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Japan
Nishimura & Asahi

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Nishimura & Asahi is the largest and one of the oldest law firms in Japan. We have approximately 500 attorneys, foreign attorneys, and other professionals and provide a full range of legal services in all areas of business law for commercial activities both in Japan and overseas.

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1. Legal framework

National

The Trademark Law and its related regulations govern the registration and protection of trademarks in Japan.

In addition, the Unfair Competition Prevention Law protects well-known trademarks, both registered and unregistered, and certain configurations of goods from unauthorised use.

International

The following international treaties are applicable in Japan:

- the Paris Convention for the Protection of Industrial Property;

- the Trademark Law Treaty;
- the Nice Agreement on the International Classification of Goods and Services;
- the Madrid Protocol; and
- the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPs).

2. Unregistered marks

Trademark Law

Under the Trademark Law, unregistered marks are protected only in certain limited circumstances.

Prior user's rights: Even if an unregistered mark is identical or similar to another's registered trademark, a prior user of the unregistered mark may continue to use the mark regardless of such registration provided that:

- as a result of such prior use, at the time of

the subsequent trademark application the unregistered mark is well known to consumers or dealers in Japan as being used for goods or services relating to the prior user's business; and

- the prior user has no intention of engaging in unfair competition in its use of the unregistered mark.

The prior user:

- may not seek an injunction or compensatory damages against the infringer of its unregistered trademark under the Trademark Law;
- may use its unregistered mark only within the specific region in which the mark was used at the time of the subsequent trademark application, and only in relation to the goods or services for which it was used at the time of such trademark application; and
- may assign the mark only along with its business.

Unfair Competition Prevention Law

Unregistered marks that are well known or famous to consumers or dealers, as well as certain configurations of goods, are protected under the Unfair Competition Prevention Law.

The law provides that where unfair competition causes damage to a person's business, that person may seek an injunction and, if the damages were caused negligently or intentionally, compensatory damages.

'Unfair competition' includes:

- use of another's mark that is well known to consumers or dealers as identifying its goods or business, thus causing confusion (or the likelihood of confusion) with that party's goods or business;
- use as one's own of another's mark that is famous to consumers or dealers as identifying its goods or business; or
- imitation of the configuration of another's goods (except when such configuration is indispensable for ensuring the function of the goods themselves).

3. Registered marks

Ownership

An individual or corporation that intends to

use a trademark for goods or services related to its business may apply for trademark registration and own a trademark right. Actual use is not a requirement for trademark registration.

Scope of protection

Protected: The Trademark Law provides that a trademark shall consist of characters, figures, signs, three-dimensional shapes or any combination thereof, or any of these in colour, used for goods or services relating to the applicant's business.

A trademark right is granted when an examiner of the Japan Patent Office (JPO) determines that the trademark meets all registration requirements. It is an exclusive right to use the mark with respect to designated goods or services, which becomes effective throughout Japan upon registration of the trademark with the JPO. The Trademark Law follows the first-to-file principle.

Not protected: Under the Trademark Law, a trademark application will be rejected if the following substantive requirements are not satisfied:

- The mark is sufficiently distinctive for consumers to distinguish the applicant's goods or services from those of others;
- The mark does not qualify as unregistrable under the Trademark Law; and
- The application is not in violation of any treaties.

Trademarks that lack distinctiveness may not be registered. However, some of these trademarks – except for generic terms – may be registered if the applicant can prove that the trademark has acquired distinctiveness for specific uses. Furthermore, a well-known trademark consisting of a geographical name and a generic term for a product or service that is owned by an industrial business cooperative association (including an equivalent foreign legal entity) may be registered, provided that the trademark fulfils the other requirements for registration.

Even if a trademark is sufficiently distinctive, it will be rejected if it falls under one of the various bars to registration provided in Section 4 of the Trademark Law concerning

the public interest or an individual interest.

Examples of public interest prohibitions include:

- trademarks that consist of a national flag, coat of arms or other insignia of Japan or any foreign nation, the Red Cross or similar;
- trademarks offending public order or morality;
- trademarks that are misleading as to the quality of the goods or services;
- three-dimensional trademarks comprising solely functional features that are essential to the use or purpose of the goods or their packaging; and
- trademarks that comprise foreign well-known trademarks and are used in bad faith.

