of it covering the goods in conflict with the later applicant's goods, or commence a trial for cancellation of the prior registration, in part or whole on the basis of non-use. A letter of consent from the other party has almost no effect on the conclusion reached by the Examiner, unlike the case in the United States and many other countries.

Class 17. Clothing (excluding special sports clothing, cloth-made accessories (excluding those belonging to any other class))

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[b] Similarity to a Well-Known Unregistered Trademark. A trademark seeking registration is denied registration if it is identical with or similar to another person's prior well-known trademark taken by consumers as indicating goods related to the business of that person and it is to be used on goods identical or similar to the prior person's goods. n30 It is sufficient that the fame of the other's prior trademark is established in a particular locality in Japan and it need not be well-known throughout Japan. Even a foreign trademark, if well-known among consumers in Japan, is protectable. As required by the Paris Convention, article 6 *bis*, n31 a registration is not required for the widely-known trademark to be entitled to protection under this provision. As Article 4, paragraph 1, item 11 generally gives priority of right to the first to file a trademark application, without requiring evidence that the registrant made his trademark well-known, the provision for well-known marks in item 10 is most beneficial to those with rights in prior well-known unregistered trademarks. It is also generally accepted that the trademarks which have been made widely known in Japan with the intent of unfair competition cannot enjoy the benefit of this provision. The crucial date by which the famous mark must be well-known in Japan is the application date of the trademark application that it is cited against.

The official Guidelines provide that the nature of being well-known is generally proved by certified statements, collaborated by physical evidence such as samples and business records, made by:

- (1) state, prefecture, city, municipal or other government;
- (2) chamber of Commerce and Industry;
- (3) trade association or fellow traders in the trade circle concerned;
- (4) customers or agents;
- (5) users;

(6) advertising agency, broadcasting agency or publisher; and

(7) invoices, delivery notes, order forms of accounting books.

Such a certified statement must indicate (a) the appearance of the trademark actually being used and the goods on which the trademark has been used, (b) time when use began, (c) duration of use, (d) quantity of marked goods manufactured or sold, (e) territory of use, (f) quantity of marked goods produced, processed, certificated, or assigned, and (g) media, frequency, and contents of advertisements. An affidavit presented by the applicant alone is not considered as strong evidence unless it is collaborated by attached invoices, delivery slips, accounting books, advertisements and other objective materials. To simply certify that the trademark concerned was widely-known among dealers and consumers, without giving any concrete facts, will not be accepted as good evidence of proving that the mark was well-known. n32

There are no established rules regarding the duration of use of the trademark, amount of advertising or number of certificates, etc., needed to prove that a mark is well-known among consumers. Among the few precedents on the quantity and quality of proof are the following examples: The Trademark "New Yorker" was held to be widely known before May 11, 1954 (the other party's application date), because "New Yorker" had been used as an automobile trademark by Chrysler Corporation since 1938 and cars bearing the "New Yorker" trademark had been imported into Japan since 1949. Due to Japanese import restrictions on foreign made cars, there were only 1, 500 cars imported from Chrysler Corporation to Japan between 1950 and 1954, but one third were "New Yorker" cars. Catalogs for "New Yorker" cars had been distributed in Japan, and the trademark "New Yorker" had become associated with the excellent quality and high price of such cars. So, although "New Yorker" cars had not been sold in large amounts in Japan, the Patent Office and Tokyo High Court accepted the mark as widely-known in Japan and cited it against an application to register "New Yorker" for use on bicycles. n33 On the other hand, the trademark "Arrow" was adjudged not to be well-known in Japan with respect to shirts before April 25, 1955 (the other party's application date), because only \$22, 000 of shirts bearing "Arrow" were imported into Japan between 1922 and 1941 and only \$99, 000 worth between 1949 and 1954. There was no evidence offered of publicity or advertisements in Japan made before April 25, 1955, although there was an implied admission that "Arrow" was already a famous trademark in the United States by that date. n34

[c] Confusion as to Origin of Goods. Article 4, paragraph 1, item 15 provides that "a trademark sought to be registered is not registrable if it is likely to cause confusion with the goods related to the business of another person (exclusive of the trademark mentioned in item 10 to item 14 inclusive.)" Hence, even if a trademark sought to be registered is not similar to, or is not used on goods similar to those of a well-known mark, a registered trademark or defensive mark, a recently (within one year) extinguished registered trademark, or an agriculturally registered seed name, it can still be found unregistrable if it is likely to cause confusion with the goods related to the business of another person. A likelihood of confusion as to the origin of goods may arise even when the trademarks or the goods of the parties involved are different and thus no actual competition exists between the parties concerned. In this respect, the official Guidelines provide:

[a] The expression "likely to cause confusion with the goods related to the business of another person" shall mean the case where consumers of the goods are likely to become confused about the origin of the goods; such likelihood of confusion results from not only misunderstanding that the goods are those related to the business of another, but also from misunderstanding that the business related to the goods is financially, organizationally, structurally, or otherwise related to another. For example: (1) a nationwide famous trademark "M" owned by A with respect to the goods "G" is used by B with respect to the goods "X"; goods "X" are not similar to goods "G" and there is no connection in terms of manufacturer, seller, outlet, materials or usage. But B's use of the "M" trademark confuses consumers into thinking the goods "X" come from or relate to A, or that B is a subsidiary or related company of A. (2) "S" is a nation-wide famous service mark of A. B uses "S" as a trademark on his goods "X." The goods "X" are likely to be confused as the goods sold by A or those related to the business of A.

[b] In judging whether the trademark of an application is likely to give rise to confusion with the goods related to the business of another person, the following are considered:

- (1) Is the other person's trademark one originally created by him?
- (2) Is the other person's trademark his house mark?
- (3) How well known is the other person's trademark? (Extent of advertising and promotion, and degree of recognition and popularity).
- (4) How diversified are the businesses of the other person?

It is necessary to prove that the other person's mark is so well-known that others should not use it even on goods different from those designated by the other person. It would appear that the same kind of evidence offered under Article 4, paragraph 1, item 10, to show that a prior unregistered mark is so well known in Japan that it can oppose another's applications or invalidate another's registration, is applicable. Generally, it has not been easy for owners of well-known trademarks to oppose applications or invalidate registrations where either the offending mark or the goods on which it is used are not similar to those appearing in the opposer's well-known trademark, though protection seems to be gradually expanding.

The following examples are among the broadest interpretations yet made. The owner of the world famous "Sony" trademark, registered for electric and electronic machines, appliances and implements, successfully invalidated another's registration of "Sony" for confections. ⁿ³⁵ The owner of the world famous trademark "ESSO" for petroleum and petroleum products successfully invalidated another's registration of "ESSO" for textile goods; the Patent Office took into account that the general public knows that many synthetic fibers used by the textile industry are manufactured by the petrochemical industry. ⁿ³⁶

[d] Confusion as to Quality of Goods. A trademark is not registrable if it is "likely to give rise to a misunderstanding as to the quality of the goods" on which it is used. ⁿ³⁷ This phrase shall mean the possibility that the average consumer is likely to mistakenly believe from the trademark alone that the goods have a certain quality, when in fact the goods of the trademark sought to be registered do not have that quality. (See the official Guidelines 1 of this provision).

Hence, applications to register the trademarks "ANOZINC" and "UNICHROME" for use on "metal" generally were rejected for the reason that "Zinc" and "Chrome" are metallic element and thus when the goods bear the trademark "ANOZINC" or "UNICHROME," the public is likely to misunderstand that those goods are all related to "Zinc" or "Chrome." ⁿ³⁸ The trademark "Silverhin" filed for "kitchen utensils and daily goods" was also rejected because when "Silverhin" is used on goods other than *silver* goods, it is likely to confuse the public into thinking the goods are made of *silver* ("hin" means "articles" in Japanese). Furthermore, even if used only on silver goods, the "Silverhin" mark would still be unregistrable because only the "hin" portion could convey distinctiveness and "hin" has the nondistinctive meaning "articles." ⁿ³⁹

As shown in the "Silverhin" trademark case, under item 16 of the "misleading as to quality" prohibition, this likelihood of confusion as to quality must be determined in connection with the goods on which the trademark sought to be registered is said to be used. In this connection, the official Guidelines say that if a preliminary notice of rejection is based on a finding that the applicant's trademark is likely to mislead as to the quality of the designated goods, an amendment to change the designated goods is acceptable if it limits the designated goods to eliminate the likelihood of confusion as to quality without changing the gist of the application. Thus, by suitably amending the goods, the applicant can make the rejected mark registrable. Taking the trademark "AMIWOOL" for instance, if the designated goods are

"wool clothing" only, no difficulties arise, but if the designated goods included clothing of materials other than wool, there would be a rejection based on the misleading nature of the "wool" portion of the mark. A trademark "Box" was declared unregistrable for "printing machines" because for box-type printing machines it lacks distinctiveness, whereas for printing machines other than the box type, "Box" is likely to be misleading because, among persons in the printing machine field, a "box-type printing machine" is one whose main frame consists of a single mold. n40

With regard to marks which include words or symbols purporting to show that the applicant's designated goods have received an award, such as "Gold medal awarded at such and such exhibition" or "Prize of such and such Minister awarded" or the like, the Guidelines require the applicant to provide proof of the authenticity of the award. If no proof is produced the mark is rejected as misleading as to the quality. Furthermore, there is a blanket prohibition against marks which include the certification marks "JIS" (Japanese Industrial Standards), or "JAS" (Japanese Agricultural Standards) or the words "Patent," "Utility Model," or "Design." A deletion by amendment must be made or such marks are rejected as misleading as to quality.

[e] Inclusion of Another Person's Name, Portrait, Appellation, Etc. If a trademark includes another person's portrait or name, any appellation, well-known pseudonym, stage name, pen name, or well-known abbreviation of any of these, the mark cannot be registered without the consent of the person concerned. n41 This only applies to real, living persons, either Japanese or foreign.

Oppositions by foreign persons, individual or juridical, are frequently filed by invoking this provision, often combined with the other provisions regarding confusion as to the origin of the goods, or confusion as to the quality of the goods. For example, the internationally famous fashion designer Pierre Cardin was successful in asserting this provision in opposition to the registration of "Cardin" and its *Katakana* equivalent in class 24 and class 4 filed by some Japanese who had no connection with him.

This provision was drafted to protect a personal right and overturned the Patent Office view prevailing under the old law that another person's name and the like should be protected only to prevent confusion as to origin of goods. It may be said, however, that no personal right will be harmed if traders and consumers do not associate a trademark incorporating a certain person's name, appellation, etc. with that person. Therefore, the Patent Office examines the relationship between the designated goods of the trademark applied for and such person's name. For example, in determining if the abbreviation of a person's name is famous, the Guidelines tell the examiner to consider "the relationship of the name to the designated goods."

[f] Distinctiveness.

[i] Lack of Trademark Distinctiveness. Substantive requirements for and bars to trademark registration are provided for in the Trademark Act, Articles 3 and 4. While Article 4 denies registration to trademarks that are unregistrable because of their similarity to other specific marks or indications, Article 3 bars the registration of any trademark which falls into one of several listed types considered to be without trademark distinctiveness, although for certain types the bar can be overcome by a showing that consumers recognize goods using the mark as connected with the applicant.

