

Trademark System against Bad-faith Trademark Filings

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Trademark Division



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Legislation regarding bad-faith trademark filings

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Examination Guidelines regarding bad-faith trademark filings (Articles 4 (1) (vii) and 4 (1) (xix) of JTA*)

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Information Provision System

1. Legislation regarding bad-faith trademark filings

Relevant Provisions of the Trademark Act of Japan

Main paragraph of Article 3 (1)

 No intention to use

Article 4 (1) (x)

 Identical with or similar to well-known unregistered trademarks of other persons

Article 4 (1) (vii)

 Violation of public order and morality

Article 4 (1) (xv)

 Confusion over the sources of goods and services

Article 4 (1) (viii)

 Containing other persons' names and/or titles

Article 4 (1) (xix)

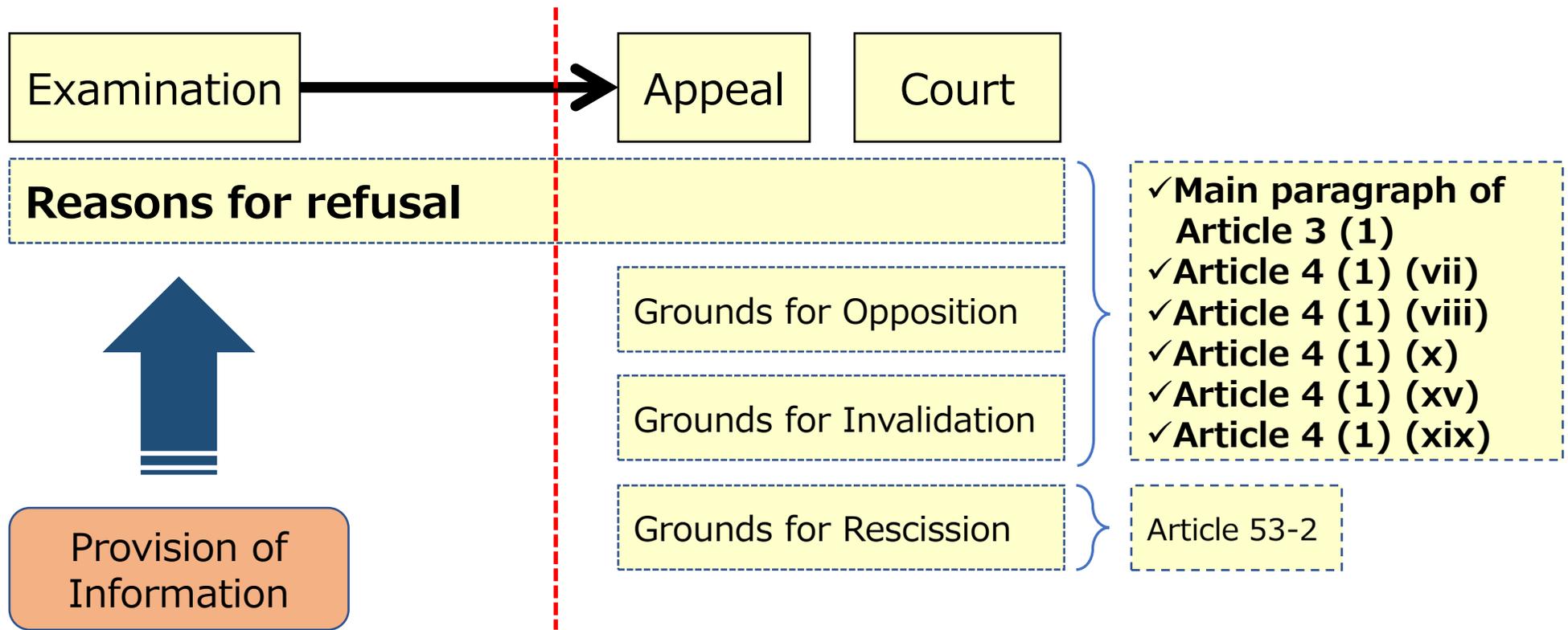
 Identical with or similar to well-known trademarks of other persons and are used for unfair purposes