Examples of individual interest prohibitions include:

- trademarks comprising the name or portrait of another person;
- trademarks that are identical or similar to another's well-known trademark and used for identical or similar goods or services to those for which the well-known trademark is used;
- trademarks that conflict with a prior registration;
- trademarks that cause confusion with respect to the source of the goods or services;
- trademarks for wines or spirits that indicate regional origin in a manner prohibited by TRIPs or the JPO; and
- trademarks that are identical or similar to another's well-known trademark in Japan or abroad as identifying the relevant goods or services, if the applicant uses such mark in bad faith.

Measures against non-use of trademark:

Where there is justifiable doubt as to whether the applicant is conducting, or is planning to conduct, business in connection with the designated goods or/and services, the examiner will notify the applicant of the reasons for the rejection of the application in order to confirm the use or intended use of the trademark by the applicant. In practice, in order to overturn a refusal the applicant may be required to certify the use or intended use

of the trademark where the applicant designates:

- a wide range of goods and/or services;
- two or more retail services that are not similar to each other; or
- general retail services.

4. Procedures

Examination

An applicant may file a trademark application with the JPO in person, by mail or online.

Once formal registration requirements are satisfied, the examiner will consider whether the application meets the substantive requirements for registration.

If the examiner finds reasons to reject the application, he or she will notify the applicant accordingly within 18 months of the date of application. The applicant may submit written arguments or amendments in response.

If the applicant does not reply to the JPO's notice, or if its written arguments or amendments fail to overturn the reasons for rejection, the JPO will issue a refusal decision.

The applicant may appeal the JPO's decision, which will become final and conclusive if no appeal is sought.

If an appeal is requested, the application will be scrutinised by a panel of trial examiners. If the panel issues an unfavourable ruling, the applicant may appeal to the IP High Court; if it fails to do so, the rejection decision becomes final.

Registration

If the examiner determines that there are no reasons to reject the application, or if such reasons are defeated, he or she will issue a registration decision. It takes an average of six to seven months from filing of an application to the registration decision, if the JPO finds no reason to reject the application.

A trademark right is established upon registration of such right with payment of the registration fee.

The trademark registration will then be published in the *Trademark Gazette*.

The term of protection lasts for 10 years from the date of registration. The trademark right may be renewed every 10 years by filing a

request for renewal in the six months prior to the date of expiration of protection.

Opposition

Anyone may file an opposition to registration within two months of publication of the trademark in the *Trademark Gazette*. Once an opposition is filed with the JPO, the panel of trial examiners will consider whether it has merit.

The grounds for opposition are similar to those for rejection (ie, lack of distinctiveness and unregistrability); however, an opposition may also be filed if the trademark application conflicts with a prior application.

If the JPO intends to accept the opposition and revoke the registration, it must provide notice of the reasons for revocation and give the trademark owner an opportunity to contest such notice.

If the trademark owner succeeds in its arguments against opposition, the trademark registration will be maintained; otherwise, the registration will be revoked. The opponent may take no action against a decision to maintain the registration. Thus, in order to contest a registration once maintained, the opponent must demand an invalidation trial.

In case of a decision to revoke registration, the trademark owner may appeal to the IP High Court. If the trademark owner does not appeal, the decision becomes final and conclusive.

Removal from register

Aside from successful opposition, a registered trademark may be removed from the Trademark Register for the reasons outlined below.

Cancellation/surrender: A trademark owner may voluntarily cancel its trademark right. The cancellation may apply to all or only some of the designated goods or services.

Invalidation: An interested party may request a trial to invalidate a trademark registration on the basis of similar grounds to those available in an opposition to trademark registration; additionally, invalidation may be sought based on facts that occurred after registration.

An invalidation trial may be commenced even after a registered trademark right has expired or has been relinquished. However, an invalidation trial based on grounds such as

lack of distinctiveness or individual interest prohibitions may not be brought more than five years after the date of registration.

Once a decision to invalidate a registration has become final and conclusive, in principle the trademark right is retroactively deemed never to have existed.

