Report

Trademarks in Japan and in Germany
A Comparative Approach

Author(s):
Mayr, Stefan

Publication Date:
2010

Permanent Link:
https://doi.org/10.3929/ethz-a-007277946

Rights / License:
In Copyright - Non-Commercial Use Permitted
Research Report

Trademarks in Japan and in Germany:
A Comparative Approach

written by

Stefan Mayr

April 2010
Abstract

Regarding the historical development as well as purposeful adaptations within the past decades, the Japanese and the German trademark systems show considerable coincidences from substantive and procedural aspects. However, with respect to the registrability of non-traditional trademarks and especially of defensive marks in Japan, significant differences still remain. Also the Japanese concept of similarity often causes lots of confusion for western applicants during examination of word marks written in Roman characters.¹

According to the increasing importance of innovations for the Japanese economy and society as a whole,² a strategic program has been commenced in 2002 by the government in order to bring Japan's IP system closer to international standards.³

---

¹ Hall, 2004: 30-32.
² Rademacher, 2005: 1.
## Table of Contents

I. Introduction 4

II. Basic Provisions of Japanese and German Trademark Law 5  
   1. Legal Sources & Court System 5  
   2. Protected Privileges 9  
   3. Assessment of Trademark Infringement 12

III. Exceptional Features of Both National Trademark Systems 14  
   1. The Concept of Similarity 14  
   2. Non-Traditional Trademarks 17  
   3. Defensive Marks 19

IV. Japan’s Current IP Strategy 21

V. Concluding Remarks 22

VI. References 24

VII. Appendix 27  
   Abbreviations 27
I. Introduction

Due to modern marketing strategies, the function of trademarks for consumers does not only consist in indicating the origin of goods and services, but also has to affect their identity in view of individual lifestyles, condensed into words or figures and made public by sophisticated advertising. Therefore, in case of infringement any association of the corresponding mark with emotions originally unwelcome has to be watched, as e.g. parody, criticism and making fun of it by certain interest groups. Since classical manufacturing activities of most industries can be easily transferred to developing countries in a globalized world, brands as one of the main parts of intellectual property will play an increasing role in a company’s assets. However, in most jurisdictions unfair competition preventing laws rather than trademark laws cover appropriate measures against these new ways of attacking established marks by defamation. With regard to the economic relevance of trademarks especially in business highly made international, comparative compilations of these IP rights are fundamental to avoid any risks when dealing with litigation issues.

Although the first Japanese Trademark Law of 1884 has its roots mainly in the corresponding German provisions, there exist still remarkable differences between both national systems. For a successful registration of trademarks at the Japanese Patent Office (JPO), any applicant outside Japan has to be aware of a possible “language barrier”. Furthermore, it is quite tough to convince JPO examiners of the necessity to protect trademarks for goods or services nationally not known yet. As a third criterion, an effective communication between the applicant, its local representative attorney on the one hand and the examiner on the other hand must not be underestimated. For non-native speakers as trademark applicants in Japan, this requires substantial support by experienced bilingual specialists.

Chapter II of this Research Report provides an overview of basic common principles underlying Japanese and German Trademark Law, whereas Chapter III focuses on remaining differences between both national systems each applicant has to take care of. The role of the Japanese IP Strategic Program on the relationship between IP jurisdictions in Japan and abroad is subject of Chapter IV.

---

4 Sterpi and Calame, 2008: V.
5 Proctor, 2008: VII.
II. Basic Provisions of Japanese and German Trademark Law

After several centuries of political isolation, the Japanese archipelago was rapidly transformed by virtue of western, i.e. European and U.S. influences since the Meiji period in the mid 19th century.7,8 Prussian advisers strongly supported the drawing up of the first Japanese Civil Code in 1890, and the first Japanese Trademark Law from 1884 took over most parts of the already existing German and English Trademark Law. The Japanese government enacted new versions of the Trademark Law in 1921 and in 1959, the latter still in force and several times amended up to now. Predominantly, these amendments reconciled many but not all discrepancies between the Japanese and European trademark systems. For instance, the term of protection was reduced from 20 years to 10 years, registration for more than one class of goods or services became possible, and the registrability was extended to collective marks and 3D marks. Most important, international marks can now be registered according to the statutes of the Madrid Protocol.7

