

CONTENTS OF THIS ISSUE	PAGE
Revision of the Japanese Trademark Act and Design Act in 2014	1

## Revision of the Japanese Trademark Act and Design Act in 2014

The bill regarding the revision of the Design Act and the Trademark Act was enacted on April 25, 2014 and the revised act was announced officially on May 14, 2014. The Cabinet Order has not yet been published, and thus the exact enforcement date for each of revisions will be officially announced later. The main points of the revision are as follows:

### 1. Revision of Trademark Act

#### (1) Expanding the scope of protection

##### (Non-traditional marks)

Article 2, Par. 1 providing the definition of a “trademark” is revised as follows:

A “trademark” may consist of letters, figures, signs, three-dimensional shapes, or colors or any combinations thereof; or sounds or any others as provided by Cabinet Order, as recognized by a person’s perception.

The Cabinet Order has not yet been published, but from other articles of the revised act and a report issued by the Intellectual Property Subcommittee of the Industrial Structure Council in September, 2013 (hereinafter “Industrial Structure Council Report”), it is very likely that motion marks, hologram marks, and position marks will become registrable as well as sound marks and color per se marks, as shown in

the following table.

	Existing act	Revised act
3-D marks	Registrable	Registrable*
Color per se marks	Not Registrable	Registrable*
Sound marks	Not Registrable	Registrable*
Motion marks	Not Registrable	Registrable*
Hologram marks	Not Registrable	Registrable*
Position marks	Not Registrable	Registrable*
Scent marks	Not Registrable	Not Registrable
Taste marks	Not Registrable	Not Registrable
Touch marks	Not Registrable	Not Registrable

\* To register the above marks with an asterisk including a mark consisting only of 3-D shapes of products or packages thereof, the applicant may be required to prove that the applied-for mark has acquired secondary meaning.

Article 5, Par. 2 of the revised act provides that when an applicant intends to obtain a trademark registration for a 3-D mark, a color per se mark, a sound mark, a motion mark, a hologram mark, and marks that will be provided by the Ordinance of the Ministry of Economy, Trade and Industry, the application shall contain a statement indicating thereof. The Ordinance has not yet been published. In view of the Industrial Structure Council Report, we expect that a position mark will be the mark provided in the Ordinance.

Article 5, Par. 4 of the revised act provides that when an applicant intends to obtain a trademark registration for marks provided by the Ordinance, the application shall contain a detailed explanation

of the mark or include items provided by the Ordinance. In view of the Industrial Structure Council Report, we think that the Ordinance will also require the detailed explanation for color per se marks, motion marks, hologram marks and position marks, but such statement may not be mandatory for sound marks and MP3 data may be required for sound marks as the items provided by the Ordinance.

If those marks are not adequately specified by the detailed explanation or the items, an application for such a mark will be rejected, or a registration for such a mark will be cancelled or invalidated by an opposition or invalidation trial under Article 15, Item 3, Article 43-2, Item 3 or Article 46, Par. 1, Item 3 of the revised act.

The JPO has announced that the revision will come into force within one year from the official announcement of the revised act. We think that the revision will come into force on April 1, 2015.

Also, the Examination Guidelines in relation to the revision have not yet been published.

For your information, the transitional measures following the revision are as follows:

- (a) The revision will be applied only to applications filed after the revised act comes into force.
- (b) A person who has used a color per se mark, a sound mark, a motion mark and a hologram mark in relation to goods or services, without any intention of unfair competition prior to the time when the revised act comes into force, in Japan, has the right to use the trademark, as far as the person continuously uses the trademark for the goods or services. However, such a right to use the trademark is limited only to the range of business conducted under the trademark in relation to the goods and services at the time when the revised act comes into force. On the other hand, if the trademark used by the said person becomes well-known or famous as the person's trademark in connection with goods or

services at the time when the revised act comes into force, in Japan, the person has the right to use the trademark in connection with the goods or services without the above limitation on the range of the business. Therefore, even if the trademark or a mark similar thereto has been or will be registered in connection with the goods or services or those similar thereto by another person, the use of the above person who has a right to use the trademark based on the transitional measures will not constitute an infringement of the registration of such other person.

- (c) The holder of a trademark right or exclusive right to use may request the person who has the right to use based on the above (b) to affix an indication that may sufficiently prevent any confusion between the goods or services pertaining to the business of the person and those of its own.

## **(2) Expanding the scope of eligible entities concerning regional collective trademarks**

In Japan, there is no protection system of geographical indication (GI) in relation to goods other than “wine, distilled liquor, and Japanese sake”. In general, marks consisting of a combination of “the name of a region” and “the common name of the goods or services” are rejected due to lack of distinctiveness.

However, if applications satisfy the requirements for “regional collective trademarks”, they can be registered as “regional collective trademarks”. The marks such as “KOBE BEEF”, “PROSCIUTTO DI PARMA”, “CANADA PORK”, “鎮江香醋” (in Chinese, Zhenjiang Vinegar) have been registered as “regional collective marks” so far. There are hundreds of such regional collective mark registrations. Most of them, however, are Japanese regional collective marks.

Under the existing act, the applicants who can be entitled to obtain registrations for regional collective trademarks are limited only to business cooperative associations, cooperative associations which were

founded or established under special Japanese acts and foreign associations corresponding thereto.

Under the revised act, the Commercial and Industrial Associations, the Chamber of Commerce and Industry, NPOs and foreign associations corresponding thereto can also be entitled to obtain registrations for regional collective trademarks.

