

Japanese trade mark law and *Benrishi*: preparing for Tokyo 2020

THIS ARTICLE

- Several firms are interested in establishing their own brands in Japan, a sophisticated, competitive and stable market. Over the past thirty years, the country has undergone much deregulation and is relatively open in most sectors. Indeed, Japan is the UK's largest export market outside Europe and the USA.
- Trade marks are the signifiers and legal anchors of brands.¹ This article examines the Japanese trade mark law framework and offers streamlined legal guidance on Japanese trade mark registration, focusing on the considerations required to bring a brand to the Japanese market in time for the Tokyo 2020 Olympics and beyond.
- Trade mark registration in Japan is not unduly complicated. However, pitfalls may arise due to the language barrier and relatively isolated legal system. This article uniquely discusses the Japanese IP profession, the *Benrishi*, the Tokyo 2020 Olympic Brand Protection Guidelines, GIs and certain unique cultural and linguistic aspects of the Japanese trade mark law system.

Integral to the success of any brand launched in Japan is an understanding of the Japanese language, Japanese trade mark law and legal tradition. High profile foreign businesses have struggled to register marks in Japan due to the differences between the Japanese trade mark regime and their local national system and institutions. The McDonald's litigation,² for example, has been a lengthy and costly legal ordeal for that global brand. This article examines the Japanese trade mark law framework and offers a deeper insight into the Japanese trade mark registration system from a Western perspective, with a focus on bringing a brand to the Japanese market in preparation for the Tokyo 2020 Olympics, adding to the limited academic literature specifically on Japanese trade mark law and the *Benrishi*, the Japanese IP profession. Japan is ranked 13th on the Global Innovation Index, and its nominal GDP is the 3rd highest in the world. As the Japanese market is highly sophisticated and competitive, simply being a respected foreign brand does not guarantee success. Japanese consumers are extremely discerning and a foreign brand needs to be attuned to the Japanese market. The Tokyo 2020 Olympics will provide a spectacular opportunity for foreign corporations to gain exposure for their brands with the Japanese and Asian tourists, as well as allowing for global exposure. The Japanese jurisdiction and trade mark regime are reliable and effective at supplying relative certainty, but that relative certainty requires a brand planning and prior investment. The commercial

rewards for successfully establishing a brand in such an enormous market can be substantial, if managed properly. The Tokyo 2020 Olympics offer a great opportunity for branding and marketing. Due to the scale, renown and visibility of the event, each Olympiad is an unparalleled opportunity for brand exposure and Japan is a hospitable jurisdiction, offering ready access to its market. Marketing in Japan provides exposure in other Southeast Asian markets, through the large volume of tourists that visit from neighbouring Southeast Asian countries, with arrivals from the People's Republic of China and Korea representing the majority. This article focusses on trade mark registration in the context of the Tokyo 2020 Olympic Brand Protection Guidelines and critically discuss the unique cultural and linguistic aspects of the Japanese trade mark law system. There is paucity of guidance, in English, in relation to Japanese legal processes. Although legislation is translated into English, there is a scarcity of English academic and practitioner commentary and literature with respect to the registration and use of trade marks. The Japanese legal tradition, the *Benrishi* IP Profession, linguistic and procedural differences are discussed next.

1. The Japanese legal tradition

Historically, Japanese law was influenced by Chinese law and then developed independently during the *Edo* period.³ However, since the late 19th Century, the Japanese legal system has been largely based on the civil law of Germany. Japan's legislature, the National Diet of Japan, enacts laws with the approved of the Emperor as a formality. The main body of Japanese law originates with the Six Codes: the Constitution of Japan, Civil Code, Criminal Code, Commercial Code, Code of Civil Procedure and the Code of Criminal Procedure. As Japan is a civil law system, judicial decisions are not binding on lower courts. However, the precedents of the Japanese Supreme Court and the High Courts are regularly cited and are persuasive. Key English language literature examining the Japanese legal system includes John Owen Haley's *The Spirit of Japanese Law*⁴ and Kenneth L. Port et al, *Comparative Law: Law and the Process of Law in Japan*.⁵ The *Trademark Act 1959* codifies the Japan registered trade mark law framework. The Japan Patent Office (JPO)⁶ is the body responsible for dealing with trade mark applications. The *Unfair Competition Prevention Act 1993* is relied upon to enforce unregistered trade mark rights. While the JPO provides detailed information as to the various steps of registration, enlisting the help of a Japanese IP expert or *benrishi* to engage in the trade mark application process is invaluable.⁷

Even for a lawyer from another jurisdiction, Japanese judicial sources are difficult to access. English translations of the 1959 and 1993 Acts are published with some delay from enactment, so it is possible to form a good idea of substantive statutory provisions, but Japanese case law is often not reported in English. The Supreme Court oversees the reporting of its own cases, as well as the cases of lower and specialist courts and cases falling into under specialist divisions.⁸ The Japanese case search feature on the Supreme Court's website is relatively sophisticated,

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¹ A. Griffiths, Brands, 'weightless' firms and global value chains: the organizational impact of trade mark law, 39 *Legal Studies* 284-301 (286) (2019).