Article 3, paragraph 1 of the Act provides as follows:

Article 3. Trademark registration may be obtained for any trademark which is used on goods related to one's own business, with the exception of the trademarks mentioned below:

- (1) A trademark which consists only of a mark indicating the common name of such goods in a manner ordinarily used;
- (2) A trademark which is customarily used on such goods;

3-6 Doing Business in Japan § 6.03

(3) A trademark which consists only of a mark indicating for such goods, in a manner ordinarily used, the place of origin, place of sale, quality, raw materials, efficacy, use, quantity, shape, price, or the method or time of production, processing or use;

(4) A trademark which consists only of a mark indicating in a manner ordinarily used a very common name or appellation;

(5) A trademark which consists only of an extremely simple and common mark;

(6) In addition to those mentioned in the preceding five items, a trademark by which consumers are unable to recognize to whose business such goods are related.

According to Article 3, paragraph 1, a trademark must be used on goods related to the applicant's business. In order to effectuate the provision, since January 1, 1976, applicants have been required to describe their business in the application document. Whether the trademark sought to be registered falls under the provision of Article 3 is determined not under the conditions when the application was filed, but under the conditions when examiners or trial examiners issue the decision of the registrability in the application.

Regarding geographical names when used as a mark, n42 the official Guidelines say that the past or present name of any state, or any well known geographical name (including any administrative district or section), thriving amusement or business quarters (including famous bustling streets in foreign countries), or map designation or the like are, as a rule, taken to be an indication of a product's source or place of sale. It is generally accepted that if a geographical name used as a mark might at some time be used by someone at that place to indicate the manufacturing place or selling place of his goods as those designated by the applicant, the trademark comprising the geographical name lacks distinctiveness; this is true even if the geographical mark has not to date been used to indicate where such goods were made or sold. Recently the Patent Office seems to almost always find that a well-known geographical name may possibly be used as an indication of manufacturing or selling place of the designated goods, regardless of whether it is known as a place for such goods.

The distinctiveness of a title of book or periodical presents unique problems, and the Guidelines say as follows:

"A title of a book which gives immediate recognition of the book's specific contents will be treated as a common indication of quality but a title of a periodical publication, such as newspaper, magazine or the like, shall generally be understood to distinguish the goods concerned from those of others."

The examiner always translates a foreign word in a foreign trademark which is indicated in both Roman letters and *Katakana* into Japanese. Owing to the discretionary nature of translation, an inevitable tendency exists to find that the translated mark is descriptive. For example, "WELTONE" was considered descriptive for bedding, and "WALLUMEN" descriptive for electric machines, communication devices and materials. " "; in *Katakana* (which is pronounced like "high.teem") for an enzyme was considered to describe the high quality of the enzyme, and " "; in *Katakana* (pronounced "high. thiol") to describe high quality of thiol. But upon appeal to the Board of Appeals of the Patent Office or the Tokyo High Court all these findings were reversed and the marks found to be distinctive. n43

If a trademark indicates product source, quality, shape, production process or end use, it is difficult to avoid twin rejections based on lack of distinctiveness and confusion as to quality of the goods. For example, in Japan, "Hollywood" is considered a well-spring of fashion throughout the world. Therefore when "Hollywood" was filed for cosmetics, it was construed as merely a common indicator of the origin of the designated goods and thus found lacking in trademark distinctiveness. Further, it was judged liable to cause confusion as to the quality of the cosmetics since many consumers were likely to infer that the designated goods were either manufactured in or imported from Hollywood.

A trademark consisting of only one or two Roman letters or figures can anticipate a rejection for lack of distinctiveness

as a very simple and commonplace mark. n44 The official Guidelines state in this connection as follows:

1. trademark comprising only one *Katakana* or *Hiragana* letter, one straight or corrugated line, or configurations, or a laurel or a shield or the like shall be considered too simple and commonplace for registration.

2. (1) A trademark comprising only one or two Roman letters, or one Roman letter accompanied by a *Katakana* or *Hiragana* letter representing its pronunciation, or a *Katakana* or *Hiragana* letter indicating the pronunciation of one Roman letter, shall be considered too simple and commonplace for registration.

(2) In connection with the goods on which Roman letters are normally used as a symbol of the goods, a trademark in *Katakana* or *Hiragana* letters indicating the pronunciation of two Roman letters shall be considered too simple and commonplace for registration.

(3) A trademark comprising only two Roman letters joined by a hyphen, or one or two Roman letters accompanied by "Co.," "Ltd.," or "K.K." to mean a limited liability company or stock company shall be considered too simple and commonplace for registration; however, this shall not apply to two Roman letters joined by "&";.

(4) Article 3, paragraph 1, (v) forbidding registration of very simple and commonplace marks should not be used to reject a monogram design of two or more Roman letters.

3. (1) marks consisting only of numerals shall be generally considered too simple and commonplace for registration.

(2) When a mark only comprises a one or two figure number, written in Japanese or English words, as, for example, "one two" or "twelve" (either in Japanese or English), whether accompanied by the number in numerals or not, the mark shall be considered too simple and commonplace for registration.

(3) When a mark only comprises a three or more figure number written in Japanese or English words:

(a) If the number is written in the way it would be read for a quantity, *e.g.*, "One hundred and twenty three," it will be considered too simple and commonplace for registration.

(b) If the number is written as a series of numerals, *e.g.*, "One two three," it should not be treated as too simple and commonplace for registration.

(4) The mere placing of the letters in a simple configuration will not overcome rejections based on 1, 2(1), and 2(3), 3(1) and 3(2) and 3(3) (a) above.

[ii] Acquisition of Distinctiveness. Even a trademark lacking distinctiveness under Article 3, paragraph 1, [iii]-[v], is registrable if use of the mark has made consumers able to recognize the marked goods as connected with the applicant's business. n45

Distinctiveness acquired through usage is strictly limited to the actual trademark and goods on which the trademark has been used. Hence, in a 1967 decision the Tokyo High Court found that the trademark "GOLF" had acquired distinctiveness with respect to shirts, jumper coats, underwear, sweaters, and socks by use since 1950 and with respect

to pajamas and gowns by use since 1965. But the court upheld a Patent Office rejection of an application filed for all the clothing in old class 36 because this included clothing on which the mark had not acquired distinctiveness. n46

Generally, an applicant uses certified statements to establish that usage has made consumers recognize goods bearing his mark as belonging to the applicant's business. These certified statements will indicate the version of the mark so used, the type and duration of use, and the goods so marked. Often there is some difference between the trademark version in the application and the versions shown in the certificates of use.

The official Guidelines take the position that when the trademark of an application is different in appearance from the trademark indicated in a certificate of use, the use does not inure to the benefit of the applied-for trademark. The official Guidelines give the following situations where it would be judged that the marks were different.

- (1) The applied for trademark is in cursive Chinese characters but the trademark indicated in a certificate of use is in block or semi-cursive style.
- (2) The applied for trademark is in *Hiragana* script but the trademark indicated in a certificate of use is in *Katakana* script, Chinese characters or Roman letters.
- (3) The applied for trademark uses Arabic numerals but the trademark indicated in a certificate of use uses Japanese numerals.
- (4) The applied for trademark is written vertically but the trademark indicated in a certificate of use is written horizontally.
- (5) The applied for trademark is in an enclosed form, such as P , but the trademark indicated in the certificate appears in a different enclosed form such as P (inside a square), P (inside a triangle), or P (inside a circle that is inside a square).

The official Guidelines used under Article 4, paragraph 1, item 10 to determine whether an opposing unregistered mark is "widely-known" are also applicable for judging acquisition of distinctiveness. Owing to the Patent Office's strict adherence to the requirement that the same trademark must have been used on the same goods, unlike the case in the United States, in Japan there are not very many cases where trademark registrations are obtained by successful proof of distinctiveness acquired through long and extensive use.

[g] Other Unregistrable Trademarks. We have discussed how a trademark may be unregistrable because (1) it is similar to another's registered trademark, (2) it is similar to another's well-known unregistered trademark, (3) it is likely to cause confusion as to the origin of the trademarked goods, (4) it is likely to cause confusion as to the quality of the trademarked goods, or (5) it includes, without permission, another person's name, portrait, appellation, etc. In addition to these reasons, Article 4, paragraph 1 bars registration of certain other trademarks, such as a mark similar to any country's national flag, the Japanese imperial chrysanthemum crest, etc. (items 1-3), a mark similar to the mark or name Red Cross (item 4), a mark similar to the supervision or certification mark of any local public entity of Japan or any member country of the Paris Convention (item 5), a mark similar to a famous mark of a State or public entity (item 6), a mark likely to be detrimental to public order or goods morals (item 7), a mark similar to the awards of certain international exhibitions (item 9), a mark identical to another person's registered defensive trademark (item 12), or a mark similar to the name registered under the Agricultural and Seeding Law. n47

[4] Principles of the Registration System

[a] First Applicant Principle. The Japanese trademark registration system is based on what is called the "first applicant principle." Thus, a trademark right does not come into existence by the use of a trademark, but by the

registration of a trademark which is as a rule granted to the first applicant. n48 Only the holder of a registered trademark may sue for infringement under the Trademark Act. n49 When two or more applications are made on different days for the same or similar trademarks to be used on the same or similar goods, only the first applicant may obtain a trademark registration. If two or more applications are filed on the same day, only one applicant, arrived at by determined consultation among the applicants, may obtain registration. n50

Although some compromise has been made with "the first use principle," the requirements for protecting a mark on the basis of its use only are very strict and only an unregistered trademark which has become well-known among consumers in Japan as an indication of the goods of a particular trader may oppose another's application to register an identical or similar trademark. n51 In other words, mere "prior use" of a mark without the buildup of consumer recognition does not give sufficient basis for rejecting another's application to register the same mark for the same goods.

[b] One Trademark and Class Per Application. One application may cover only one trademark and only the goods belonging to one class. n52 If the same trademark is used in connection with goods belonging to more than one class, a separate trademark application is necessary for each class.

[c] Classification. The Japanese classification system follows the Nice International Classification. n53 An application may cover the goods of one class either partially or fully. If the application designates the class heading of the goods, examination of the application is procedurally simpler for the examiner, and therefore, registration is likely to be earlier than for an application designating particular goods, particularly those which are thought to belong in the class but have not been specifically listed in the Patent Office's official breakdown of goods.

The foreign applicant will probably rely on his Japanese patent attorney to select the proper class in which to apply for the trademark registration. It might be found that during the time when the application is undergoing examination the wrong class or an inadequate number of classes have been chosen. In such a case, unless an applicant has designated particular goods on his application, he must file an entirely new application in a correct class, as an amendment of the classification from one to the other is not allowed. The scope of the trademark right is also limited to the particular goods or the class heading of the goods in the particular class which the registrant designated at the time of this filing application. So choice of class is one of the most important decisions the applicant can make. Every precaution should be taken to supply the Japanese attorney with a clear picture of the applicant's present and intended use of the mark in Japan, especially when the goods on which the trademark is to be used are new or unique. This includes sending catalogs, pictures, advertising, samples, etc., to help in the selection of the most relevant classes.

[d] Representation. An applicant who has neither a domicile nor a residence in Japan may only apply for a trademark registration or take other actions before the Patent Office through an agent having a domicile or residence in Japan. n54 Only Japanese patent attorneys or lawyers can make a business of being such an agent.

[5] Application and Examination

[a] Application.

[i] Filing and Documents Required.

An application for trademark registration must be filed with the Director-General of the Patent Office either directly or by mail, in the form set forth by the Trademark Act Enforcement Regulation along with other required documents. Thus, for mailed applications, the day of mailing by the applicant (or his attorney), as indicated by the post office, will determine the filing date, not the actual date the application is received in the mail. The documents required in the ordinary case are as follows:

[A] Application Paper. The Application paper must contain

- (1) the full name and address (domicile or residence) of the applicant, and if the applicant is a juridical person, the name of its representative officer,
- (2) the filing date,
- (3) the designated goods and their classification,
- (4) the applicant's business,
- (5) any applicable priority claim, such as under the Paris Convention, a statement of priority claim, the priority date, country, and preferably serial number of the basic priority application.