1. Legal Sources & Court System

Codified law forms the basis of the juridical systems both in Japan and in Germany.9,10 Japanese trademarks are governed nationally by the Trademark Law, supplemented by the “Unfair Competition Prevention Law” in case of registered or unregistered well-known trademarks and “certain configurations of goods”.11 The requirements for the registration of national marks in Germany are fixed in the “German Trademark Act (GTA)” and in the “German Trademark Regulations” (GTR).10 In contrast to Japan, Germany is also member of a regional trademark organization based on the “Council Regulation 94/40/EC” and granting Community

9 Miyoshi, 2008: 127.  
11 Fukushima et al., 2009: 170.
Trademarks (CTMs).\textsuperscript{12} International memberships of both countries include the “Paris Convention”, the “Nice Agreement”, the “Madrid Protocol” and “TRIPS”.\textsuperscript{13,14}

To a substantial extent, decisions taken by the Japanese Supreme Court and by the German Federal Supreme Court, respectively, serve as case law for lower instances.\textsuperscript{15,16} With Germany being a member state of the European Union, “Council Regulations” are immediately effective, whereas Directives first have to be implemented.\textsuperscript{17} Nationally, the GTA takes precedence over the GTR.\textsuperscript{17}

As regards a high degree of similarity between the Japanese and the German court system (see Fig. 1A, 1B)\textsuperscript{18,19}, one has to be aware of “two different procedural tracks” in case of invalidation trials for a Japanese trademark, starting either by a complaint filed for the attention of the Japanese Patent and Trademark Office (JPO) or by an invalidity-based defence against trademark infringement before a District Court.\textsuperscript{20} The latter provision was incorporated in the Trademark Law several years ago in order to accelerate the judicial procedure for combined infringement/invalidation cases.\textsuperscript{20} According to German law, infringement proceedings are brought before civil courts, which are not allowed to call the validity of registered trademarks and granted patents in question.\textsuperscript{21} The only exceptions being reminiscent of the Japanese regulations affect semiconductor topographies and utility models, the invalidity of which can be used as defence in infringement cases.\textsuperscript{21}

\textsuperscript{12} Kellenter, 2008: 65.
\textsuperscript{13} Fukushima et al., 2009: 170.
\textsuperscript{14} Lampel and Heidenreich, 2009: 106.
\textsuperscript{15} Miyoshi, 2008: 128.
\textsuperscript{16} Kellenter, 2008: 68.
\textsuperscript{17} Kellenter, 2008: 66.
\textsuperscript{19} Der Präsident des Bundespatentgerichts, 2009: 23.
\textsuperscript{20} Miyoshi, 2008: 129.
\textsuperscript{21} Der Präsident des Bundespatentgerichts, 2009: 8.
Figure 1A: National Court Systems in Case of Trademark Infringement.
Figure 1B: National Court Systems in Case of Trademark Invalidation.
2. Protected Privileges

Both the Japanese and the German trademark systems apply the first-to-file principle and are based on registration.\textsuperscript{22,23} However, these basic theories are not converted into practice to an extent of 100\%,\textsuperscript{22,23} and rights granted for unregistered trademarks are known in both countries. Japan’s legal system protects unregistered marks on the one hand by Trademark Law, based on “prior use” and causing unregistrability of a third party’s mark identical or similar to a well-known but unregistered trademark.\textsuperscript{24,25} On the other hand, the Unfair Competition Prevention Law (UCPL) contains additional provisions against the use of a third party’s well-known or famous mark due to injurious conduct to this party’s business.\textsuperscript{24,25} Trademark Law and UCPL could be considered as partially overlapping “subparts” of the term Business Competition Law.\textsuperscript{26} Section 4(2) of the GTA provides for a protection of unregistered marks in Germany based on “acquired secondary meaning”\textsuperscript{27} by related use and on a minimum degree of fame, which itself depends on the mark’s distinctive character.\textsuperscript{28} This kind of protection does not mandatorily cover the whole national territory.\textsuperscript{27} Since 1 October 2009, opposition procedures in Germany are also possible against unregistered trademarks.\textsuperscript{28} Further aspects of protection and collision of unregistered marks are treated in the same way as for registered ones. The protection of “notoriously-known” marks according to Art. 6\textsuperscript{bis} of the Paris Convention is set down in the GTA, but cannot be found in the corresponding sections of the JTL.\textsuperscript{27,28}

Regarding registered rights, the definition of trademarks in Article 2 JTL comprises “characters, signs, figures, symbols, three-dimensional shapes or any combination thereof”.\textsuperscript{29} As higher categories, these marks are split into words, devices, combined forms and 3D marks. Word marks completely consist of characters displayed in Katakana or Hiragana (Japanese writing systems), in Kanji (Chinese characters), in Latin letters or in numbers. Design trademarks as specific