Relevant Provisions of the Trademark Act of Japan

Other persons' trademarks that are <i>well known</i> <u>in Japan</u>	Other persons' trademarks that are <i>well known</i> <u>only in foreign countries</u>	Other persons' trademarks that are <i>not well known</i> <u>either in Japan or foreign countries</u>
When designated goods/ services are similar to each other → Article 4 (1) (x)		
Even if designated goods/ services are not similar to each other, but when there is likelihood of confusion as to the sources → Article 4 (1) (xv)		
Even if there is no likelihood of confusion, when trademarks are used for unfair purposes → Article 4 (1) (xix)		
When claimed trademark are against public interest, public morality or international fidelity due to fraud in the filing process and the like → Article 4 (1) (vii)		
Lack of intention to use the trademark → Main Paragraph of Article 3(1)		
Any persons or legal entities can provide information to the JPO, indicating why registration of claimed trademarks should be refused.		

Structure of Japan's Trademark System to Deal with Bad-Faith Filings

- JTA provides that bad-faith trademark filings can be refused even in the examination process at the JPO.



2. Examination Guidelines regarding bad-faith trademark filings (Articles 4 (1) (vii) and 4 (1) (xix) of JTA)

Relevant Provisions of the Trademark of Japan

Main paragraph of Article 3(1)

↳ No intention to use

Article 4(1)(x)

↳ Identical with / similar to well-known unregistered trademarks of other persons

Article 4 (1) (vii)

↳ Violation of public order and morality

Article 4(1)(xv)

↳ Confusion over the source of goods and services

Article 4(1)(viii)

↳ Containing other persons' names / titles

Article 4 (1) (xix)

↳ Identical with or similar to well-known trademarks of other persons and are used for unfair purposes

Article 4 (1) (vii)

➤ Violation of public order or morality

A trademark being likely to cause damage to public order or morality:

1. Trademarks which are, in composition per se, unethical, obscene, discriminative, outrageous, or unpleasant to people;
2. Trademarks which are liable to conflict with the public interests of the society or contravene the generally-accepted sense of morality if used for the designated goods or designated services;
3. Trademarks with their use prohibited by other laws;
4. Trademarks liable to dishonor a specific country or its people or trademarks generally considered contrary to the international faith;
5. **Trademarks whose registration is contrary to the order predetermined under the Trademark Act and is utterly unacceptable for lack of social reasonableness in the background to the filing of an application.**

Article 4 (1) (xix)

- Trademark that are identical with or similar to other persons' well-known trademarks and are used by applicants for unfair purposes

A trademark being identical with, or similar to, a trademark which is well known among consumers in Japan or abroad as that indicating goods or services pertaining to a business of another person, if such trademark is used for unfair purposes (referring to the purpose of gaining unfair profits, the purpose of causing damage to the other person, or any other unfair purposes, the same shall apply hereinafter) (except those provided for in each of the preceding items);

Point

- Trademarks of other persons are "well-known" in Japan or foreign countries.
- Identity or similarity between claimed trademarks and cited trademarks



- Unfair purposes

Article 4(1)(xix)

Factors to judge “Unfair Purposes”

1. The trademarks of other persons are well known;
2. The well-known trademarks consist of coined words, or have distinctive characteristics in terms of composition;
3. The well-known trademarks’ owners have plans to enter the Japanese market;
4. The well-known trademarks’ owners have plans to expand their businesses;
5. Applicants’ request the well-known trademarks’ owners to purchase their applied-for trademarks or to make agency agreements with them in Japan; or
6. Likelihood of damaging the well-known trademarks’ reliability, reputation, and goodwill.

(Excerpt from the Examination Guidelines)

3. Information Provision System

Information Provision System

- Widely accept providing information to improve accuracy and speed of examination
- Acquire useful information smoothly and thereby prevent in advance possible granting of deficient trademark rights.
- No fees required
- Introduced in 1997 (Article 19 of the Regulation for Enforcement of the Trademark Act)

【 1 】 Information provider

"Anyone" can provide information.
Also, the description of the name can be omitted.

【 2 】 Trademark applications subject to the provision of information

Trademark applications pending before the JPO are subject.
For example, applications registered or applications decided to be refused for trademark right are not subject.