In the case of an application for an associated trademark, the earlier dominant trademark's registration or application number or other identification should be included. n55

[B] Description of Applicant's Business. The required description of the applicant's business (the above number (4)) is new, as adopted by the revised Act of June 25, 1975 (Act No. 46) and effective January 1, 1976. Even before the revision, in principle only a person intending to use a trademark in his business was entitled to obtain a trademark registration; this had not been enforced in actual practice. In order to close the gap between the principle and practice and to shut out trademark brokers, the revised Act was worded so that the Patent Office could require the applicant to describe his business in the Application paper. In the case of a foreign applicant, it is sufficient for him to describe the business he conducts in his own country or elsewhere.

In practice, the applicant is required to describe the nature of his business by indicating a specific classification of the Standard Japanese Industrial Classification to show that the designated goods are related to his business. However, at the time of filing the application, no evidence is required to support the description of the business. Nor is it necessary for the applicant to describe all the businesses in which he is engaged. He needs only a single business related to the designated goods. If the applicant does not actually conduct a business related to the goods but plans to start such a business in the future, at the time of filing he must include a schedule showing his plans. This schedule must describe (1) the state of preparation for beginning the business as of the filing date, and (2) a schedule showing his plans up to the date when the business will begin.

[C] Designation of Goods.

The applicant must designate one or more goods within a single class of the Japanese Classification. n56

There are three common patterns for designating the goods in the Application paper as follows:

[I] First Type. In the first type, preferred by Japanese nationals, the entire class heading is used, even if the applicant actually plans to use the mark on only some of the goods in the class. For instance, for an application in class 17, whether the Japanese applicant plans to use the mark on "pantystocking" or "bedding," he will indicate the goods to be "Class 17 Clothing (excluding special sport clothing), cloth-made accessories (excluding those belonging to any other class), bedding (excluding beds)." This is the exact wording of the Class 17 title and means that the applicant is planning to use the mark on all goods in the class.

[II] Second Type. In a second type of designation the applicant names an entire subclass or group, or just certain goods in the class for which he wants a registration, and then adds the broadening phrase "and all other goods in the class." For instance, "Class 17 Pantystockings and other clothing and all other goods in the Class" or "Class 17 Bedding and all other goods in the Class."

When the first type's class heading or the second type's phrase "all other goods in the class" is used, the applicant is

treated as claiming the whole class and thus usually avoids any time consuming official objection from the examiner regarding the way of indicating the goods or their connection with the stated class. Once a registration is obtained this way for all the goods of a class, all latecomers who apply for the same or a similar trademark for any goods in the same class will have their applications rejected by the Patent Office without any inquiry as to the likelihood of confusion because of similarity of the goods actually used by the parties concerned or whether the owner of the cited registration actually objects to the rejected mark.

[III] Third Type. The third type of designation, where just certain goods are named, is likely to be used when the classification of the proposed goods cannot be clearly determined by the applicant for reasons such as that the goods concerned are novel or until now have not been marketed in Japan. Also, when the applicant desires to have certainty regarding the coverage of all his proposed goods, i.e., he wants to name them specifically and have the examiner consider whether they all belong in the class the applicant has designated, he will naturally indicate the names of particular goods. Furthermore, in trial for cancellation of a trademark registration that has not been used for 3 years with respect to designated goods the revised law shifted the burden of proof from the demandant of the trial to the registrant of the trademark. So, the registrant of the challenged trademark must now establish actual use or justification for non-use. In this connection, the chances of cancellation for non-use have been enhanced since 1976. Therefore, theoretically the applicant must now be careful about using the class heading of the goods or "and all the other goods in the class."

[ii] Prints of the Trademark. Five prints of the trademark (not larger than 8 cm x 8 cm) must be attached to the Application paper. Electrotype is not required.

[iii] Power of Attorney. A Power of Attorney simply signed by the applicant, which may be supplemented later is also required. A single Power of Attorney may be used to simultaneously file more than one application, but a general Power is not accepted. So a new Power must be provided for each filing occasion.

[iv] Notarized Certificate of Nationality of Corporation. Although this Certificate is not required in ordinary cases, the Patent Office may request it if it is not obvious from the applicant's name whether or not the applicant is a juridical person. Therefore, in such a case it is advisable to furnish the Patent Office with a Certification from the beginning.

[v] Certified Priority Application. If Convention Priority is claimed this document is required. The copy can be filed as late as three months from the filing date of the application, but this period cannot be extended.

[b] Examination.

[i] General. Soon after filing, an application number is assigned. A few months after filing, examination is first made on formality requirements. An official action concerning formality requirements is issued, such as the need for a supplement of Power of Attorney or a National Certificate.

Subsequent to the formality examination and usually three years or more from the original filing date, the substance of the application, particularly the registrability of the trademark, is examined. Article 15 authorizes the examiner to reject an application whenever the trademark applied for lacks distinctiveness n57 is similar to another's registered or otherwise protected mark, n58 is only registrable to the applicant as an associated trademark to one he already has registered or applied for, n59 is of later priority than another's application for a similar mark for similar goods, n60 covers more than one trademark or class n61 or is opposed by another who has the right in a Paris Convention country to a similar mark for similar goods, where the applicant is his former agent or representative who made an unauthorized filing within one year of termination of the relationship. n62

Among the above items, the examination is usually focused on the distinctiveness of the applicant's trademark, n63 its similarity to the earlier registered trademarks of others, n64 its similarity to the applicant's own earlier registered

trademarks n65 and the designation of the goods and their classification. n66

Regarding various examination procedures, under Trademark Article 17 trademark procedure literally incorporates various provisions of the Patent Act, such as the examiner's first or preliminary notice of rejection following examination, n67 the applicant's right to make amendment and the grounds under which the examiner can reject an amendment, n68 the procedure for opposition, n69 the form of the examiner's final rejection, n70 amendments which may be made after the examiner's decision to publish the application for opposition n71 and the relationship of application proceedings with related court litigation. n72

[ii] Preliminary Notice of Rejection.

[A] Grounds. During substantive examination when the examiner finds a ground for rejection, he is required first to issue the applicant a preliminary notice of rejection stating the grounds for rejection and designating a reasonable period of time in which the applicant can file a responsive written argument. For applicants in Japan the period for response is 40 days from the date of delivery and for applicants in foreign countries the period is three months, which can be extended for one month upon request. n73

[B] Typical Rejections. During the substantive examination the examiner may find a prior registration or application the same as or similar to the trademark sought to be registered. Then, with respect to similarity of goods, generally there are three distinct patterns which may occur in accordance with different ways of designating the goods. First, it may be that either the prior registered trademark or the prior pending trademark found by the examiner (hereinafter called the "cited trademark") or the application in question covers all the goods of the class. This happens when either the cited trademark or the application designates the goods using the class heading or the designation includes the words "and all other goods in the class." Of course, in such a case, a formal similarity between some goods already protected by the cited trademark and the goods listed by the applicant is always found. If it is the cited trademark which covers the whole class, the applicant is forced to give up the application no matter how narrowly he designates goods in the class. Note also that it may be that the owner of the cited trademark does not actually use the mark on anything likely to be confused with the applicant's goods, or he may not even mind if the applicant's mark is registered. In this respect, the cited prior registrant's claim to all goods in the class is decisive. The applicant's only remaining option is to approach the registrant with the view of asking the registrant to abandon or assign the overlapping goods of the registration to him. Or when the prior registrant has not used the cited trademark on overlapping goods for three consecutive years, the applicant could file a trial for cancellation on the basis of non-use. Alternatively, the applicant could sell his application to the cited trademark owner so that the applicant can register his trademark as an associated trademark of the registrant's trademark and then take back a license to use his own trademark. If the cited prior trademark is for goods comprising only a portion of the class and it is the applicant who has created overlapping claims by describing his goods too broadly, he may delete some goods to exclude the citation.

In the second pattern of similarity, both the cited prior trademark and the trademark sought to be registered cover only limited goods in the same class but in different subclasses or groups. In such a case, no likelihood of confusion will arise. In the third pattern of similarity, the goods of the cited trademark registration and the goods of the application are both limited and they are non-overlapping but fall into the same subclass or group. In such a case, the applicant can plead the provision of Article 6, paragraph 2 that "the classification of goods shall not fix the scope of the similarity of goods." As a matter of fact, however, it is extremely difficult for the applicant to persuade the examiner in charge into accepting the remoteness of goods that are in the same subclass or group by calling attention to various distinctions, such as differences of manufacture, distribution, or marketing.

The examination for similarity of goods does not extend to goods in classes other than the class for which the application undergoing examination has been filed, except where the Patent Office's Standards Concerning Similarity of Goods Examination has a specific cross-reference note. Through the entire application procedure including the opposition period, it is the examiner, representing the public interest, whose opinions and decisions control the fate of

the application. Accordingly, even a so-called "letter of consent" from the owner of a cited prior trademark or an amicable settlement reached by all parties in an opposition will not suffice to permit registration if the examiner remains convinced that the trademark applied for will cause confusion among the public with a prior registered trademark. That is, not only the registrant, but also the government itself retains an interest in the fate of the prior registration.

An examination as to the applicant's goods is also likely to take place when the application papers contain something which makes it difficult for the examiner to determine the proper class of goods, in which case the examiner requests the applicant to explain in detail the purpose and method of use, manufacturing process, construction, and materials of the goods.

[C] Applicant's Amendment. If the examiner issues a preliminary notice of rejection the applicant may file an argument within a period set by the examiner. This period is 40 days for applicants in Japan, and three months for applicants in foreign countries, from the date of delivery of the preliminary notice of rejection, which can be extended only once, upon request, by one month. If appropriate, an amendment of the application papers or division of the application can be filed within the same term together with, or in place of, the argument.

[iii] Amendment. Amendment of application papers may be made at any time before the examiner makes a decision to publish the application for opposition. After a decision to publish for opposition has been made, an amendment of the application papers may be made only at specifically prescribed times. Just as in patent applications, an applicant's priority with respect to other applications is based on his application's original contents and filing date, and accordingly he is not permitted to amend the gist of the application contents. n74 Generally an amendment to change the composition or constitution of the mark is not acceptable because it would change the gist of the application.

If the original list of designated goods in the application includes the general phrase "and all other goods in the class," during examination additional items of goods in the class may be specifically enumerated by amendment provided they are goods known to fall within the original class of the application. Without the phrase "and all other goods in the class," an amendment to add goods is not acceptable, but an amendment to restrict the goods is permissible since it merely narrows the claimed goods of the application. For example, in order to avoid conflict with a cited prior mark having overlapping goods, the applicant often excludes the overlapping goods from his application. Further, when the examiner's objection in the preliminary notice of rejection is that the goods described in the application belong to more than one class, the applicant may file an amendment restricting the goods of the original application to a single class and simultaneously file appropriate divisional applications, each limited to one class, to register the goods restricted out of the original application; these divisionals will get the benefit of the original application's filing date. n75 The applicant may decide to maintain only one application by deleting the goods beyond the class of the original application.

[iv] Publication and Opposition.