\textsuperscript{22} Hashimoto, 2008: 5-7.
\textsuperscript{23} Laupel and Heidenreich, 2009: 108.
\textsuperscript{24} Fukushima et al., 2009: 170.
\textsuperscript{25} Miyoshi, 2008: 129-130.
\textsuperscript{26} Hashimoto, 2008: 10.
\textsuperscript{27} Kellenter, 2008: 69.
\textsuperscript{28} Laupel and Heidenreich, 2009: 106.
\textsuperscript{29} Hashimoto, 2008: 9.
sort of marks – not to be mixed up with industrial design – should be taken into consideration for Arabic or Thai word marks, the characters of which cannot be read by a majority of Japanese people. In order to protect word marks as broad as possible, western applicants are recommended to file their applications in Roman as well as in Katakana characters, the latter used in Japan for foreign words.\(^\text{30}\)

**Registered marks** in Germany additionally comprise non-traditional trademarks (see Chapter III.2) such as sounds or colours.\(^\text{31}\) For acquired distinctiveness “by way of use”, a degree of fame of at least 50 % is compulsory.\(^\text{31}\) In contrast to Germany, the Japanese IP system does not bring any kind of opinion research into play when assessing a trademark’s fame.\(^\text{32}\)

The **classification** of goods and service classes as prerequisite for trademark registration follows the principle of the Nice Agreement entered by Japan and Germany.\(^\text{33,34}\) Prior to 1992, Japan applied four different national “classification systems” adopted between 1899 and 1959, so that currently five separate methods exist in parallel.\(^\text{35}\) To overcome these inconsistencies, a system of “reclassification” has been established to put all trademark registrations done under the older regimes in order with the Nice provisions.\(^\text{35}\) A corresponding “request for re-classification” is not obligatory per se, but has to be performed within a certain period of time before or after the expiry date to apply successfully for trademark renewal.\(^\text{35}\)

**Compulsory use** of trademarks is recognized in both jurisdictions, actually in Japan for three consecutive years (Art. 50(1) JTL) and in Germany within five years (Sec. 26(5) GTA) after registration.\(^\text{36}\) The JPO even accepts small modifications or desktop presentations (PC, Mobile) of trademarks as use thereof.\(^\text{37}\) Defensive marks are exempted from this use requirement.

A **priority period** of six months from the date of first deposit as well as an exhibition priority of the same length are granted in Japan (Art. 13(1), 9 JTL) and in Germany (Sec. 34, 35 GTA).\(^\text{38}\)

\(^{30}\) Hasimoto, 2008: 9.

\(^{31}\) Laupel and Heidenreich, 2009: 107.

\(^{32}\) Rebel, 2009: 828.

\(^{33}\) Fukushima et al, 2009: 170.

\(^{34}\) Rebel, 2009: 701.


\(^{36}\) Rebel, 2009: 827, 683.

\(^{37}\) Rebel, 2009: 827.

\(^{38}\) Rebel, 2009: 825, 680.
In case of products connected with marks displayed on them in Japan, an indication of protection by ™ or ® is strongly recommended, followed by the registration number (Art. 73 JTL).\(^\text{39}\)

Both countries grant a term of protection of ten years after date of registration (Art. 19, 65\(^\text{bis}\) JTL) or after date of application (Sec. 47 GTA), indefinitely renewable by further ten years.\(^\text{40}\)

The opposition period ends after a certain period of time following publication of registration, which amounts to two months in Japan (Art. 43\(^\text{bis}\) JTL) and to three months in Germany (Sec. 42 GTA).\(^\text{41}\)

As last “remaining jurisdiction of the G-7 countries”, in April 2007 Japan finally introduced a protection for trademarks designating a “retail service” under Nice Class 35.\(^\text{42}\) This long-lasting reluctance of the Japanese legal system to register retail services recalls the British point of view up to August 2000 and has now been overcome in order to open the Japanese IP field more to international standards (see Chapter IV).\(^\text{42}\)

For reasons of strengthening and protecting Japanese brands, the JTL as amended in 2005 enables now “incorporated legal entities” to register Regional Collective Trademarks such as “Aomori-Ringo” for apples, built up of a “regional name” and of a “generic name”, the latter referring to commodities or services.\(^\text{43}\) This system has been established to increase wealth in rural parts of the country by promoting the export of luxurious “high-quality food” and therefore providing incentives to transform the national farming sector.\(^\text{44}\) The concept of Japanese Regional Collective Trademarks in its origin is based on the same idea as the European regime of “Protected Geographical Indications (PGI)” to support the demands of commerce.\(^\text{44}\) In Germany, Geographical Indications of Origin are only registrable as collective marks.\(^\text{45}\) According to the EU Directives 2081/92/EEC and 510/2006/EC, however, Protected Geographical Indications, Protected Indications of Origin and Guaranteed Traditional Specialities can be granted in the German territory.\(^\text{45}\)

---

\(^{39}\) Rebel, 2009: 828.