Revocation: Anyone may request a trial to revoke a registered trademark based on the grounds outlined below:

- Non-use – a registered trademark has not been used in Japan by a trademark owner or its licensee for at least three consecutive years.
- Improper use – if a trademark owner or its licensee uses a registered trademark in an improper manner, anyone may seek revocation of the registration.
- Similar trademarks owned by different persons – if similar registered trademarks come to belong to different persons as a result of the transfer of a registered trademark right, and one person uses such mark with the intention of committing an act of unfair competition and in a manner that may cause confusion with the other's goods or services, anyone may seek revocation of the registration of that trademark.

Where a trademark owner's rights are registered in a country that either is a signatory to the Paris Convention or the Trademark Law Treaty, or is a member of TRIPs, the trademark owner may seek revocation of a Japanese trademark registration if its agent or representative files the trademark application without the owner's authorisation within five years of such unauthorised registration.

Searches

The JPO provides a public database called the Industrial Property Digital Library, in which trademarks can be searched in a variety of ways.

5. Enforcement

Trademark Law

The unauthorised use of a mark that is identical or similar to a registered trademark in relation to identical or similar goods or services constitutes infringement. The

Trademark Law provides that certain preparatory activities shall be deemed to constitute infringement. These include:

- possession of the designated goods, or goods that are similar to the designated goods or services, affixed with the registered trademark or a trademark similar thereto on the goods or their packaging for the purpose of assignment, delivery or export; and
- manufacture, assignment, delivery or importation of products to be used exclusively for the manufacturing of products indicating the registered trademark or a trademark similar thereto.

Where infringement occurs, the owner of the registered trademark (or its registered exclusive licensee) may enforce its rights by filing a trademark infringement suit in a district court. Alternative dispute resolution before certain private entities, such as the Japan Intellectual Property Arbitration Centre, may be considered.

The remedies for trademark infringement available under the Trademark Law are outlined below.

Civil remedies: The plaintiff may seek an injunction against an infringing party (or a party that is highly likely to infringe the trademark right) which acts with or without negligence or wilfulness. Together with an injunction, the plaintiff may seek an order for destruction of the infringing goods and removal of the facilities used to commit the infringement, as well as other measures necessary to prevent the infringement.

The plaintiff may also seek a preliminary injunction to prevent infringement. To obtain a preliminary injunction, the plaintiff must show irreparable harm due to the infringement; the court sometimes requires that a bond be posted.

In the case of negligent or intentional infringement, compensatory damages are also available. Under the Trademark Law, an infringer's negligence is presumed. To ease the burden of assessing damages, the Trademark Law provides the following optional measures for calculating damages:

- the owner's expected profit per item

multiplied by the number of infringing items sold, to the extent of the owner's production or sale capability;

- the actual profit made by the infringer; or
- an amount equivalent to the deserved royalties.

Where the trademark owner proves the amount using one of these measures, this amount will be presumed to be the damages incurred by the trademark owner. However, the trademark owner may seek actual damages exceeding this amount by proving the amount of such damages.

A plaintiff may additionally claim other damages, such as consequential damages (eg, intangible damage to brand reputation) and attorneys' fees, although the courts tend to affirm claims for attorneys' fees only to a limited amount. There are no punitive damages under the applicable Japanese laws.

The trademark owner may seek an order for rehabilitation of brand reputation, including corrective advertising.

Criminal penalties: Intentional trademark infringements are subject to criminal penalties of up to 10 years' imprisonment and/or a fine of ¥10 million in certain cases.

Unfair Competition Prevention Law

Civil remedies: The owner of a registered or unregistered trademark whose business has suffered (or is likely to suffer) damage from unfair competition may file suit in a district court seeking an injunction against an infringing party (or a party that is highly likely to infringe), regardless of whether that party is acting negligently or wilfully. Together with an injunction, the plaintiff may seek an order for the destruction of the infringing goods and removal of the facilities used to commit the infringement, as well as other measures necessary to prevent the infringement.

In the case of negligent or intentional infringement, the owner may claim compensatory damages. As with the Trademark Law, the Unfair Competition Prevention Law also provides optional measures for calculating the owner's damages. However, unlike under the Trademark Law, negligence is not presumed.