[A] Publication. When the examiner finds that the application, as originally filed or amended, contains no ground for rejection, he must issue a decision to publish the mark for opposition. n76

After the examiner's decision for publication, the application is in due course published in the Trademark Official Gazette (*ShohyoKoho*), including (1) the applicant's name and address, (2) the application number and date, (3) a reproduction of the trademark, (4) the designated class and goods, (5) a publication number and the date of publication, (6) the number of any associated trademark, and other necessary matter. n77

[B] Opposition. Any person who believes that the published trademark should have been rejected by the examiner under the authority of Article 15 (which enumerates the various grounds of unregistrability contained in the other articles), may file an opposition with the Patent Office.

The period for filing the opposition runs for two months from the date of publication for opposition; it cannot be extended. However, an opposer will often file only a *pro forma* opposition within this two month period. He then has

the rest of the opposition period plus an additional period (thirty days for opposers resident in Japan, and thirty days plus two months for opposers not resident in Japan) extending from the end of the two month opposition period to supplement his opposition with substantial reasons and evidence. n78 If an opposition is filed the examiner must send a copy to the applicant and set a time in which the applicant can reply to the opposition. Generally the applicant's response to an opposition is required to be filed within forty days for an applicant resident in Japan and within three months for an applicant not resident in Japan. n79 In the case of a foreign resident, his three month period may, upon request, be extended by one month. Within the period for filing response to the opposition the applicant may also amend his list of designated goods, restricting it to eliminate conflict with the goods of a prior registration. The applicant may also file a divisional application within this period. After the period of supplementing the opposition and the period of filing a response have elapsed, the examiner renders a decision on any opposition and at the same time issues a final decision on whether the applied-for trademark can be registered or not. n80

The opposer cannot appeal the decision on his opposition and the applicant can only attack a successful opposition by demanding an Appeal of the consequent separate decision to finally reject the application. n81 However, a dissatisfied opposer can have the examiner's decision for registration reviewed by waiting until the trademark has been registered and then demanding a trial for invalidation of trademark registration. Such a trial is by a panel of trial examiners of the Patent Office.

On the other hand, if the examiner issues a decision that the opposition has reasonable grounds, he also issues a separate decision rejecting the application which the applicant can appeal before the Trial Board of the Patent Office.

[c] Decision for Registration. If the opposition period has lapsed without any opposition having been filed or if the examiner decides that no opposition which has been filed states a reasonable ground for rejection, he issues a decision to register the trademark. n82 Within thirty days from the receipt of the examiner's decision for registration, the applicant must pay the registration fee for the trademark's whole duration of ten years or the application becomes invalidated. When the fee is paid, the trademark will be given a registration number and entered in the trademark register. n83 While no Certificate of Registration is automatically issued under the Act, the Patent Office will provide a certificate evidencing the registration upon request.

[d] Decision of Rejection. It often happens that in spite of the applicant's argument or amendment to remove the grounds of a preliminary notice of rejection, the examiner does not change his opinion and issues a final decision for rejection. Or such a final rejection may occur in the opposition proceedings following a decision that the opposition does present grounds for rejecting the application. Against such a decision, an appeal may be demanded within an unextendable set period, thirty days for applicants resident in Japan, thirty days and two months for applicants not resident in Japan. n84

[e] Appeal. Appeals are examined by three Trial Examiners of the Trial Board of the Patent Office. If the Trial Examiners consider that the ground for rejection is improper or has been overcome, they issue a decision for publication. On the other hand, if the Trial Examiners consider that the ground for rejection still remains, they issue a decision affirming the examiner's rejection, and the applicant may subsequently submit a suit against the Director-General of the Patent Office for cancellation of the decision before the Tokyo High Court within thirty days plus three months in the case of foreign residents and thirty days in the case of national residents from the date of receipt of the decision. This period cannot be extended. Thereafter, the dissatisfied applicant may have further recourse to the Supreme Court.

If the applicant does not demand a trial, the examiner's decision of rejection becomes final and conclusive.

Various trial procedures and suits of the Patent Act are also applicable *mutatis mutandis* to the trial of the trademark. n85

[6] Trademark Right

[a] Effect of Registration. Registration at the Patent Office is necessary to create the trademark right. n86 Therefore, until the mark is registered, the trademark owner cannot demand that a third party cease using a trademark identical with or similar to his trademark. However, under the Unfair Competition Prevention Law, the owner of an unregistered trademark may enjoy protection from another's use of the same or similar mark if (a) the unregistered trademark was widely known in Japan, before the other's use of the identical or similar trademark, (b) the other's use creates a likelihood of confusion as to the origin of the goods, and (c) the unregistered trademark owner's business interests are likely to be damaged by the other's use of a similar mark. Furthermore, under the Trademark Act, if the unregistered trademark has become well-known in Japan, the owner of the unregistered mark may prevent others from registering a similar trademark commonly under Article 4, paragraph 1, item 10, most commonly by filing an opposition after the other's mark is published for opposition. Or if the other party's trademark has become registered, he may institute a Trial for Invalidation. Even without invalidating the other's registration, the prior user of a well known unregistered trademark has a right, subject to the conditions of Trademark Act, Article 32 to continue to use the unregistered mark.

[b] Scope of Trademark Right.

[i] General. The trademark right of a registration has two faces: one is a defined right to use the registered trademark and the other is a more broadly defined right to prevent others from infringing the registered mark.

First, a trademark registrant exclusively possesses the right to use the registered trademark on the designated goods of the registration n87 for ten years from the date of registration, n88 which term is renewable upon application at least 3 months before expiration of the current term. n89 Since in the Japanese system it is the approved application papers and not use which create the positive trademark right, the right is limited to the trademark sample affixed to the Application paper and the designated goods indicated on the Application paper. n90 Thus, for example, if the registration has been obtained in Roman letter form, the registrant's use of its Japanese *Katakana* script equivalent trademark is not a use of trademark right.

Secondly, the trademark registrant is entitled to prevent others from using a similar trademark on goods similar to the designated goods of the registration. The scope of the right of prohibiting others from acts of infringement is generally broader than the positive trademark right as will be explained under Infringement, below.

[ii] Use of a Trademark in Japan. Under the Trademark Act, the following constitute use of a mark: n91

- (1) affixing the mark to goods or their wrappers;
- (2) assigning, delivering, displaying for the purpose of assignment or delivery, or importing goods to which, or to the wrappers of which, the mark has been affixed;
- (3) displaying or distributing advertisements, price lists, or business papers relating to goods to which the mark has been affixed.

It is generally accepted that the scope of the use has been enlarged by these statutory definitions, especially by the third one. When someone advertises a product in a magazine a few months in advance of actual sales, such advertisement is a use. Such advertising includes every kind of advertisement: neon lights, street signs, skywriting, T.V. commercials, etc. The term "business papers" includes order forms, parcel bills, invoices, catalogs, etc. In an unusual "use" case involving exports from Japan, an accused infringer shipped similar goods without a trademark from Japan and separately shipped trademarked labels and trademarked ornamental boxes designated to contain the similar goods. As the labels and ornamental boxes had not yet been used for wrapping the goods, they were held not to be the kind of "wrapper" indicated in Trademark Act, Article 2, paragraph 3(a) and the sale and shipping for export were held not to constitute infringing "use" within Japan. n92

[iii] Limitation on Trademark Right. A registrant's exclusive right to use his registered mark is limited by Article 26 so that he cannot prevent another's use of:

- (1) A trademark indicating in an ordinary manner the other's own image, or the other's own name, appellation, well-known pseudonym, stage name or pen name or a well-known abbreviation of any of these. However, this will not apply if such use was made after the registration and with the intent of competing unfairly.
- (2) A trademark which indicates in an ordinary manner the common name, place of origin, place of sale, quality, raw materials, efficacy, use, quantity, shape or price or the method or time of production, processing or use of certain goods which are the same or similar to those of the registration.
- (3) A trademark which is customarily used on certain goods which are the same or similar to those of the registration.

For example, a certain company managed to register "JUNSEI" and its corresponding Chinese *Kanji*, which means "GENUINE" in English, with respect to automobiles and automobile parts. But the registrant was unable to prevent another from using the marking "GENUINE PARTS" and its corresponding Chinese *Kanji* on similar products because of Article 26, paragraph 1, item 3. n93

In certain cases the holder of a registered trademark cannot exercise his right because it would conflict with another person's right. For example:

- (1) When the trademark registrant has granted a licensee an exclusive use right with respect to his trademark right, the registrant is excluded from exercising his right with respect to those uses within the scope of the exclusive license. n94
- (2) Sometimes a prior user has used an identical or similar mark on goods the same as, or similar to, those of the registrant's goods in such a way as to make the prior use mark well-known in Japan before the date on which the registrant applied for the registered mark. In such cases the registrant cannot prohibit the prior user from continuing use of the identical or similar mark. n95
- (3) Sometimes a person who has been granted a trademark registration for a mark uses it on his goods without knowing that the registration is subject to being invalidated under one of the provisions of Trademark Act, Article 46, paragraph 1. In such case, if his use precedes another's filing of demand for invalidation and makes the mark well-known as an indication of his goods even if the registration is subsequently invalidated, the owner of the invalidated registration can, by paying a reasonable remuneration to the owner of any valid registration covering his mark and goods, continue use of the mark. n96

Sometimes a certain way of using his registered trademark conflicts with another's registered design right based on an application filed prior to the trademark registrant's trademark application or a copyright becoming effective before his trademark application. In such a case the trademark registrant is prohibited from using his trademark in this way. n97

[7] Infringement

[a] Acts of Infringement.

[i] General. Article 36, paragraph 1 provides that "the owner of a registered trademark, or one to whom he has given the exclusive right to use the mark, may demand of a person who infringes or is likely to infringe upon the

registered trademark right or exclusive use right that such person discontinue or refrain from such infringement."

Of course it is an infringement whenever there is unauthorized use of the registered mark in connection with the goods designated in the registration because this violates the trademark owner's right to use given in Trademark Act, Article 25. In addition, Trademark Act, Article 37 specifically designates various acts that will also be regarded as infringement. For example, Article 37, item (1) deals with similarity of marks and goods and extends infringing acts to include: (i) using a trademark similar to the registered trademark on the designated goods, and (ii) using goods similar to those designated in the registration in connection with the registered trademark or a similar trademark. Thus the trademark right as defined by Trademark Act, Article 25 is well protected by enlargement of the coverage of the registered trademark and designated goods. However, it is much wiser if prospective infringement acts can be effectively prohibited before an actual infringement in the marketplace takes place. For this purpose, Article 37, paragraphs 2-6 lists related acts that will be regarded as infringement. By such an enlargement of the acts of infringement, the possessing, producing or importing labels bearing the registered trademark or a similar mark for use on the designated goods is an infringement. Producing, delivering or importing plates or tools exclusively used for making a label, print or bottle bearing a colorable imitation of a registered trademark is an infringement. The particulars of the provisions are as follows:

"Article 37. The acts mentioned below shall be regarded as infringing upon the trademark right of a registrant or one to whom he has given an exclusive right to use the mark;

- (1) Using a similar trademark in connection with the designated goods, or use on goods similar to the designated goods of the registered trademark or a similar trademark.
- (2) Possessing, for the purpose of assignment or delivery, the designated or similar goods to which, or to the wrappers of which, the registered or a similar trademark has been affixed;
- (3) Possessing, for the purpose of using the registered or a similar trademark on the designated or similar goods, an article on which the registered or a similar trademark appears.
- (4) Assigning, delivering, or possessing for the purpose of assignment or delivery, for the purpose of causing another to use the registered or a similar trademark on the designated or similar goods, an article bearing the registered or a similar trademark.
- (5) Producing or importing for the purpose of using or causing another to use the registered or a similar trademark on the designated or similar goods an article bearing the registered or a similar trademark.
- (6) Producing, assigning, delivering or importing, as a business, something which is only used for producing things bearing the registered or a similar trademark.