\(^{40}\) Rebel, 2009: 827, 683.

\(^{41}\) Rebel, 2009: 826, 681.

\(^{42}\) Tessensohn and Yamamoto, 2002: 16-17.

\(^{43}\) Hashimoto, 2008: 11.

\(^{44}\) Tessensohn and Yamamoto, 2006: 30.

\(^{45}\) Rebel, 2009: 709.
3. **Assessment of Trademark Infringement**

Infringement actions on Japanese trademarks are subdivided into three categories, out of which the first makes reference to an identity of mark and designated goods or services (Art. 25 JTL), whereas the second one covers various combinations of identity or similarity of colliding trademarks and their designated goods or services (Art. 37(1) JTL) (see Fig. 2).\(^{46,47}\) The following seven issues of Article 37 JTL define a third “category of infringement”, which comprises *inter alia* the import, assignment or delivery of articles directly or indirectly linked to a registered trademark or a trademark similar thereto.\(^ {46}\)

The corresponding German provisions also include a case in which a well-known trademark collides with an identical or similar mark designated for completely different goods or service classes (see Fig. 2).\(^ {48,49}\) This combination is also assessed in the Japanese legal system, but only by the Unfair Competition Prevention Act, and can be applied irrespective of the fact whether the famous or well-known trademark has been registered or not.\(^ {50}\) The exact definition of **well-known trademark** versus **famous trademark** is discussed controversially. However, famous marks are usually regarded to be known “to consumers or dealers” through the whole country, whereas the fame of well-known marks is limited to a certain area within this county.\(^ {51}\) Details of the criteria according to which similarity between two trademarks is to be analyzed are described in Chapter III.1.

Interestingly, the judicial authorities in Japan do not recognize any “**torpedo actions**”.\(^ {52}\) Although these pre-emptive declaratory judgement actions well-known in patent litigation would principally also be possible for trademark infringements, there is no ruling of higher German instances on this subject up to now.\(^ {53}\) Because “torpedo actions” economically only make sense for IP rights with a maximum term of protection, this does not come as a complete surprise.\(^ {53}\)

---

\(^{46}\) Miyoshi, 2008: 130.
\(^{49}\) Rebel, 2009: 733.
\(^{50}\) Miyoshi, 2008: 129-130.
\(^{51}\) Fukushima et al., 2009: 171.
\(^{52}\) Miyoshi, 2008: 106.
\(^{53}\) Kellenter, 2008: 76.
Figure 2: Collision of Registered Trademarks.
III. Exceptional Features of Both National Trademark Systems

Despite a close historical interrelation and intensive harmonization efforts as described in Chapter II, a comparison between the Japanese and the German trademark system reveals astonishing differences in their structure and concept.\(^{54}\) Whereas the Japanese Trademark Law (JTL) is limited to the protection of marks, the German counterpart also includes tradenames and geographical indications of origin. Regarding the examination procedure, in contrast to German practice the JPO does not distinguish between absolute and relative grounds for refusal and therefore does not restrict the examination to the absolute protection impediments only. However, the list containing all grounds for refusal, which can be found in the Articles 3 and 4 of the JTL, corresponds to a large extent to the German provision. The registrability of so-called defensive marks represents one of the most conspicuous peculiarities within the Japanese trademark system and confirms the dominant role of trademarks in Japan’s society.\(^{55}\)

1. The Concept of Similarity

Based on case law (Shozan case, 1968; Daishinrin case, 1992; Kozozushi case, 1997), the Japanese Supreme Court fixed the criteria according to which two trademarks have to be analyzed for similarity.\(^{56}\)

(1) Does the use of the trademarks in question “on identical or similar goods or services” confuse consumers with respect to the source of such goods or services?\(^{56}\)

This criterion has to be based upon “appearance”, “pronunciation/sound” and “concept/meaning” of the mark.\(^{57}\)

\(^{54}\) Rademacher, 2005: 74-75.  
\(^{55}\) Rademacher, 2005: 75-76.  
\(^{56}\) Miyoshi, 2008: 131.  
\(^{57}\) Hashimoto, 2008: 16.
(2) Under which conditions are these marks actually used on the designated goods or services?58