² Supreme Court of Japan, 13 October 1981, (Shouwa 56) Shouwa 54(O)145.

³ The *Edo* period is between 1603 and 1868 in the history of Japan, when Japanese society was under the feudal-style rule of the Tokugawa shogunate and the country's 300 regional daimyō.

⁴ John Owen Haley, *The Spirit of Japanese Law*, revised edn., University of Georgia Press 2006.

⁵ Kenneth L. Port/Gerald Paul McAlinn/Salil Mehra, *Comparative Law: Law and the Process of Law in Japan*, 3rd edn, Carolina Academic Press 2015.

⁶ The Japan Patent Office <www.jpo.go.jp>.

⁷ Japan Patent Office, Examination Guidelines For Trademarks | Japan Patent Office (jpo.go.jp, 2019), <<https://www.jpo.go.jp/e/system/laws/rule/guideline/trademark/kijun/index.html>> accessed 2 April 2019.

⁸ Meryll Dean, *Japanese Legal System: Text, Cases and Materials*, 2nd edn, Routledge-Cavendish 2002, p. 160.

allowing for specific IP searches to be undertaken, including for trade mark cases falling under the 1959 and the 1993 Acts, respectively (the former tend to be filed under the trade mark and the latter under administrative cases).⁹

The primary difficulty arises from the brevity of Japanese law reports. The website allows the body of the case reports to be searched, but because Japanese law reports are very concise, it is difficult to find a case without knowing the exact date of the decision, which is the most effective way of retrieving it (the date must be supplied in the format of the Japanese Imperial Calendar).¹⁰ The English counterpart on the Supreme Court's website is far less detailed and contains far fewer cases. The search system also features fewer filters but, once again, the most effective method is to search by exact date. Japanese judicial citations do not include party names, which further exacerbates the difficulty of finding cases, especially in English.¹¹

1.1. The *Benrishi*: Japanese IP attorneys

Given the lack of English language information on the workings of the Japanese trade mark system, the first step in establishing a brand in Japan is locating a local trade mark law expert, a *benrishi*.¹² The Japanese legal system is somewhat of a closed one,¹³ with a strong local tradition.¹⁴ The closest parallel to a qualified British trade mark attorney in Japan is a *benrishi* (弁理士 - べんりし).¹⁵ Within the Japanese legal profession, the *benrishi* profession is comparatively small, highly specialized area of practice.¹⁶ The proportion of lawyers to trade mark and patent attorneys in the UK and Japan is quite similar.¹⁷ *Benrishi* are less numerous than *bengoshi* (advocates). Nonetheless, a sophisticated legal industry now exists in Japan to support foreign business activities in Japan. Trade mark and patent attorneys are increasingly common as trade mark law becomes more developed and refined with incremental growth as the profession matures. According to *Ruth Taplin*, while there are numerous similarities, Japanese *benrishi* are not perfectly comparable to UK trade mark attorneys. The Japanese legal profession was established in the *Meiji* era,¹⁸ predating UK trade mark attorneys, but it did not assume its present form until much later. Before the significant legal changes of the past 20 years, *benrishi* were a type of auxiliary support personnel assisting in IP matters alongside lawyers who, at the time, had a much greater share of powers over

legal procedures, including in matters of IP law.¹⁹ The changes of the past two decades have changed the *benrishi*, through incremental steps. They now enjoy much greater autonomy²⁰ from lawyers,²¹ and they have the power to represent clients in adversarial proceedings and secondary matters arising in relation to trade marks, such as in the context of alternative methods of dispute resolution.²²

Although a *benrishi* is not, technically, equivalent to a UK trade mark attorney, a firm of *benrishi* will be competent to act in matters of trade mark registration and legal matters. Frequently, the trade mark specialist within a law or IP firm will be designated as a Patent Attorney specialising in trade mark law. Confusingly this is also the designation of a patent attorney or an expert in designs. This is not a universal convention. Oftentimes, firms will use Trade Mark Attorney as the solitary designation or Trade Mark and Patent Attorney. In other words, all trade mark attorneys are *benrishi*, but not all *benrishi* are trade mark attorneys. Due of the traditional nature of the Japanese legal profession,^{23, 24} it can be difficult to contact a law firm outside of Japan to register a mark(s) in a seamless fashion, just as one might contact a French law firm to register a EU Trade Mark. Although Japan is a signatory to the Madrid Protocol²⁵ and it is possible to use the Madrid system, that system has its own share of problems, not the least of which is the vulnerability to central attack and the relatively narrow response windows to objections to registration and other administrative events which would,²⁶ in any case, prompt a prudent prospective trade mark proprietor or prudent undertaking to find a *benrishi* to be responsible for Japanese marks. The principal problem is the fact that the Madrid system did not establish a new type of trade mark, and it is much less a trade mark regime than an international system to facilitate national trade mark registrations, which is what makes it vulnerable to central attack.²⁷ In the case of central attack, if the trade mark is expunged from the register and extinguished in the country of registration, it would necessarily be rendered invalid in Japan as well (there is an exception to this, as marks become immune to such challenge after 5 calendar years from registration).²⁸ Superficially, this might not seem like a problem, but registration of certain marks in Japan, rather than in the foreign business home country may be easier. Interestingly, while there are 364 Italian entries in the WIPO²⁹ Global Brand

⁹ Japanese Supreme Court, ‘裁判例情報’ (2019) <http://www.courts.go.jp/app/hanrei_jp/search1> accessed 24 June 2019.