To enjoin infringement the trademark registrant or his exclusive right holder (licensee) need only establish (a) the existence of the trademark right or his exclusive use right as shown by a certified copy of the Trademark Register of the Patent Office, (b) an infringing act by the defendant prohibited by Article 25 or an act regarded as infringement by a category of Article 37, (c) similarity of the defendant's mark and (d) similarity of the defendant's goods. If damages are sought, the defendant's intention, or at least his negligence, and the plaintiff's damages should be further proved, although the burden of proof of these items are reduced by the law, as later explained.

[ii] Infringing Acts. The functions of the trademark are threefold: to identify the source of the goods, to guarantee the quality of the goods and to advertise the goods. If the defendant's act has nothing to do with any of these three trademark functions, the plaintiff's trademark right will not, as a rule, be considered as injured at all. In such a case, the

defendant's act does not constitute an infringing act.

For example, the defendant's use may be purely decorative. Thus where the plaintiff had a 1959 registration for a combined trademark of cartoon figure "Popeye" and "POPEYE" in both English and Japanese *Katakana* letters and the defendant used a similar picture of the comic book character "Popeye" and the word "POPEYE" printed on the front of shirts, the Osaka District Court dismissed the action on the ground that the defendant's use was not a trademark use but an ornamental use to attract general consumers. n98

In another case concerning the defendant's mode of usage, the plaintiff had registered the trademark "TOYLAND" in both Roman letters and Japanese letters. The defendant department store put up an in-store sign labeled "TOYLAND" showing customers the way to the store's toy department. Finding that the use was only for a directional sign or guide and not a trademark use, the court dismissed an action of infringement. n99

[iii] Similarity of Trademarks and Goods. In judging similarity of trademarks between the plaintiff and defendant, the court assumes a different attitude than the Patent Office, taking into consideration various circumstances in the market where the marks are used, such as what pronunciation or idea is actually given to the trademarks at issue by consumers, the manner of the usage of the trademarks, etc. For example, in one case the plaintiff registered a trademark and several associated trademarks for "Love," handwritten in somewhat ambiguous ways, with respect to cosmetics. The pronunciation of those trademarks was disputed. Particularly, in one of the registrations one could not tell if the mark's second letter was an "a" or an "o." Using this ambiguous registration, the plaintiff sued a company using the words "LOVE" and "LOVE IS HERE" in Roman letters for cosmetics. The court stated that if the plaintiff had been using and advertising his registered trademarks under the pronunciation of "Love" and as a result consumers had come to remember the plaintiff's trademarks as "love," then the plaintiff's registered trademark should be protected in the pronunciation, appearance and meaning of "love." But the court found that this was not so and declared that the plaintiff's use of its trademarks did not give them any definite appellation or meaning. n100

When judges examine the similarity of the goods, they do not rely as strongly as Patent Office Examiners on the Patent Office's Standards for Examining Similarity of Goods. Judges examine more thoroughly whether the defendant's goods can cause confusion as to the origin of goods. In the action where the registrant of "THE SANYO TYRE" with respect to various kinds of tires sought to prevent the defendant from using "SANYO" with respect to bicycles and bicycle parts, Osaka High Court found similarity between tires and bicycles and bicycle parts, reasoning that all these goods have a generally close connection in their usage and are commonly sold in the same stores to the same consumers. But the Supreme Court overruled the Osaka High Court decision, stating that likelihood of confusion as to the origin of the goods should be examined, taking into account the circumstances of each particular case. The Supreme Court felt that some bicycle parts would be similar to tires but some would not. n101

[iv] Defenses in Trademark Infringement Suits.

[A] Dissimilarity. The most common defense is that due to dissimilarity of the trademarks or goods, confusion as to the origin or quality of the goods is not likely to occur. If the defendant's act does not fall under Article 36 or any item of Article 37 of the Trademark Act, the defense of nonprohibited act can be made.

[B] Customary Use. Where the defendant's use of his mark is one of the customary uses listed in Article 26, the defense that the plaintiff's trademark right does not extend to the defendant's use can be made.

[C] Prior Use. If applicable, the defendant's prior use which has made his mark well-known in Japan can be also asserted under Articles 32 and 33 of the Trademark Act. n102

[D] Application Date. If applicable, the defendant may assert under Trademark Act, Article 29, that the date his copyright took effect or the application date of his design registration supersedes the application date of the plaintiff's trademark registration, but there has been no case precedent on this point.

[E] Not Trademark Use. Where the defendant's use of the mark at issue is not a trademark use, a defense that his act does not constitute a trademark infringement is available.

[F] Plaintiff's Permission. The plaintiff's permission to use the plaintiff's mark, express or implied, is a strong defense but sometimes hard to establish. In the Oil Treatment Additive case, the defendant Japanese company purchased imported large drums of the U.S.-made genuine product bearing the U.S. plaintiff's trademark and resold it in ten ounce trademarked cans (manufactured by another Japanese defendant) which were virtual copies of 10 ounce cans of oil treatment sold by the U.S. plaintiff through a Japanese distributor in Japan. The defendant asserted that the ultimate consumers cannot use the oil treatment in large amounts at one time, and thus when the large drums were sold, such repacking was expected to be made under the same trademark and can design. But the court rejected this defense and issued a provisional injunction. The court held that even when repacking was foreseen by the seller, it cannot be inferred that the seller-trademark registrant was intending to permit the purchaser to attach the seller's trademark to the repacked small cans without the seller's authorization. n103

[G] Misuse. In the *Galaxy* case, the defendant Yamazoe, through a considerable amount of advertisement, had established the reputation of the Japanese trademark "Amanogawa" (which means "the Galaxy"). In a previous case Yamazoe managed to get a provisional injunction served on a later user of "Ginga," a synonym of "Amanogawa." In order to achieve priority to Yamazoe, the later user, Ginga Shokai, purchased an even earlier Japanese registration for "Ginga." Then "Ginga Shokai," as plaintiff, filed a suit to enjoin the defendant Yamazoe from using "Amanogawa," based on the similarity of meaning of the two marks and priority of the "Ginga" registration. The Tokyo High Court adjudicated that under such circumstances, the plaintiff Ginga Shokai's actions were a misuse of the trademark right it had acquired; the court denied the injunction. n104

[b] Civil Remedies. Three types of civil remedies are available under the Trademark Act: (1) injunction, n105 (2) damages n106 and (3) restoration of plaintiff's business reputation. n107

When an injunction is requested, the plaintiff may demand the disposal of anything which constituted the act of infringement, the removal of any equipment which contributed to the act of infringement, or any other acts necessary for the prevention of infringement. n108 An injunction can be demanded either by a regular lawsuit or by a provisional injunction suit which is determined by the court in shorter time.

Damages may also be requested by the plaintiff, but then according to the general rule of torts, the plaintiff must prove the defendant's intention or negligence in carrying out the infringing acts as well as plaintiff's damages arising from defendant's infringing acts. In light of the difficulty in proving the defendant's intent or negligence and the plaintiff's damage, the law has some special provisions regarding proof.

Infringers are presumed to have been at least negligent in committing infringement. n109

As for damages, Trademark Act, Article 38 sets forth determination of infringement as follows:

- (1) When an intentional or negligent infringer has made profits by an infringing act, such profits are presumed to be the amount of damages suffered by the plaintiff, trademark holder or exclusive licensee. n110
- (2) The plaintiff may demand from an intentional or negligent infringer, as indemnification of the amount of damage he himself has sustained, an amount equal to what would normally be received for the use of the registered trademark. n111
- (3) The plaintiff may claim damages in excess of the amount of money he would normally receive for the use of the registered trademark but the court may take the absence of willfulness or gross negligence on

the part of the infringer into consideration in determining the amount of indemnification for plaintiff's damages. n112

The Tokyo District Court has held that the gist of the infringer's profits provision, Article 38, paragraph 1, is not to presume that the registrant has suffered damage. Rather, if the court finds that the registrant has suffered damages, then this provision presumes an amount of damage which the registrant suffered from the infringement. Therefore, the court did not allow a plaintiff who was not using his registered trademark damages equal to the infringer's profits but allowed only an amount equal to the royalty which the plaintiff would normally have received for the use of his trademark. n113 However, in an earlier case a plaintiff who was actively using his mark obtained the defendant's profits under Article 38, paragraph 1. n114

Regarding measures to restore the plaintiff's business reputation, Trademark Act, Article 39 makes Patent Act, Article 106 applicable, which provides as follows:

"The Court may, upon request of the trademark owner or his exclusive licensee, order an intentional or negligent infringer who has damaged the business reputation of the trademark owner or his exclusive licensee to take such measures as are necessary for restoring such business reputation, either in place of or addition to money indemnification for damages."

Such measures to restore the plaintiff's reputation will not readily be granted by the court unless really required for making plaintiff whole, such as when the quality of the infringer's goods is inferior or the infringer's advertising is of low grade, etc. As the remedial measures, the court usually orders the defendant to publish an apology in a daily newspaper after carefully examining the wording in order not to impose an undue burden on the defendant or make the apology an advertisement of the plaintiff's trademark.

[c] Criminal Sanction. Criminal sanction is taken, as a matter of practice, only when the infringer cannot be left alone because the infringing act is bad in terms of size, manner, or nature and consumers have actually been confused as to the origin of the goods by the infringing act. The infringer can be punished with penal servitude at hard labor not exceeding five years or by a fine not exceeding five hundred thousand yen. n115

[d] Parallel Importation of Genuine Goods. Article 2 of the Trademark Act stipulates that an act of importing trademarked goods constitutes a use of the trademark n116 and Article 37 also stipulates that an act of importing articles bearing a registered or similar mark used on the designated or similar goods is considered infringement. n117 Thus, there is no doubt that importation of the goods bearing counterfeit trademark is prohibited. On the other hand it sometimes happens that genuinely trademarked goods are brought into Japan by an importer who is not authorized by the trademark right holder to do so. If the trademark on the imported goods was legitimately attached to the goods by the trademark right holder himself in the foreign country of origin, we have the worldwide problem of what is called "parallel importation of genuine goods." In Japan, very few cases discussed confront this problem thoroughly. In the *Parker Pen* case, n118 the plaintiff tried to import genuine Parker pens purchased in Hong Kong into Japan but could not, because the Osaka Customs Office did not issue import permission under Article 21 of the Tariff Act. This was because the defendant, an exclusive licensee of Parker pen, did not give a letter of consent to plaintiff's importation of genuine Parker pens. Under these circumstances, the plaintiff brought an action for confirmation that the defendant did not have a right to prevent the plaintiff from importing genuine Parker pens. The Osaka District Court accepted the plaintiff's assertion and expressed the view that the Trademark Act, by protecting the functions of trademark to identify the source of goods and guarantee the quality of goods, protected both the interest of the trademark owner and the interest of the consuming public. In this sense, therefore, the trademark right is social and public in nature. Hence, the scope of the territoriality principle of trademarks can be restricted by social interest and shall be determined by judging whether or not the proper functions of the trademark are injured. Viewed from a formal logic, the plaintiff was infringing the defendant's exclusive right to use the trademark in Japan. However, in substance there was no infringement because the consuming public would never be misled as to the origin or quality of the Parker pens.

Plaintiff's Hong Kong imports were exactly the same as the defendant's pens.

