

Examination Concerning Use of and/or Intent to Use Trademarks for which Application is made

1. Introduction

In Japan, as a trademark right is established by registration under the first-to-file principle, a mark which has not been used can be registered. However, Principal Paragraph of Article 3 (1) of Japanese trademark law requires that an applicant must have an intention to use a trademark applied for on designated goods and/or services. The reason for this requirement is that the essential purpose of a trademark is to provide protection under “goodwill” accumulated through use of a trademark, even under the first-to-file principle. Reflecting this, an application for a trademark, which an applicant obviously does not intend to use, will be rejected by issuance of a Preliminary Rejection stating that *“the trademark can not be registered, because there is a justifiable doubt as to whether the applicant is conducting, or is planning to start business connected with the designated goods and/or services which regarded as the premise for the use of the trademark.”* Upon receipt of such a Preliminary Rejection, the applicant has to show its intention to use the trademark by explaining that its business is actually related to the designated goods and/or services.

In this article, explanation is provided of concrete standards issued by the Japan Patent Office (hereinafter, “JPO”) defining grounds for rejection of application based on lack of intention to use a trademark, and of necessary materials or documents for an applicant to overcome such a rejection.

2. Standard of rejection due to lack of intention to use trademarks

2-1 Examination procedures of judging a similarity of goods and/or services

Before explaining the standard of rejection due to lack of intention to use a trademark, we need to explain how a similarity of goods and/or services is examined. In Japan, for the purpose of prompt and fair examinations of trademark applications, “Similarity code system” is adopted, and the examiners at the examination stage are supposed

to examine the similarity of goods and/or services based on this code (hereinafter, “Code”), in principle. Under this system, all of the goods and/or services are assigned their appropriate Codes, which are determined by considering manufactures, sellers, materials, qualities or consumers and the like of each goods and/or service. And goods and/or services assigned the same Code are presumed to be similar to each other, irrespective of classes they belong to, in principle. For the guideline of this practice, the JPO has issued an “examination manual regarding similarity of goods and/or services” showing the series of Codes with typical goods and/or services categorized to each Code.

2-2 Standard of rejection due to lack of intention to use trademarks

Under such examination practices based on Code system, the JPO states that an application for a trademark, fall under the following (1) or (2) will receive a Preliminary Rejection due to lack of intention to use.

(1) Regarding overall goods and services

“Where there is a doubt as to the use or intention to use of a trademark in regard to the designated goods and/or services, since the designation of goods and/or services ranges widely in one class.”

Specifically, it is standardized that if an applicant designates eight or more Codes in ONE class, the examiner will issue a Preliminary Rejection (Case 1). As a scope of goods and/or services, which belong to eight or more Codes in ONE class, is too broad and so doubt may exist whether the applicant could realistically conduct business with regard to each and every one of those goods and/or services. However, an examiner will not issue a Preliminary Rejection in the cases as follows:

- (i) Where many goods and/or services which belong to the same Code are designated, as long as the number of Codes in one class is within seven (Case 2).
- (ii) Where many classes are designated, as long as the number of Codes of each class is within seven (Case 3).

Below are shown specific examples of each of Case 1 through 3 above, as follows:

[Case 1] Unacceptable case

This case will be issued a Preliminary Rejection due to

lack of intention to use a trademark, because **eight or more Codes** are designated in one class.

Designated class	Designated goods (Codes)	
Class 30	Black tea; Japanese green tea (29A01) Coffee; Cocoa (29B01) Ice; Table ice (29D01) Ice cream; Ice candies; Cookies (30A01) Mustard powder; Curry powder (31B01) Oatmeal (32F03) Sandwiches (32F06) Yeast (32F08) Rice flour (33A01)	9 Codes

[Case 2] Acceptable case

This case will NOT be issued a Preliminary Rejection due to lack of intention to use a trademark, because the number of Codes in one class is within seven, even though many goods which belong to the same Code are designated.

Designated class	Designated goods (Codes)	
Class 30	Black tea; Japanese green tea (29A01) Coffee; Cocoa (29B01) Ice; Table Ice (29D01) Ice cream; Ice candies; Cookies (30A01) Mustard powder; Curry powder (31B01)	5 Codes

[Case 3] Acceptable case

This case will NOT be issued a Preliminary Rejection due to lack of intention to use a trademark, because the number of Codes in each class is within seven, even though many classes are designated in one application.

