

Japanese IP Practice: The Introduction of Nontraditional Trademarks in Japan

By: Rebecca Chen

Japan's long awaited decision to adopt nontraditional marks is expected to be realized in early 2014. Currently, only characters, figures, signs, three-dimensional shapes, and any combination thereof qualify for registration under Article 2 of the Japan Trademark Act. However, marketing and branding strategies have drastically diversified over the years to include nontraditional marking such as motion marks, color marks, and sound marks. Several patent and trademark offices have taken note of this expansion and have already extended trademark protection, to include service mark protection to these nontraditional marks. These offices include the USPTO in the United States, the EPO in Europe, the IPSO in Singapore, the APO in Australia and the KIPO in Korea.

In alignment with these trends, the Japan Patent Office (JPO), an agency of the Ministry of Economy, Trade and Industry (METI), has decided to adopt nontraditional marks. Japan first contemplated the expansion of the scope of protectable trademarks to include nontraditional trademarks in the summer of 2008. It was then that the METI established the Nontraditional Trademark Working Group. After nearly 4 years of deliberation, METI agreed to broaden the scope of trademark protections and formed the Trademark Examination Guideline Working Group in 2012 to determine the examination procedure for the proposed nontraditional trademarks. The JPO requested submission of public comments on the drafted bill in December, 2012 and January, 2013. The bill is now scheduled to be submitted to the Japanese National Diet later this year and expected to pass into law in early 2014.

Expansion of Trademark Protection

In accordance with international trends, the proposed bill will broaden the scope of trademark protectable subject matter. Japan's expansion of protectable subject matter, however does not include the entire scope of nontraditional marks. In order to adequately protect nontraditional marks and identify the scope of the rights in Japan, consumers must be able to accurately recognize the elements of the trademark, and the JPO must be able to preserve and publish such trademarks. The JPO scrutinized the adoption of motion marks, hologram marks, color marks, position marks, sound marks, scent marks, taste marks, and texture marks and analyzed the ability to identify the scope of each corresponding right. After careful consideration, Japan has decided to include motion marks, hologram marks, color marks, position marks, and sound marks within the scope of eligible trademark protection as the scope of rights associated with each can be clearly identified through specimen examples, illustrations, explanatory text, or any combination thereof. The market need for scent marks, taste marks, and texture marks however remains unseen by the JPO and will not be introduced until such need is deemed essential and the scope of the rights can be clearly identified.

Distinctiveness Requirement

The registration of nontraditional trademarks will follow the same requirements for traditional trademarks under the current Trademark Act. Accordingly, registration of

nontraditional marks will require a showing of distinctiveness. The analysis regarding distinctiveness takes into account whether the features of the mark in question are:

1. naturally or necessarily derived from the goods or services at issue,
2. indispensable to the goods or services at issue, and
3. commonly or traditionally used with respect to the goods or services at issue.

If any one of the above factors is true, the mark lacks inherent distinctiveness. Marks that are naturally or necessarily derived from or indispensable to the goods or services at issue will be denied registration. However, marks deemed inherently indistinctive solely because they are commonly or traditionally used may still be registered with a showing of acquired distinctiveness through use. The applicant must demonstrate that the mark acquired a secondary meaning and consumers recognize the goods or services as those pertaining to a specific business or entity through long and extensive use.

The JPO has outlined specific instances where marks would fall under such analysis. Motion marks, hologram marks, and position marks consisting solely of indistinct characters or figures are deemed inherently indistinct. Color marks without delineated contours have also been determined to lack inherent distinctiveness, because colors are inherent to conventional products and they are ordinarily used for the functional purpose of improving the aesthetics of products. With regard to sound marks, the JPO has declared marks consisting of sounds which ordinarily occur in products and services and sounds which have already been widely used in business transactions to be inherently indistinct. Each of these instances would require extensive documentation as to the acquisition of distinctiveness through use.

Distinctiveness is anticipated to be the most significant hurdle in obtaining registration for nontraditional marks. The JPO predicts that many nontraditional marks will fall under this last category and applicants will be unable to provide the documentation necessary to establish acquired distinctiveness through long and extensive use.

Prior User Rights and Public Policy Considerations

The JPO recognizes that broadening the scope of trademark protectable subject matter imposes some risk of infringement litigation to third parties who have been continuously using a nontraditional mark that is identical or similar to a later registered nontraditional mark prior to the date the amended law goes into effect. To circumvent this adverse result, such third parties will be secured broader interim prior user rights that grant them the right to continue the use of the mark in order to protect and maintain their reputation. Under Article 32 of the Trademark Act, prior user rights are granted only when:

1. use of the mark began prior to the subsequent filing of an identical or similar mark in connection with the same or similar designated goods, and

2. the mark has become well-known among consumers.

The JPO is considering the adoption of a transitional measure where prior user rights would apply to nontraditional marks which have not necessarily become well-known for an as yet undetermined number of years after the bill passes into law.

Additionally, in view of public interest, sound marks for emergency sirens or national anthems will be denied registration.

The expansion of nontraditional mark protection is eagerly awaited, but the distinctiveness requirement may prove difficult to surpass. Due to the investment of time and resources needed to establish distinctiveness through use, it is important to begin thinking about such marks in the development of new marketing and branding initiatives.

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