The *Parker Pen* case was welcomed by scholars and by the Japanese government, and in consequence, the practices of the Customs Office in enforcing Article 21 of the Tariff Act have been changed. Article 21 of the Tariff Act prohibits importation of goods which infringe a Japanese patent, utility model, design right, trademark right, or copyright. Under this provision, before the Parker pen case, importation of even genuine goods had been prevented by the Customs Office. In 1972, following the decision in *Parker Pen*, the Finance Ministry issued a directive n119 dated August 25, 1972 (effective October 1, 1972), adding a fifth paragraph concerning genuine goods to the previous four paragraph directive:

"Paragraph 5 Treatment of Genuinely Trademarked Goods in a case of Parallel Importation

This paragraph applies when a petitioner asks the Customs Office to prevent importation of goods bearing a mark identical with the petitioner's registered trademark. If such goods are imported by a person other than the petitioner but are considered to be genuine goods legitimately distributed with such mark attached, they shall be treated as not infringing the petitioner's trademark right. The permission to make parallel imports of genuine goods extends to those goods which were legitimately trademarked and distributed by a person who is the trademark right holder in Japan or who has a special relationship with the trademark right holder in Japan so that both persons can be regarded as one person. But if the source or quality indicated or guaranteed by the trademark attached to the goods thus distributed differs from the source or quality indicated or guaranteed by the trademark under petition and the trademark as used by the parallel importer is considered to be separately used under circumstances similar to those of the petitioner's trademark, then in such cases those genuine goods should be excluded from Japan."

In the *Parker Pen* case, the exclusive licensee of the trademark Japanese registration "Parker" was not allowed to prevent an unauthorized importer from importing genuine "Parker" pens into Japan. The trademark registration owner for "Parker" and the owner's exclusive licensee for Japan were regarded as a single person in terms of the trademark functions of identifying the origin and guaranteeing the quality of the pens. A different fact situation and result occurred in the TECHNOS case, a trademark infringement suit brought in the Tokyo District Court some years after the Parker Pen case. n120 The defendant had imported genuine "TECHNOS" wristwatches from Hong Kong and sold them in Japan. The Japanese plaintiff owned the Japanese registration for "TECHNOS" and assembled and sold "TECHNOS" marked watches in Japan using the movements imported from the Technos Watch Company of Switzerland, the trademark registrant of "TECHNOS" in Switzerland. The defendant's defense of permissible parallel importation of genuine goods was not accepted by the court. The court found that the defendant's importation and sale infringed the plaintiff's Japanese trademark registration because the defendant did not show that the plaintiff should be regarded as the same person as the Swiss manufacturer of TECHNOS watches who had registered "TECHNOS" in Switzerland. In this case, the Japanese plaintiff had probably obtained a Japanese registration for "TECHNOS" on watches before the "TECHNOS" trademark was registered or became known in Switzerland and thereafter bought movements from the Technos Watch Company. But the defendant did not clarify the facts of the relationship between the Japanese plaintiff and the Technos Watch Company for them to be treated as a single person in terms of the functions of the "TECHNOS" trademark.

Thus, the extent of applicability of the *Parker Pen* case is still unknown so that the laws regarding parallel importation of genuine goods have not been well established.

[e] Marking Requirements. According to the Trademark Act, Article 73, a registered trademark owner and his licensees must endeavor to indicate that the trademark is registered on the trademark-bearing goods or their packaging. The Trademark Law Enforcement Order prescribes that this marking contains the Japanese words for "registered trademark" and the trademark registration number. In practice, a more simple marking, such as the letter "R" enclosed within a circle is often used. While there is not a statutory penalty for failure to use a proper registration notice, if an

infringement occurs, proper trademark marking will make it easier to prove the infringer's bad faith. Where there is a false marking indicating that a mark is registered when actually it is not, the person criminally responsible can be punished by penal servitude up to three years or a fine of up to two hundred thousand yen can be imposed. n121

[8] Non-Use

[a] General. It is not a sound condition for any trademark system to preserve a great number of registered trademarks which are not in use. From this viewpoint, in 1959 the old law was amended to make the system for cancelling unused marks more effective. A non-used trademark is not cancelled automatically by the Patent Office, but by the trial for cancellation filed by anyone who has a legal interest in bringing the trial. Where neither the trademark owner nor a licensee has used the registered trademark for more than three consecutive years following the registration date, such a period of non-use, if established, will result in cancellation unless the trademark owner is able to show a reasonable cause for non-use. Moreover, various measures were taken to simplify proof of non-use by the party who demanded the trial for cancellation, but the Patent Office's practices did not change much and only a few demandants successfully cancelled registrations. Under such circumstances, the law was again revised on June 25, 1975, n122 effective on January 1, 1976. Under this revised law, the burden of proof of non-use has been shifted from the demandant of the trial for cancellation to the defending registrant. That is, the registrant is now required to prove his use of the registered trademark with respect to at least one item of the designated goods during the three years immediately preceding the recorded date of the demand for the trial for cancellation at the Patent Office. n123

In this connection, it must be remembered that a licensee's use inures to the benefit of the trademark registrant. n124 Secondly, when the registered trademark is associated with one or more other trademarks as an associated trademark, and any one of the associated trademarks has been used, the use requirement is satisfied. n125

[b] Trial for Cancellation Because of Non-Use. Proceedings at a trial for cancellation are rather simple. Any person who is, in a legal sense, interested in a registered trademark which has not been used for any period of three consecutive years following the mark's registration, may demand a trial for cancellation. The demanding party submits a written demand to the Patent Office under Trademark Act, Article 56 which incorporates Patent Act, Article 131, paragraphs 1 and 2. The demand must identify the registration filed against and allege that neither the trademark registrant nor any licensee has been using the registered trademark for a period of three consecutive years or more with respect to all or certain items of the designated goods of the registration in connection with which the trial is filed. In many cases the demandant conducts an investigation either directly or through an investigation agency, before filing the demand to determine whether there has been use of the registered trademark. By making such pre-investigation, the demandant increases his chances of adopting a successful position in the demand, since the demandant may seek a cancellation either for all the designated goods or only certain specified goods among the designated goods. The registrant can file any defensive response within forty days in the case of a national resident and forty days plus two months in the case of a foreign resident from receipt of a copy of the written demand. If the demandee is unable to show his use of the registered trademark by himself or his licensee with respect to the goods for which the cancellation has been demanded, the registration will be cancelled unless he can show a justifiable reason for non-use. Sufficient reasons for non-use are few, such as an Act of God or acts or events not imputable to the registrant.

Since the revision of the law, practices at the Patent Office have been expectedly changed and the success rate in the trial has been much higher than before. Although only 65 registrations were cancelled in 1978, this number is expected to increase. Cancellation on the basis of non-use is realized in short time and without difficulties if the registered trademark has not in fact been used.

[9] Trial for Cancellation and Invalidation

[a] Trial for Cancellation. Trial for cancellation of a registration is available to interested parties not only for a non-used trademark but also for three other reasons:

(1) Improper use of a registered trademark by the registrant that causes misunderstanding of the quality of goods or confusion as to the origin of the goods; n126

(2) Improper use of registered trademark as in (1) by an exclusive or nonexclusive licensee. In this instance, the registrant can avoid cancellation if he was not aware of such misuse by his licensee in spite of exercising due care. n127 Under this provision, trademark licenses, which are allowed to be granted without any restriction, are expected to be strictly supervised by the licensor, to the benefit of consumers. However, in practice, there is almost no reported case of cancellation under this provision;

(3) The registration of the trademark was made by an unauthorized agent or representative of an alien trademark owner who is entitled to protection under the Paris Convention. n128 In Japan, the concepts of "agent" and "representative" are so narrowly construed that it is very difficult to cancel a registration under this provision.

Trials on grounds (1) and (2) above cannot be demanded more than five years after the alleged improper use has ceased to exist. n129 A trial against an authorized filing by an agent or representative under Article 53-2 cannot be demanded more than five years after the trademark is registered. n130

As regards formalities of the cancellation procedures, the analogous provisions of the Patent Act are applicable in trademark cases. n131

[b] Trial for Invalidation. A trademark registration can only be invalidated by the Patent Office by filing a demand for a trial. In almost all instances where the trademark application should have been denied registration, the subsequently registered trademark is subject to a trial for invalidation upon demand by any interested person. Trademark Act, Article 46 lists the grounds for a trial for invalidation. The most frequently asserted grounds are the same ones upon which applications are most frequently denied registration. A trial based on a reason which protects the demandant's personal interest, such as similarity of the registered mark with demandant's prior registered trademark or well-known unregistered trademark, confusion as to origin of goods or lack of distinctiveness, etc., cannot be brought after five years from the registration date. But a trial based on confusion as to the nature of the trademarked goods affects the public interest and so can be demanded at any time. n132

A trial may be demanded for all or selected items of the designated goods of registration. Procedures of the trademark trials for invalidation generally follow those under the Patent Act for patent invalidations.

[10] Renewal

[a] General. A trademark registration expires ten years from its registration date but may be successively renewed for an additional ten years at a time. n133 To avoid lapse of priority vis-a-vis other registered marks it is essential that a renewal application is filed no sooner than six months prior to or no later than the date of expiration of the current term. n134

Under the old law which prevailed until June 25, 1978, when a renewal application was filed, the examiner examined the application in a formal way and allowed it unless the subject trademark had become a mark identical with or similar to a flag, crest, emblem, etc., of a state, nation, or international organization or was deemed likely to be detrimental to public health or public morals or likely to give rise to misunderstanding as to the quality of goods. n135 These restrictions to renewal remain under the revised Act.

Since June 25, 1978, the registrant applying for renewal must also file evidence with the renewal application papers of use of the trademark in Japan by himself or a licensee within the three-year period immediately preceding the filing of the renewal application. If such evidence is not filed together with the renewal application paper, the renewal

application will not be accepted. n136 Further, the renewal applicant will not be permitted to make any substantial change or addition to evidence once filed.

Even if the subject trademark is not used, if there is just reason for such non-use, the registration is still renewable. In this case, the registrant must file an explanation for the non-use together with the renewal application papers. In general, the registrant will be excused for non-use caused by: (1) earthquake, typhoon or other natural calamity, (2) destruction of his property, etc., by other persons, (3) legal prohibition of the manufacture and sale of the designated goods. That is, the reason for non-use must be an Act of God, or acts or events not imputable to the registrant.

When a renewal application together with evidence of use or a document explaining the reason excusing non-use are properly filed, the examiner examines the renewal application. If the examiner considers that the evidence of use is not sufficient to prove the use of the mark, or that the document explaining the reason for non-use is insufficient, he will reject the renewal application. But first the examiner issues a preliminary notice of rejection. And as in ordinary application procedures, the applicant registrant can submit an argument against the official preliminary notice rejecting the renewal application. If, in spite of the applicant's argument, the examiner still feels that the official objection is applicable, he will finally reject the application. The applicant may then file an appeal from the final rejection with the Board of Appeals of the Patent Office.

A use of the registered trademark by an exclusive or non-exclusive licensee may satisfy the use requirements. In such case, the registrant has to file evidence of his licensee's use.