Designated classes	Designated goods (Codes)	
Class 18	Leads; Leashes (19B33) Lather shoulder belt (21C01) Umbrellas (22B01)	3 Codes
Class 30	Black tea (29A01) Coffee; Cocoa (29B01) Ice; Table Ice (29D01) Ice cream; Ice candies; Cookies (30A01) Mustard powder; Curry powder (31B01)	5 Codes

(2) Regarding retail services

- (i) Where a person (natural person) has designated services falling under the category of “retail services or wholesale services for a variety of goods in each of the fields of clothing, foods and beverages, and living ware, and taking all goods together” (hereinafter, “general retail services”).
- (ii) Where a juridical person has designated services falling under the category of general retail services, and if the investigation as to whether or not the trademark will be “used in connection with goods and/or services pertaining to his business” found out that the applicant is not conducting general retail services.
- (iii) Where two or more retail services have been designated that are not similar to each other. Specifically, it is standardized that if an applicant designates two or more Codes regarding retail services, an examiner will issue a Preliminary Rejection. Below are shown specific examples of acceptable and unacceptable cases, as follows:

[Case 4] Unacceptable case

This case will be issued a Preliminary Rejection due to lack of intention to use a trademark, because two or more Codes regarding retail services are designated.

Designated class	Designated services (Codes)	
Class 35 (retail services)	Retail services or wholesale services for clothing (35K02) Retail services or wholesale services for milk (35K03) Retail services or wholesale services for automobiles (35K04)	3 Codes

[Case 5] Acceptable case

This case will NOT be issued a Preliminary Rejection due to lack of intention to use a trademark, because only one Code regarding retail services is designated.

Designated class	Designated services (Codes)	
Class 35 (retail services)	Retail services or wholesale services for clothing (35K02)	1 Code

3. Necessary materials or documents to overcome a Preliminary Rejection issued on ground of lack of intention to use

Upon receipt of a Preliminary Rejection due to lack of intention to use a trademark, an applicant has to show that the trademark is “actually used and will be used for the goods and/or services in connection with his own business.” Specifically, the applicant need to show, on at least a Code basis that he is now conducting or planning to start businesses regarding the goods and/or services designated in the application form. According to 41. 100. 03 of a manual of trademark examining procedure issued by the JPO, acceptable evidences to this end are as follows.

3-1. Acceptable evidences to prove “conducting business”

(1) Regarding overall goods and/or services

The following shall be accepted as evidence that an applicant is conducting business connected with designated goods and/or services:

- (i) Printed matters (newspapers, magazines, catalogs, leaflets, etc.)
- (ii) Photographs of an exterior and interior of a store
- (iii) Business documents (order forms, delivery statements, invoices, receipts, etc.)
- (iv) Certificates issued by public organizations (government, local governments, foreign embassies in Japan, Chambers of Commerce and Industry)
- (v) Certificates issued by others in the same trade, trade clients, consumers, etc.
- (vi) Articles on the internet
- (vii) Documents stating a sales amount of goods in relation to retail services

(2) Regarding retail services belonging to general retail services

For general retail services, it will be proved in a comprehensive manner by referring to documents certifying, for example:

- (i) that the applicant is a retailer or a wholesaler.
- (ii) that the above retailer or wholesaler is providing retail services at one establishment for a variety of goods in each of the fields of clothing, foods and beverages,

and living ware, and taking all goods together.

- (iii) that the sales of each field of clothing, foods and beverages, and living ware is accounting for around **from 10% to 70%** of the total sales.

(3) Regarding retail services other than general retail services

For retail services other than general retail services, it will be proved in a comprehensive manner by referring to documents certifying, for example:

- (i) that the applicant is a retailer or a wholesaler
- (ii) that the above retailer or wholesaler handles goods connected with retail services

3-2. Acceptable evidences to prove “planning to start business”

In order to prove that an applicant is planning to start business connected with designated goods and/or services, the applicant is required to show an intention of starting to use the trademark within 3 to 4 years from the date of filing the application (within three years following the registration). The applicant thus will be requested to submit documents specifying an intention to use the trademark (hereinafter, “Document 1”) along with documents detailing a status of preparation (hereinafter, “Business plan”). Document 1 must include the following descriptions, on which the applicant is required to sign and seal (in the case of juridical person, it is required that at least a signature and seal of the director of the relevant business be provided).

- (i) Intention to use of the trademark in the application
- (ii) Specification of a point as to whether the applicant will engage in production or assigning (including sales) of the designated goods (service provision plan in the case of designated services)
- (iii) Commencing time of use of the trademark

Business plan must include all pertinent information up until such time as use is to commence. Examples for this are the information on decisions concerning goods and/or services planning; construction of factories and stores, and the like. Where an intention to use a mark is deemed unclear, or where doubt exists as to a Business plan submitted, the applicant will be requested to submit further documents supporting the business operation and plan.

3-3.Others

If an applicant has already submitted above materials or documents in other prior applications, the submittal of them in the later ones can be omitted, as long as the materials or documents were submitted within about four years prior to the later application date.

Haruka Iida (Ms.);
Patent & Trademark Attorney of the Trademark & Design
Division