To answer the question for similarity between two trademarks in the negative sense, all three bases of criterion 1 have to be determined as being significantly different.59 Word marks, e.g., are regarded to be identical just for reasons of equal pronunciation, since sound marks cannot be registered in Japan (see Chapter III.2). However, any complete analysis also has to take the overall impression of a mark into consideration.59

In the CUBS case from 8 August 2007, the JPO examiner originally denied the registration of “CUBS” as combined mark due to phonetic similarity of its dominant element with the prior-filed “UBS” mark (see Fig. 3).60 The Intellectual Property High Court, however, overruled this judgement and agreed with the applicant that the letters “C” and “UBS” cannot be analyzed separately with regard to the team name “Cubs” – derived from the baseball team Chicago Cubs – being “well known in Japan”.60

![Figure 3: CHICAGO CUBS v UBS.](image)

Most important and in contrast to many countries such as Germany, the Japanese Trademark Law does not provide for a system of consent, i.e. the registration of a mark similar to one applied for or registered earlier will be refused, even in case of consent by the other party that no risk of confusion exists due to differences in goods or service classes.61

According to the current practice in German courts, the similarity of trademarks is determined by factors quite close to the criteria applied in Japan. These factors

---

59 Hashimoto, 2008: 17.
60 Hashimoto, 2008: 18.
comprise the appearance, pronunciation and concept of the marks in question as well as any “likelihood of confusion”, which has to be declared over the mark as a whole. Based on conceptual identity, the protection of word marks may also cover translations thereof, as e.g. “Spring Garden” and “Frühlingsgarten” were recognized as being similar by the German Federal Patent Court.

In spite of all the parallels between the Japanese and the German similarity approach on trademarks as described above, decisions by the JPO related to these aspects are often incomprehensible for foreign applicants. As prime examples, the following word marks have been rejected for reasons of similar readings:

“LABRA v RUBRA”
“PRECOSTAR v PLEXTOR”
“VISION v PIGEON”

To be able to understand these mysterious decisions, one has to be aware of the fact that the Japanese language contains “only five vowels and nine basic consonants”, but applies “three different character alphabets” besides the Roman system (see chapter II.2). Compared to the Latin alphabet consisting of five vowels and twenty-one consonants, this phonetic limitation makes it clear why many Japanese have lots of difficulties to distinguish between “R/L”, “S/TH” and “B/V”. Having received a trademark application in a western language, e.g. in English, the examiner first will transliterate the reading in a mechanical way as close as possible to the “original pronunciation”. Referring to the examples of word marks listed above, this leads to the following results:

“Ra-bu-ra v Ru-bu-ra”
“Pu-re-ko-su-ta v Pu-re-ku-su-ta”
“Bh-jo-n v Pi-jo-n”

Since phonetic similarity is often regarded as sufficient criterion for two marks being judged to be similar (Supreme Court decision of 1931), the JPO rulings for the

---

63 Hall, 2004: 30-32.
64 Hashimoto, 2008: 16.
examples abovementioned become clear. An opposition against these judgements based on a missing risk of confusion between two marks in practice will lead to success only in exceptional cases, because the registrability of a mark does not demand its “actual use”.65

Although this “user-unfriendly” application system for word marks in Japan is about to be changed slowly by enforcing the Intellectual Property Strategic Program, especially western applicants are expressly advised to consult an experienced local counsel.65 Furthermore, one should take into account that the examination will usually be done much more carefully during appeal procedures, so that many applications originally rejected have a good chance to pass later proceedings before the Board of Appeals or in court. Relating to this, all three examples of word marks mentioned before were overruled during the process of appeal or by court decisions.65

2. Non-Traditional Trademarks

As can be taken from the Japanese Trademark Law, a certain mark mandatorily has to be “displayed visually” in two or in three dimensions relating to the designated goods or services.66 Therefore, smells, scents, moving and sounds cannot be registered as trademarks in Japan.67 Colours or a combination thereof can only be protected as components of or together with characters, devices, 3D objects or combined marks.66,68 The granting of a three-dimensional trademark has to be explicitly referred to in the application form and depends on the mark’s 3D structure, which must not be defined solely by its “function or intended use”, neither has to serve merely as decorative element.68 As the JPO was traditionally reluctant to grant protection for 3D trademarks as to the law in 1991, the ruling of the Intellectual Property High Court from 29 May 2008 was recognized as milestone decision, which attributed to the Coca-Cola bottle sufficient distinctiveness for a good of acquired secondary meaning, independent of the famous Coca-Cola mark “displayed on