Evidence of use of the trademark may be in general in the form of a photograph (10.6 cm x 8.1 cm), a catalog or an advertisement, showing the trademark as it is used on any item of the goods covered by the registration. More particularly, if it is the goods themselves which bear the mark, photographs or other materials distinctly showing both the goods and the mark should be filed. If a mark is not attached to the goods but is shown on the associated packages or cartoons, photographs, or other materials showing both the trademarked packages or cartons as well as the goods themselves should be filed. If the mark is shown only on display cases, tags, or labels, then photographs or other materials showing the fact that these cases, etc., are actually used in association with the goods should be filed. As for the photograph, the date on which the photograph was taken and the full name and address of the photographer must be made clear. For catalogs, the date on which the catalog was printed as well as the full name and address of the printing company should be shown. For advertisements, the name of the magazine, newspaper, etc., in which the advertisement appeared, the date of advertisement, and the name and full address of the publisher should be indicated.

[b] Use of Trademark. The trademark used must be substantially identical with the registered trademark to support renewal. The following are specific examples provided by the Patent Office:

- (1) When the registered trademark is "BO" in Roman letters and Japanese *Katakana* script, a use of only "BO" in Roman letters cannot be a use of the registered trademark because the very simple two letter Roman letter trademark only became registrable due to an attachment of the Japanese *Katakana* script version.
- (2) When the registered trademark is "BLUEBIRD" in capital letters, a use of "Bluebird" with only the first letter capitalized can be proper use, because these two versions are substantially the same in view of the ordinary style of appearance of the letters, and their meaning and pronunciation.
- (3) When the registered trademark is "MIKAZIN" in Roman letters, a use of a Japanese *Katakana* script mark equivalent to "MIKAZIN" cannot be a use of the registered trademark because the appearance of the *Katakana* script version is distinctively different.
- (4) When the registered trademark is a composite trademark, namely one composed of both a word in

Roman letters and a word in Japanese *Katakana* script, or a Roman letter word and Japanese word written with Chinese *Kanji* characters, or a Roman letter word and a design, a use of only one component part cannot be a use of the said composite trademark unless a use of only one part is clearly considered to be identical with the said composite trademark in idea or meaning. Notwithstanding that the part used conveys the same idea as the missing part, if more than one pronunciation is likely to be given to the part used without the companion registered *Katakana*, *Hiragana*, or Chinese characters, a use of only the one component part cannot be a proper use of the registered trademark. An exception that proves the rule is that for packages for drugs, where the Roman letter mark and *Katakana* script mark are usually shown on different faces of the package; such separated use of the two component parts can still constitute a proper use of the registered composite trademark.

Since initial registration is not based on use, care must be paid by the Patent Office, scholars, and practitioners to develop a workable interpretation of the law, the examination on "use" in the renewal application being a new practice at the Patent Office.

[c] Service Marks Protection. In 1991, the Trademark Act was amended to include service marks within its coverage of protection. n137 The gist of the amendment was to change the definition of a trademark to include a service mark. Consequently, a Service mark is treated as one category of trademarks, and most of the existing provisions of the Trademark Act apply thereto.

A service mark generally means a mark used by the service industry such as advertising, banking, construction, transportation, hotels and restaurants in order to distinguish its service from another person's service. The Act defines a service mark as a mark which is used with respect to a service by a person providing or certifying the service. n138 The term "use" herein means as follows: n139

- 1) an act of affixing a mark to distinguish his/her service from another's (hereafter such a mark) on goods which are to be directly used by a person to whom the service is provided. Such goods may include, for example, tableware in a restaurant, and taxicabs of taxi business;
- 2) an act of providing service with goods bearing such a mark. For instance, the act of providing dishes with the tableware bearing such a mark by a restaurant;
- 3) an act of displaying goods on which such a mark is affixed and which are to be directly or indirectly used in the course of providing service. The goods to be indirectly used may include, for example, coffee siphon in a coffee shop;
- 4) an act of affixing such a mark on customer's goods to which service is provided. Such customer's goods may include a car in the case of car repairing business, or;
- 5) an act of displaying and/or distributing an advertisement, a list of fees or business papers relating to the service on which such a mark is affixed.

Since service marks are, as mentioned above, treated as a category of trademarks, the existing provisions for trademark protection, such as provisions to the application procedures, the examination procedures, requirements for registration the right granted to the owner of the registration and the limitations on the right apply to the service mark protection as well. Instead of designating goods, an applicant must designate the service with which he/she is going to use the applied-for service mark. The classification of services is in accordance with the International Classification of Goods and Services of Nice.

[d] Similarity. Determination of similarity of trademarks is one of the essential elements in the trademark

protection system. Under the present business practices where service and goods may often be provided by the same person, confusion as to the origin may possibly occur with respect to goods and service, as well as goods and goods, or service and service. The Act therefore especially provides that a service may be included within the scope of similarity of the goods in question, and a good may be included within the scope of similarity of the service in question.ⁿ¹⁴⁰ That means, service and goods are treated equally in regard to the determination of the scope of similarity. To be more concrete, for instance, in cases where a service mark is identical with or similar to a registered trademark affixed on similar goods, such a service mark may not be registered. Similarity of goods and service is determined upon the considerations of 1) whether providing the service and production/distribution of the goods is generally done by one person; 2) whether the use of the service and that of the goods are in very close relation; 3) whether the place of providing the service and that of distribution of the goods are the same; and 4) whether the user of the service and the goods may be the same person. Similarity of goods and services may be found, for example, in foods and service in a restaurant, and a car and car repairing business.

Following the same consideration of similarity, the registration of associated trademarks is possible with respect to an ordinary trademark and a service mark as well as a service mark and a service mark. The defensive mark registration is also available in regard to services.

[e] Prior Use Right. As in the case of ordinary trademark registration, the registrant cannot prevent a person who, without any intention of violating the rule so fair competitor, has been using a service mark identical with or similar to his/her registered service mark since before October 1, 1991 (six months before the effectuation of the amended Act), from continuing use of the service mark.

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Recent development including legislative updates and court cases is listed as follows:

- ◆ [law] Regional Collective Marks: Trademark Act Partially Amended to Accept Registration of Regional Collective Marks (*See* Ch. 1 § 1.02[6]; Ch. 6 § 6.03[3] *supra*)
- ◆ [law] Provider's Liability & Trademarks: Guidelines for Provider's Responsibility Limitation Act Related to Trademark Act / Council on Guidelines, etc., for Provider's Responsibility Limitation Act (*See* Ch. 1 § 1.02[6]; Ch. 6 § 6.03[7] *supra*)
- ◆ [case] Intellectual Property High Court Decision (April 13, 2005): Court Annuls Trial Decision Made at Patent Office That Accepted Registration of Similar Trademark (*See* Ch. 1 § 1.02[6]; Ch. 6 § 6.03[9][c] *supra*)
- ◆ [case] Supreme Court Decision (February 27, 2003): A Case in Which Parallel Importation Is Not Considered Illegal for Trademark Infringement (*See* Ch. 1 § 1.02[6]; Ch. 6 § 6.03[7][d] *supra*)
- ◆ [case] Supreme Court Decision (September 17, 2002): Procedural Defect in Judging Cancellation of Trademark Registration Not Serious Enough to Obligate Cancellation of the Judgment (*See* Ch. 1 § 1.02[6]; Ch. 6 § 6.03[5][e] *supra*)
- ◆ [topic] Use of Roman Characters to Be Allowed in Register of Business Names / Ministry of Justice (*See* Ch. 1 § 1.02[6]; Ch. 6 § 6.03[1][b] *supra*)
- ◆ [case] Supreme Court Decision (July 6, 2001): Trademark Containing the Word "POLO" May Cause Confusion on Origin of Products (*See* Ch. 1 § 1.02[6]; Ch. 6 § 6.03[3][c] *supra*)

FOOTNOTES:

(n1)Footnote 1. This section will be revised shortly. For recent developments in trademark law, see Business Law Outlines: Intellectual Property at Ch. 1 § 1.02[6], New Legal Topics at Ch. 1§ 1.03[6], New Statutes and Standards at t Ch. 1§ 1.04[6], and New Cases at Ch. 1§ 1.05[6].

(n2)Footnote 2. *Shohyo Ho*, Law No. 127, 1959.

(n3)Footnote 4. However, one type of competitive act that is not necessarily prohibited under trademark and related laws is the parallel importation of a genuine products. For example, see no trademark infringement in parallel importation case, Supreme Court, 2003.2.27, Minshu 57.2.125 discussed at Ch. 1 § 1.02[6] *supra*.

(n4)Footnote 5. Trademark Act, Art. 11, para. 2.

(n5)Footnote 6. *Id.*, Art. 11, para. 3.

(n6)Footnote 7. *Id.*, Art. 24, para. 2.

(n7)Footnote 8. *Id.*, Art. 64.

(n8)Footnote 9. *Id.*, Art. 65.

(n9)Footnote 10. *Id.*, Art. 66.

(n10)Footnote 11. *Id.*, Art. 67.

(n11)Footnote 12. An amendment to the Trademark Act in 2005 now permits the registration of regional collective marks. Law No. 56, 2005. For a summary of the amendment, *see* Partial Amendment of Trademark Act at Ch. 1 § 1.02[6] *supra*.

(n12)Footnote 13. *See* § 3.01 *supra*.

(n13)Footnote 14. Trademark Act, Art. 70, para. 1.

(n14)Footnote 15. Tokyo High Court Shimizu Shokuhin K.K. v. Director-General of Patent Office, 8 Gyosei Shu 12, 2199, Dec. 8, 1957.

(n15)Footnote 16. For example, see Trademark containing the word "POLO" may cause confusion on origin of products, Supreme Court, 2001.7.6, Hanreijiho 1762.130; and Court Annuls Registration of Similar Trademark "Polo Grand Japan," Intellectual Property High Court, 2005.4.13 (JALO Topics, T05.350), discussed at Ch. 1 § 1.02[6] *infra*.

(n16)Footnote 17. Guidelines for Examination of Trademarks No. 1.

(n17)Footnote 18. Tokyo High Court, 14 Gyosei Shu 835, April 30, 1963.

(n18)Footnote 19. Tokyo High Court, K.K. Sankodo v. Director-General of Patent Office, 361 Hanrei Times 323, February 16, 1977.

(n19)Footnote 20. Tokyo High Court, K.K. Miyakodai v. Mizuno, 361 Hanrei Times 325, June 9, 1977.

(n20)Footnote 21. Tokyo High Court, Mitsubishi Electric Co. v. Director-General of Patent Office, 7 Mutai Shu 1, 56, March 21, 1975.

(n21)Footnote 22. Merk & Co., Inc. v. Director-General of Patent Office, 324 Hanrei Times 232, February 27, 1975.

(n22)Footnote 23. Tokyo High Court Maruman Golf K.K. v. Director-General of Patent Office, 10 Mutai Shu 1, 228, June 14, 1978.

(n23)Footnote 24. In English, for example, the letter "a" can be pronounced "ei" as in "rate," "a" as in "father," "a" as in "hat," "a" as in "call," " " as in "fair," " " as in "above," and "e" as in "aim."

(n24)Footnote 25. Supreme Court, 782 Shinketsu Koho 113, December 13, 1968.

(n25)Footnote 26. Supreme Court, N. Yamaguchi v. Director-General of Patent Office, 229 Hanrei Times 163, Nov. 5, 1968.

(n26)Footnote 27. Tokyo High Court, Sagami Rubber Kogyo v. Director-General of Patent Office, 13 Gyosei Shu 1436, Aug. 28, 1962.

(n27)Footnote 28. Tokyo High Court, Isehan et al. v. Kimigayo, Mutai-Shu 156, March 30, 1971.

(n28)Footnote 29. The Class 17 table shows an example of such cross referencing.

(n29)Footnote 30. Trademark Act, Art. 4, para. 1, item 10.

(n30)Footnote 31. Stockholm Text.