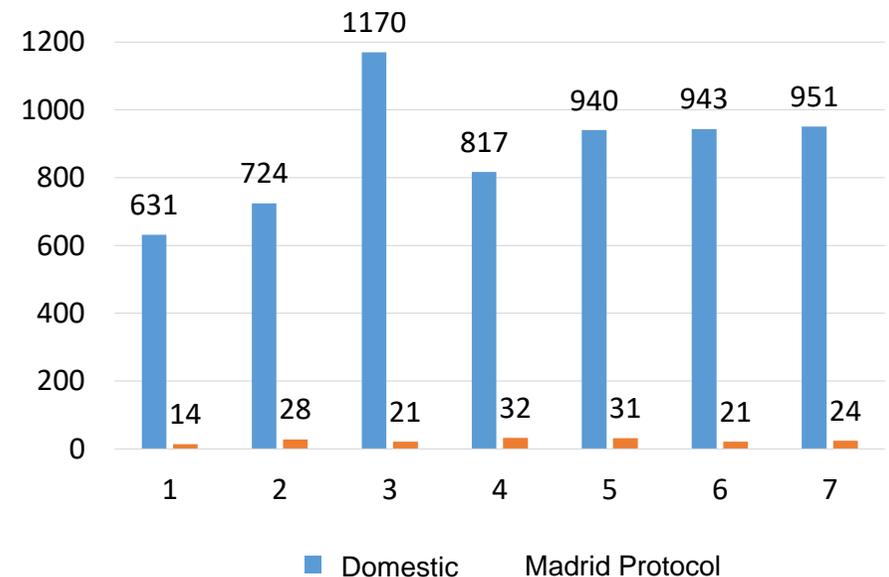
【 3 】 Information that can be provided

Information that requirements for trademark registrations are not met or falls under grounds for unregistrability of trademarks.

【 4 】 Others

- Feedback concerning the use of the information will be given in response to the request from the information provider.
- The fact that the information is provided shall be notified to the applicant.
- The provided information shall be subjected to inspection.

Changes in the Number of Provision of Information



Reference: Legal Precedents

Article 4 (1) (vii) : Cat Figure



Company A (franchiser)

- Formerly registered in Japan
- Serving noodles
- Expired on Sep. 21, 2011
- Struggled for money unpaid of X



Applicant X (franchisee)

- Serving food and drink
- Filed the mark on the expiration day.
- Exploited it as a negotiation tool

Court ruling

- Taking advantage of A's trademark expired.
- Exploited it to negotiate with A for **favorable financial benefits**.
- The trademark filing was intended to get **unfair benefits**.
- **Extremely unreasonable** conduct from a social standpoint.

Article 4 (1) (vii) : “Asrock”



Company B (manufacturer in Taiwan)

- Motherboards for computers
- Media reported “ASRock” release on 2 July 2002
- Not any generic term



Applicant X

- Main boards, etc. for semiconductors or computers
- Filed the mark on 3 July 2002 in Korea, then Japan
- No business operation in Japan

Article 4 (1) (vii) : “Asrock”

Court ruling

- It is reasonable to assume that X decided to file the trademark **after knowing** the news concerning “ASRock”.
- The filing was aimed at getting **unfair benefits** through **plagiarism**.
- It is **absolutely intolerable** in terms of a sense of justice as well as reasonable business practices.

Article 4 (1) (xix): “ETNIES”

ETNIES

Company C (US right holder)

- Skateboard shoes, etc.
- Use in the US
- Widely known among Japanese operators

ETNIES

Applicant X; Right holders X and Y

- Cloths, coats, etc.
- X and Y filed the mark
- Proposed transactions under conditions favorable to them

Article 4 (1) (xix): “ETNIES”

Court ruling

- X predicted that the products bearing this mark would become popular in Japan.
- X and Y filed the disputed trademark for **such purposes as strengthening its own bargaining power** in the negotiations with C.
- Therefore, this filing is **reasonably interpreted to use the mark for “unfair purposes”**.

Article 4 (1) (xix): “Manhattan Portage”



Company D (US right holder)

- Shoulder bags, sports bags
- Started using in 1983 (US)
- Registered in July 1997 (US)



Applicant X

- Bags, pouches and sacks
- Negotiation with B failed in 1988
- Filed the mark in Japan

Article 4 (1) (xix): “Manhattan Portage”

Court ruling

- X understood that the trademark used by D had already been **widely known** in the US and that X was **not granted a license** to use this trademark.
- Nevertheless, X filed the disputed trademarks in Japan.
- Such filings by X were intended for **unfair purposes**.

Thank you!!