The JPO has announced that the revision will come into force within three months from the official announcement of the revised act. Therefore, the revision will come into force around August 2014.

### **(3) Specifying limitation of effects of trademark right**

In most trademark infringement cases, Japanese courts have held that if a possible infringer does not use a mark as a source identifier of the goods or services, such use does not constitute a trademark infringement.

The revised act is intended to clarify the court's interpretation and listed the following trademarks as limitation of effects of trademark right under Article 26.

Trademarks which are used in the manner that consumers are not able to recognize the goods or services as those pertaining to a business of a particular person

The JPO has announced that the revision will come into force within one year from the official announcement of the revised act. We think that the revision will come into force on April 1, 2015.

## **2. Revision of Design Act**

Japan is considering acceding to the "Geneva Act of the Hague Agreement Concerning the International Registration of Industrial Designs" (hereinafter "the Hague Agreement"). Under the revised act, Japan can be a designated nation of the international applications

under the Hague Agreement. The revision will come into force when the Hague Agreement becomes effective in Japan.

The JPO will continue to conduct substantive examination against designs applied for under the Hague system.

### **(1) Filing date**

An international application designating Japan published by the International Bureau as provided under the Hague Agreement 10(3)(a) as a result of an international registration is deemed as a design application filed on the date of the international registration provided under the Hague Agreement 10(2) in Japan (hereinafter "application(s) filed under the Hague system" for such a design application and "International Registration Date" for the above date).

### **(2) Possibility of inconsistency or lack of drawings**

In Japan, in principle, drawings of six views, namely, front view, rear view, right side view, left side view, top view and bottom view are required. Also, a design must be shown in the same scale orthographically and standards of consistency for each drawing are strict.

In view of the above, we expect that applications filed under the Hague system will often be rejected by the JPO due to inconsistencies between drawings or lack of necessary drawings under the main paragraph of Article 3(1) of the Design Act.

It is possible to file an amendment with the JPO to amend or add drawings when and if we receive a provisional refusal issued against the application filed under the Hague system.

However, the JPO will reject any amendments to add a new matter which cannot be understood from the other drawings at filing. Also, since the designs applied for under the Hague system are already published by the International Bureau at that time,

it is not possible to re-file the local applications after an amendment is rejected.

Therefore, when you use the Hague system, there is a risk that you will not be able to obtain a design registration due to inconsistency or lack of drawings.

### **(3) Principle of one design one application**

Since Article 7 of the Design Act provides that an application must be filed for each design, if an application contains two or more designs, the application will be rejected under Article 7 of the Design Act.

However, this does not apply to the applications filed under the Hague system.

### **(4) No secret design system**

An applicant for a design registration may request that the applied-for design be kept secret for a period of time that shall be designated in the request and shall be no more than three years from the registration date of the design right under Article 14 of the Design Act. It is possible to exercise the design right against an infringer even during such period.

However, Article 14 does not apply to the applications filed under the Hague system.

International applications may contain a request for deferment of publication under the Hague Agreement 5(5).

However, design rights under the Hague system do not arise in Japan until the deferment is finished. Therefore, it is not possible to exercise a design right against an infringer during the deferment. Instead of this, compensation in relation to an international publication stated below (7) is accepted for applications filed under the Hague system.

### **(5) Refund of individual designation fees**

An applicant of an international application has to

pay the individual designation fees provided by the Hague Agreement 7(2) to the International Bureau.

If the application filed under the Hague system is withdrawn or rejected, the amount of money provided by the Cabinet Order is returned if a person who paid the fees requests for such return within six months from the withdrawal or rejection.

### **(6) Expiration date**

Article 21 of the Japanese Design Act provides that a design right expires in 20 years from the registration date.

Japan is planning to declare that the Hague Agreement 17 (3)(b) should be applied to Japan. Therefore, Article 21 of the Design Act will also be applied to a design right of an application filed under the Hague system and it will expire in 20 years from the registration date in Japan (not from the International Registration Date).

### **(7) Compensation in relation to international publication**

When an applicant has, after the international publication, given a warning with documents stating the contents of the design of the application filed under the Hague system, the applicant may claim compensation against a person who has worked the design or one similar thereto as a business after the warning and prior to the registration establishing the design right, and the amount of compensation shall be equivalent to the amount the applicant would be entitled to receive for the working of the design if the design were registered.

Please note that this newsletter was drawn up based on information which we have obtained as of May 23, 2014. If you have any questions regarding the revision, please feel free to contact us.

Emi AOSHIMA (Ms.)

Patent Attorney of the Trademark & Design Division

# YUASA<sub>AND</sub>HARA

LAW, PATENT, TRADEMARK & DESIGN and ACCOUNTING

Section 206, New-Ohtemachi Building, 2-1, Ohtemachi 2-chome  
Chiyoda-ku, Tokyo 100-0004, Japan

HOME PAGE ADDRESS: <http://www.yuasa-hara.co.jp>

Chief editor: YABE, Kozo

Assistant editor: TERACHI, Takumi

Editorial staff: OKAMOTO, Yoshinori; HIROSE, Shinobu;

ARAI, Noriyuki; TAKEYAMA, Naoharu;

AOSHIMA, Emi; NAKAMURA, Shogo;

UEDA, Mitsuru

---

*This newsletter pertains to general information and should not be taken as offering either legal advice or opinion relative to specific situations. The newsletter is intended to inform our clients and friends about matters of recent interest in the field of Intellectual Property Laws. If readers have any questions regarding topics in the newsletter, please contact the editor-in-chief, at the Law Division of our firm.*