(n31)Footnote 32. Tokyo High Court, Elizabeth cosmetic case, 252 Hanrei Times 184, Jan. 16, 1972.

(n32)Footnote 33. Tokyo High Court, Umber A. Garmia v. Director-General of Patent Office, 204 Hanrei Times 156 Jan. 26, 1967.

(n33)Footnote 34. Tokyo High Court, 234 Hanrei Times 233, January 22, 1969.

(n34)Footnote 35. Patent Office, Sony Corporation v. Sony Food, 468 Shinketsu Koho 27, Oct. 20, 1965.

(n35)Footnote 36. Patent Office, Standard Oil Co. v. Yukiko Noguchi, 502 Shinketsu Koho 41, Feb. 12, 1966.

(n36)Footnote 37. Trademark Act, Art. 4, para. 1, item 16.

(n37)Footnote 38. Tokyo High Court, M&T Chemicals, Inc. v. Director-General of Patent Office, 241 Hanrei Times 251 & 252, Sept. 2, 1969.

(n38)Footnote 39. Tokyo High Court, Silver Kogyo K.K. v. Director-General of Patent Office, 7 Mutai Shu 120, May 7, 1975.

(n39)Footnote 40. Tokyo High Court, Harimoto Printing Machine Seisaku Sho v. Hashimoto Tekko-Sho, 17 Gyosei Shu 1247, November 17, 1966.

(n40)Footnote 41. Trademark Act, Art. 4, para. 8.

(n41)Footnote 42. *Id.*, Art. 3, para. 1, item 3.

(n42)Footnote 43. Tokyo High Court, High-teem case, Chugai Seiyaku v. Director-General of Patent Office, 3 Mutai Shu 445, Dec. 24, 1971; High-thiol case, Tokyo High Court, SS Seiyaku v. Takeda Yakuhin, 9 Mutai Shu 529, June 20, 1977.

(n43)Footnote 44. Trademark Act, Art. 3, para. 1, (v).

(n44)Footnote 45. *Id.*, Art. 3, para. 2.

(n45)Footnote 46. Tokyo High Court, Marubeni Iida v. Director-General of Patent Office, 2 Mutai Shu 315, May 14, 1970.

(n46)Footnote 47. Item 14.

(n47)Footnote 48. *Id.*, Art. 18, paragraph 1.

(n48)Footnote 49. *Id.*, Art. 36.

(n49)Footnote 50. *Id.*, Art. 8, paras. 1 and 2.

(n50)Footnote 51. *See* § 3.03[2] *supra*.

(n51)Footnote 52. Trademark Act, Art. 6.

(n52)Footnote 53. Japan signed the Nice Agreement Concerning the International Classification of Goods and Services for the Purpose of the Registration of Marks on December 5, 1990. Since then the Nice International Classification has been adopted as a auxiliary classification. On or after April 1, 1992, the Nice International Classification has replaced the existing Japanese classification.

(n53)Footnote 54. *Id.*, Art. 17 and Patent Act, Art. 8.

(n54)Footnote 55. Trademark Act, Arts. 5 and 13.

(n55)Footnote 56. *Id.*, Art. 6, para. 1.

(n56)Footnote 57. *Id.*, Art. 3.

(n57)Footnote 58. *Id.*, Art. 4, para. 1.

(n58)Footnote 59. *Id.*, Art. 7 (1).

(n59)Footnote 60. *Id.*, Art. 8, para. 1.

(n60)Footnote 61. *Id.*, Art. 6, para. 1.

(n61)Footnote 62. *Id.*, Art. 15, para. 4.

(N62)Footnote 63. *Id.*, Art. 3, para. 1.

(n63)Footnote 64. *Id.*, Art. 4, para. 1, item 11.

(n64)Footnote 65. *Id.*, Art. 7.

(n65)Footnote 66. *Id.*, Art. 6, para. 1.

(n66)Footnote 67. Patent Act, Art. 50.

(n67)Footnote 68. *Id.*, Arts. 53 and 54.

(n68)Footnote 69. *Id.*, Arts. 55 to 62.

(n69)Footnote 70. *Id.*, Art. 63.

(n70)Footnote 71. *Id.*, Art. 64.

(n71)Footnote 72. *Id.*, Art. 65.

(n72)Footnote 73. Trademark Act, Art. 17 and Patent Act, Art. 50.

(n73)Footnote 74. Trademark Act, Art. 17, Patent Act, Art. 53, para. 1.

(n74)Footnote 75. Trademark Act, Art. 10, para. 3.

(n75)Footnote 76. *Id.*, Art. 16, para. 1.

(n76)Footnote 77. *Id.*, Art. 16, paras. 2 and 3.

(n77)Footnote 78. Trademark Act, Art. 17 and Patent Act, Art. 56.

(n78)Footnote 79. Trademark Act, Art. 17 and Patent Act, Art. 57.

(n79)Footnote 80. Trademark Act, Art. 17 and Patent Act, Arts. 58 and 60.

(n80)Footnote 81. Trademark Act, Art. 17 and Patent Act, Art. 58, para. 4.

(n81)Footnote 82. Trademark Act, Art. 17 and Patent Act, Arts. 60, 62 and 63.

(n82)Footnote 83. Trademark Act, Arts. 40-43.

(n83)Footnote 84. *Id.*, Art. 44.

(n84)Footnote 85. *Id.*, Arts. 56 and 63.

(n85)Footnote 86. Trademark Act, Art. 18.

(n86)Footnote 87. *Id.*, Arts. 25 and 27.

(n87)Footnote 88. *Id.*, Art. 19, para. 1.

(n88)Footnote 89. *Id.*, Arts. 20-22.

(n89)Footnote 90. *Id.*, Art. 27.

(n90)Footnote 91. *Id.*, Art. 2, para. 3.

(n91)Footnote 92. Marking Pen case, Tokyo District Court, Ace Suppliers Japan K.K. v. Tsukahara Kogyo K.K., 1 Mutai Shu 18, Feb. 17, 1978.

(n92)Footnote 93. Genuine parts case, Tokyo District Court, M. Takagi v. Daihatsu Automobile Sales, K.K. 8 Mutai Shu 262, July 19, 1976.

(n93)Footnote 94. Trademark Act, Art. 25 *proviso*.

(n94)Footnote 95. *Id.*, Art. 32.

(n95)Footnote 96. *Id.*, Art. 33.

(n96)Footnote 97. *Id.*, Art. 29.

(n97)Footnote 98. Popeye case, Osaka District Court, Osaka Sanki K.K. v. Ox K.K. 8 Mutai Shu 102, Feb. 24, 1976. (However, the case also involved other facts, such as that the defendant's comic book character was licensed from a U.S. company and derived from an original 1929 U.S. copyright on which the U.S. licensor claimed Universal Copyright Convention Protection and that the defendant's own mark was tagged on the shirts; these may have influenced the court's decision not to grant an injunction against the defendant.

(n98)Footnote 99. Toyland case, Tokyo High Court, K.K. Fujii Seisakusho v. K.K. Hankyu Department Store, 5 Mutai Shu 250, July 31, 1973; see also Tatsumura case, Tokyo District Court, Tatsumura Shokuho Honsha v. Tatsumura Shokuho, 8 Mutai Shu 400, Sept. 29, 1976.

(n99)Footnote 100. Lav' Osaka District Court, K.K. Club Cosmetic v. Smith, Klein and French Overseas Co., 5 Mutai Shu 510, Dec. 21, 1973.

(n100)Footnote 101. Sanyo case, Supreme Court, Sanyo Denki K.K. v. Sanyo Bicycle K.K., 17 Supreme Court Hanrei Shu 1154, Oct. 4, 1963.

(n101)Footnote 102. Nojigiku case, Osaka High Court, K.K. Shibata Seisho-do v. S. Ishibashi, 4 Mutai Shu 116, March 29, 1972.

(n102)Footnote 103. Osaka District Court Order, S.T.P. Corporation v. National Shoji K.K. and Kansei Seikan K.K., 8 Mutai Shu 324, Aug. 4, 1976.

(n103)Footnote 104. The Galaxy case, Tokyo High Court, Ginga Shokai v. H. Yamazoe, 8 High Court Hanrei Shu 5-371, June 28, 1955.

(n104)Footnote 105. Trademark Act, Article 36.

(n105)Footnote 106. *Id.*, Article 38.

(n106)Footnote 107. *Id.*, Article 39.

(n107)Footnote 108. *Id.*, Article 36, para. 2.

(n108)Footnote 109. Trademark Act, Art. 39 and Patent Act, Art. 103.

(n109)Footnote 110. Trademark Act, Art. 38, para. 1.

(n110)Footnote 111. *Id.*, Art. 38, para. 2.

(n111)Footnote 112. *Id.*, Art. 38, para. 3.

(n112)Footnote 113. *Id.*, Art. 38, para. 2. (Morimitsu case, Tokyo District Court, M. Tanaka v. K.K. Morimitsu and another, 10 Mutai Shu 102, March 27, 1978.)

(n113)Footnote 114. Mercury case, Tokyo District Court, K.K. Asahi v. Asahi Tsusho K.K., 5 Mutai Shu 261, Aug. 31, 1973.

(n114)Footnote 115. Trademark Act, Art. 78.

(n115)Footnote 116. *Id.*, Art. 2 para 3, item 3.

(n116)Footnote 117. *Id.*, Art. 37, para. 5.

(n117)Footnote 118. Osaka District Court, N.M.C. K.K. v. Shriro Trading Co., 2 Mutai Shu 71 Feb. 27, 1970.

(n118)Footnote 119. Kurakan No. 1443.

(n119)Footnote 120. Tokyo District Court, Heiwado K.K. v. K.K. Kenshodo, 10 Mutai Shu 216, May 31, 1978.

(n120)Footnote 121. Trademark Act, Arts. 74 and 80.

(n121)Footnote 122. Horitsu No. 46 of 1975.

(n122)Footnote 123. Trademark Act, Art. 50.

(n123)Footnote 124. *Id.*, Art. 50, para. 1.

(n124)Footnote 125. *Id.*, Art. 50, para. 2.

(n125)Footnote 126. Trademark Act, Art. 51.

(n126)Footnote 127. *Id.*, Art. 53.

(n127)Footnote 128. *Id.*, Art. 53-2.

(n128)Footnote 129. *Id.*, Art. 52 and 53, para. 3.

(n129)Footnote 130. *Id.*, Art. 53-3.

(n130)Footnote 131. See, for example, procedural defect in trademark registration cancellation suit not serious enough to set aside judgment, Supreme Court, 2002.9.17, Hanreijiho 1801.108 (holding based on interpretation of Section 1, Article 153 of the Patent Act, which was applied mutatis mutandis by Article 56 of the Trademarks Act by Supreme Court).

(n131)Footnote 132. *Id.*, Art. 47.

(n132)Footnote 133. Trademark Act, Art. 19.

(n133)Footnote 134. *Id.*, Art. 20.

(n134)Footnote 135. *Id.*, Art. 19, para. 2, item 1 and Art. 21, para. 1, item 1.

(n135)Footnote 136. Trademark Act, Art. 19, para. 2, items 2 and 3, Art. 20-2, item 1, Art. 21, para. 1, item 2.

(n136)Footnote 137. Law No. 65, 1991. Effective as of April 1, 1992.

(n137)Footnote 138. Trademark Act, Art. 2, item 2.

(n138)Footnote 139. *Id.*, Art. 2, para. 3, items 3 through 7.

(n139)Footnote 140. *Id.*, Art. 2, para. 4.