---

65 Hall, 2004: 30-32.
66 Hashimoto, 2008: 10.
67 Rebel, 2009: 824.
68 Chwu, 2005: 3.
In the U.S., secondary meaning has not to be proved to protect the “configuration of goods” under Trademark Law.\textsuperscript{70} As already mentioned, combinations of colours \textit{per se} are not acknowledged by the Japanese Trademark Law, whereas the Unfair Competition Prevention Law sometimes grants protection for multi-colour combinations as “distinguishing signs”.\textsuperscript{70}

Against the background of the Intellectual Property Strategic Program, the “Industrial Structure Council” suggested in 2008 to extend trademark protection to colours, position, moving, holograms and sounds, whereas no current need was assessed for the registration of marks for scents, smells, “trade dress” or touching.\textsuperscript{70}

In Germany, the registrability of non-traditional (= unconventional) trademarks started by amendments to the Trademark Act in 1995, which are based on the first EU “Trademark Directive (89/104/EEC)”.\textsuperscript{71} In close correspondence to the situation in Japan, higher court instances usually decide in a more liberal way on the registration of this kind of marks than the German Patent and Trademark Office (GPTO) itself. Combinations of colours or even single colours can be protected by Trademark Law, provided that they are definable by a certified “colour code” and that they are sufficiently distinctive.\textsuperscript{71} 3D objects may be registered as trademarks on condition that their shape does not represent a necessary consequence of a “technical effect”.\textsuperscript{71} The registration of touch marks requires a detailed description of the felt element, but not of the impression associated therewith. Sound marks have to be clearly declared as such and drafted by musical notation. Spectrograms are accepted by the Office of Harmonization for the Internal Market, but not according to current practice of the GPTO. Since neither a description in words nor a chemical formula nor samples are considered as reliable portrayal of scents in Germany, the GPTO – according to the \textit{Sieckmann} case of the European Court of Justice (ECJ) – has not registered such marks until now. In summary, due to the acknowledged tradition of unconventional marks in Germany, a national registration and enforcement of this kind of marks meanwhile can serve as basis to apply successfully for non-traditional marks abroad, e.g. in Japan.\textsuperscript{71}

\textsuperscript{69} Ollier, 2008: 10.
\textsuperscript{70} Aoki, 2009: 22-24.
\textsuperscript{71} Weber and Viefhues, 2007: 88-89.
3. Defensive Marks

Under certain circumstances, the Japanese Trademark Law (JTL) allows the registration of so-called defensive marks, which can also be granted in some other jurisdictions such as Australia, New Zealand or Hong Kong, but which are completely unknown in Germany. The basic system of registration just requires a well-known trademark as starting point (= principal mark) and an obvious likelihood of confusion, if this “widely-recognized” mark is used by any third party for other goods or services. The owner of this famous or well-known mark is then enabled to obtain protection also for goods and service classes originally not applied for. The extent of fame for such a mark will be determined by four main criteria in the examination guidelines. These comprise *term and territory of use* of the “originally registered trademark”, its *degree of being advertised*, the *business conditions* of its owner as well as the fact whether the *famous nature* of this mark is *commonly recognized* by the JPO. Hitherto, the Japanese IP authorities have been very restrictive on granting defensive trademarks, and only very few applications for registration have been successful so far.

Article 4(10) of the JTL protects well-known trademarks from the registration of identical or similar marks for identical or similar goods or service classes. It has to be emphasized that the corresponding Section 9(1) no 3 of the German Trademark Act, which deals with relative grounds for refusal, extends the scope of this provision to goods or service classes neither identical nor similar and thus grants a kind of overall protection as *positive right* for a well-known trademark (‘bekannte Marke’), in contrast to the *defensive approach* of the Japanese system.

The outward appearance of a defensive mark and of the parent well-known trademark have to be *absolutely identical*. For instance, “Mercedes-Benz” as defensive mark derived from “MERCEDES-BENZ” as originally registered trademark was rejected by the JPO and subsequently by the IP High Court due to differences in font and letters. Anticipation of a defensive mark is not possible, i.e. this sort of trademarks can be applied for goods or services already designated by an identical mark registered previously. Furthermore, some general principles of the JTL such as