Apart from these compensatory damages, pursuant to the Civil Code the plaintiff may also seek:

- restitution for unjust enrichment for infringement, with or without negligence, or wilfulness; and
- an order for rehabilitation of brand reputation, including corrective advertising in the case of negligent or intentional infringement.

Criminal penalties: The misappropriation of a well-known mark with the intent to commit an act of unfair competition is punishable by imprisonment and/or a fine.

Appeals

A party which is not satisfied with the district court's decision may appeal to the competent appellate court, whose decision may subsequently be appealed to the Supreme Court on limited grounds.

6. Ownership changes and rights transfers

Assignment

A trademark owner or applicant may assign its rights relating to the trademark or trademark application.

Assignment of status as applicant: The assignor or assignee must file a notice of change of ownership of the application with the JPO.

The assignment of applicant status will take effect upon the filing of such notice.

Assignment of registered trademark: An application for registration of transfer of the trademark right must be filed either by both the assignor and the assignee, or by the assignee alone if it has obtained consent from the assignor to file an application on its own.

The change in ownership will take effect upon its entry in the Trademark Register.

General succession

If the status of an applicant for trademark registration or a registered trademark right transfers by merger, inheritance or other general succession, such change has

immediate effect. However, the successor must notify the JPO by filing a notice of change of ownership of the application (before registration) or an application for registration of the transfer of the trademark right (after registration).

Licensing

Exclusive licences (*senyo jissshiken*) set forth under the Trademark Law must be registered to be effective. Licences other than exclusive licences (*senyo jissshiken*) under the Trademark Law do not require registration; however, once such a licence has been registered, the licensee will maintain its rights to the licensed trademark in the event of any third party's subsequent acquisition of the trademark right and/or exclusive licence for such trademark right.

7. Related rights

Where a trademark – especially a three-dimensional trademark – is a new technological invention or device, it may also be protected as a patent under the Patent Law or as a utility model under the Utility Model Law. If the trademark is a new, functional and ornamentally featured design, it may also be protected as a design under the Design Law. However, these rights are protected only if they are registered by the JPO.

Where the trademark is an original and creative expression as a result of intellectual or cultural activities, it will also be protected as a copyrighted work under the Copyright Law, without any registration.

The Corporation Law prohibits the bad-faith use of a trade name or company name that causes confusion with a different company's name.

8. Online issues

The Trademark Law provides that the 'use' of marks includes use on the Internet in the following manner:

- providing trademarked goods or services via the Internet (eg. online distribution of trademarked products);
- providing services through a website

- displaying a trademark (eg. mobile banking services displaying trademarks on the monitor or screen); and
- providing information consisting of advertisements, price lists or other business documents relating to trademarked goods or services on or through the Internet.

Protection under the Unfair Competition Prevention Law extends to an act of unfair competition on the Internet.

With respect to cybersquatting, the Unfair Competition Prevention Law protects registered and unregistered mark owners by providing that persons who are not owners of a mark may not obtain, keep or use in bad faith a domain name that is identical or similar to the mark.

Examination/registration		
Representative requires a power of attorney when filing? Legalised/notarised?	Examination for relative grounds for refusal based on earlier rights?	Non-traditional marks registrable?
But necessary for appeal of JPO decisions (no notarisation required)	✓	3-D style="text-align: center;">✓
Unregistered rights		Opposition
Protection for unregistered rights?	Specific/increased protection for well-known marks?	Opposition procedure available? Term from publication?
But only for well-known marks and configurations	✓	2 months style="text-align: center;">✓
Removal from register		
Can a registration be removed for non-use? Term and start date?	Are proceedings available to remove a mark that has become generic?	Are proceedings available to remove a mark that was incorrectly registered?
3 years' non-use prior to filing of application for revocation	✗	✓
Enforcement		
Specialist IP/trademark court?	Punitive damages available?	Interim injunctions available? Time limit?
Optional jurisdiction	✗	In some cases style="text-align: center;">✓
Ownership changes	Online issues	
Mandatory registration for assignment/licensing documents?	National anti-cybersquatting provisions?	National alternative dispute resolution policy for local ccTLD available?
But only for exclusive licences	✓	JPDRP style="text-align: center;">✓

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