---

72 Rademacher, 2005: 75.
73 Hashimoto, 2008: 32.
74 Hashimoto, 2008: 29.
the cancellation “due to non-use (Art. 50)” or due to use in “any misleading way (Art. 51 and 53)” cannot be applied for defensive marks.\textsuperscript{75} Logically, any applicant for a defensive mark does not have to prove any use for the designated goods or service classes nor “any intent to use the mark” on these classes.\textsuperscript{76} Defensive trademarks do not support consumers in distinguishing the goods or services of one business from those of another business, but rather aim at the source of goods or services in the consumers’ mind.\textsuperscript{76} Defensive marks provide evidence of the high rate of fame of the principal mark they are derived from.\textsuperscript{75} Because of that, they are needed to qualify the principal mark “for dilution protection”.\textsuperscript{77}

The term for defensive marks ends 10 years after registration and will only be renewed on condition that the principal mark is still famous.\textsuperscript{75} Defensive marks and principal marks are connected to each other, so that a possible transfer of trademark rights from a current to a future owner has to affect both kinds of marks simultaneously. The opposition proceedings for principal marks and defensive marks are the same.\textsuperscript{75}

\textsuperscript{75} Hashimoto, 2008: 33.
\textsuperscript{76} Hashimoto, 2008: 32.
IV. Japan’s Current IP Strategy

In his speech of principle from February 2002, the Japanese Prime Minister Junichiro Koizumi called Japan “a nation built on intellectual property” and emphasized the necessity to protect this fundamental prerequisite of national innovation.\(^\text{78}\) Following up this statement, a two-phase “Intellectual Property Strategic Program” has been launched, which comprises brand protection among other industrial property rights.\(^\text{79}\)

Generally, this program aims at multiplying national wealth by accelerating the cycle of creativeness, of protecting the resulting intellectual goods and of exploiting these goods commercially.\(^\text{80}\) Therefore, a pro-innovative atmosphere within the Japanese society has to be taken as basis for this project, which also should encourage other nations’ trust in Japan’s economic power.\(^\text{81}\) Whereas phase I (2002 to 2005) of the IPSP mainly affects basic implementations of IP reforms and the establishment of efficient networks between university, industry and official authorities, phase II (2006 to 2009) \textit{inter alia} pursues “a more internationally” opened IP culture.\(^\text{82}\) However, the influence of these effects on “basic values” of the Japanese society such as \textit{freedom of research} or \textit{competition in a fair way} have to be kept in mind in order to guarantee a reasonable \textit{legal balance}.\(^\text{82}\) With respect to Trademark Law, the IPSP contains several provisions as follows:

- Protection of “local brands” by means of a “regionally-based collective mark system”\(^\text{83}\) to bring the “Japanese lifestyle” closer to people all over the world;\(^\text{84}\)
- Revision of the guidelines for trademark examination to facilitate an objective judgement of registered marks and of goods or service classes applied for;\(^\text{85}\)
- Watching and possibly cancellation of trademarks not or no longer in use;\(^\text{86}\)
- Applying the “Content Japan (CJ) mark” to fight against counterfeit merchandise.\(^\text{87}\)

\(^{78}\) Rademacher, 2005: 1.
\(^{83}\) Intellectual Property Strategic Headquarters, 2006: 45.
\(^{84}\) Intellectual Property Strategic Headquarters, 2006: 152.
\(^{86}\) Intellectual Property Strategic Headquarters, 2006: 75.
V. Concluding Remarks

Nowadays, the status of brands is continuously increasing in developing as well as in industrialized countries. In 2000, the German Patent and Trademark Office received more than 86,000 trademark applications, while the Japanese Patent Office (JPO) even had to handle more than 145,000 trademark applications in the same time.\textsuperscript{88}

Not least because of their lack of mineral resources, both Japan and Germany as countries from different culture areas depend mainly on innovation, whose legal protection deserves to be in the centre of national attention.\textsuperscript{88} As regards a significant degree of correspondence between both national trademark systems by origin or resulting from adaptation to international standards, the Japanese Trademark Law mainly follows the line of civil law tradition, whereas only a few criteria therein are based on common law jurisdictions. With respect to similarities between trademark litigations in Japan and in Germany, the following aspects have to be pointed out:

♦ Basic first-to-file principle;\textsuperscript{89,90}
♦ Absence of precedents on court decisions;\textsuperscript{91,92}
♦ Hierarchy of courts dealing with trademark matters;\textsuperscript{93,94}
♦ No specific provisions of Trademark Law against trademark dilution;\textsuperscript{95,96}
♦ No specific “pre-trial discovery” as known in the U.S.;\textsuperscript{97,98}
♦ No “punitive damages”;\textsuperscript{99,100}
♦ Ruling by panel of judges; no jury trials.\textsuperscript{101,102}

\begin{itemize}
  \item \textsuperscript{88} Rademacher, 2005: 1-2.
  \item \textsuperscript{89} Hashimoto, 2008: 2.
  \item \textsuperscript{90} Lampel and Heidenreich, 2009: 108-109.
  \item \textsuperscript{91} Miyoshi, 2008: 127.
  \item \textsuperscript{92} Kellenter, 2008: 66.
  \item \textsuperscript{93} Miyoshi, 2008: 128.
  \item \textsuperscript{94} Kellenter, 2008: 68.
  \item \textsuperscript{95} Miyoshi, 2008: 131.
  \item \textsuperscript{96} Kellenter, 2008: 71.
  \item \textsuperscript{97} Miyoshi, 2008: 138.
  \item \textsuperscript{98} Kellenter, 2008: 78.
  \item \textsuperscript{99} Fukushima et al., 2009: 178.
  \item \textsuperscript{100} Lampel and Heidenreich, 2009: 112.
  \item \textsuperscript{101} Miyoshi, 2008: 137.
  \item \textsuperscript{102} Kellenter, 2008: 77.
\end{itemize}
Main differences between both litigation systems are as follows:

♦ “Torpedo actions” in principle only admitted by German courts,\textsuperscript{103,104}

♦ “Preliminary injunctions” \textit{ex parte} not granted in Japan, following the lines of United Kingdom tradition;\textsuperscript{105,106}

♦ The losing party has to bear the litigation fees – “within the limits of the statutory fees” – for the winner’s attorney in Germany, but not in Japan.\textsuperscript{107,108}

In the mid 1990s, the TRIPS Agreement has been introduced in the GATT and subsequently in the WTO as succession organization.\textsuperscript{109} This action tremendously drew the international attention towards protection measures for intellectual property rights, confirming the increasing role of research and development as well as the intangible property rights associated therewith. Interestingly, the study of You and Katayama (2005) on Japanese Foreign Direct Investments in China revealed a negative impact of trademark and patent publications on IP protection.\textsuperscript{109} It has been shown that the duty of disclosure for patent applicants and – additionally or alternatively – the attracting effects of trademark registration on commercially valuable products stimulate the unwanted transfer of technology from an industrialized country to a developing country.\textsuperscript{110}

\textsuperscript{103} Miyoshi, 2008: 136.
\textsuperscript{104} Kellenter, 2008: 76.
\textsuperscript{105} Miyoshi, 2008: 140.
\textsuperscript{106} Kellenter, 2008: 81.
\textsuperscript{107} Miyoshi, 2008: 141.
\textsuperscript{108} Kellenter, 2008: 84.
\textsuperscript{109} You and Katayama, 2005: 591.
\textsuperscript{110} You and Katayama, 2005: 603.
VI. References


## VII. Appendix

### Abbreviations

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Form</th>
</tr>
</thead>
<tbody>
<tr>
<td>BGH</td>
<td>Bundesgerichtshof</td>
</tr>
<tr>
<td>BPatG</td>
<td>Bundespatentgericht</td>
</tr>
<tr>
<td>ECJ</td>
<td>European Court of Justice</td>
</tr>
<tr>
<td>EU</td>
<td>European Union</td>
</tr>
<tr>
<td>GATT</td>
<td>General Agreement on Tariffs and Trade</td>
</tr>
<tr>
<td>GPTO</td>
<td>German Patent and Trademark Office</td>
</tr>
<tr>
<td>GTA</td>
<td>German Trademark Act</td>
</tr>
<tr>
<td>GTR</td>
<td>German Trademark Regulations</td>
</tr>
<tr>
<td>IP</td>
<td>Intellectual Property</td>
</tr>
<tr>
<td>IPSP</td>
<td>Intellectual Property Strategic Program</td>
</tr>
<tr>
<td>JPO</td>
<td>Japanese Patent Office</td>
</tr>
<tr>
<td>JTL</td>
<td>Japanese Trademark Law</td>
</tr>
<tr>
<td>LG</td>
<td>Landgericht</td>
</tr>
<tr>
<td>OLG</td>
<td>Oberlandesgericht</td>
</tr>
<tr>
<td>TRIPS</td>
<td>Agreement on Trade-Related Aspects of Intellectual Property Rights</td>
</tr>
<tr>
<td>UCPL</td>
<td>Unfair Competition Prevention Law</td>
</tr>
<tr>
<td>WTO</td>
<td>World Trade Organization</td>
</tr>
</tbody>
</table>