¹⁰ *Ibid.*

¹¹ Japanese Supreme Court, Judgments of the Supreme Court (2019) <http://www.courts.go.jp/app/hanrei_en/search?> accessed 24 June 2019.

¹² *John O. Haley*, The New Regulatory Regime for Foreign Lawyers in Japan: An Escape from Freedom, 5 UCLA Pacific Basin Law Journal 1 (1986).

¹³ *Susan Sayuri Kigawa*, Gaikoku Bengoshi Ho, Foreign Lawyers in Japan: The Dynamics behind Law No. 66 Note, 62 Southern California Law Review 1489 (1988).

¹⁴ *Bruce E. Aronson*, The Brave New World of Lawyers in Japan: Proceedings of a Panel Discussion on the Growth of Corporate Law Firms and the Role of Lawyers in Japan, 21 Columbia Journal of Asian Law 45, 67-80 (2007).

¹⁵ Patent Attorney Act 2000, Art. 4(1).

¹⁶ Japan Patent Attorneys Association, Membership Breakdown of the Japan Patent Attorneys Association (2017) <<https://www.jpaa.or.jp/old/wp-content/uploads/DistributionMap2017.pdf>> accessed 2 April 2019; *Kay-Wah Chan*, Setting the limits: who controls the size of the legal profession in Japan?, 19 International Journal of the Legal Profession 321 (2012).

¹⁷ A Career As A Trade Mark Attorney – An Overview | Graduate Jobs, Internships & Careers Advice – Inside Careers (Insidecareers.co.uk, 2019) available at <<https://www.insidecareers.co.uk/career-advice/a-careers-as-a-trade-mark-attorney>> accessed 4 April 2019.

¹⁸ The Meiji era (明治 Meiji) of Japanese history took place between 1868 to 1912 when radically new Western European ideas were adopted

resulting in profound change to Japanese society, politics, the military its economy and foreign relations.

¹⁹ 'History of the Japan Patent Attorneys Association | 日本弁理士会' (Jpaa.or.jp, 2019) at <<https://www.jpaa.or.jp/old/?cat=673>> accessed 2 April 2019.

²⁰ *Lee Roussio*, Japan's New Patent Attorney Law Breaches Barrier between the Legal and Quasi-Legal Professions: Integrity of Japanese Patent Practice at Risk Comments, 10 Pacific Rim Law & Policy Journal 781 (2000).

²¹ *Ruth Taplin*, Transforming intellectual property in Japan, [2007] KnowledgeLink newsletter from Thomson Scientific.

²² Patent Attorney Act 2000, Arts. 4-6.

²³ *Terry LS*, Putting the legal profession's monopoly on the practice of law in a global context, 82 Fordham L.Rev. 2903 (2013).

²⁴ *John O. Haley*, The Role of Courts in Making Law in Japan: The Communitarian Conservatism of Japanese Judges Symposium: Law in Japan and Its Role in Asia: Between East and West: Remarks, 22 Pacific Rim Law & Policy Journal 491 (2013).

²⁵ Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks.

²⁶ *Daniel C Schulte*, The Madrid Trademark Agreement's Basis in Registration-Based Systems: Does the Protocol Overcome Past Biases (Part I), 77 J Pat & Trademark Off Soc'y 595 (1995).

²⁷ *John M. Murphy*, Demystifying the Madrid Protocol, 2 Northwestern Journal of Technology and Intellectual Property 240 (2003).

²⁸ *Ibid.*

²⁹ TMview is a trade mark aggregator, aggregating trade marks from the IP offices of the EU member states, the EUIPO and WIPO, making it the largest collaborative trade mark database.

Database³⁰ for Prosciutto,³¹ there are only 14 in the Japanese register,³² the foremost tool of trade mark examiners in Japan in evaluating identity and similarity. This is closely connected with the system and register of well-known marks (see section 4.7). While there is some protection for famous marks – generally marks which more than 50% of the consumers recognize – there are few cases where the operation of well-known trade marks produces the same outcome as successful central attack.³³ As Japan is a registration-based system with a highly reified conception of trade marks, coupled with steep requirements for the protection of unregistered marks, a Japanese registration is recommended where resources and other circumstances so allow. If registration is sought in Japan, in addition to several other signatory states, a Madrid application might be a good cost-saving measure,³⁴ but the Tokyo 2020 Olympic Games will likely put pressure on the JPO trade mark examiners, so speed is of the essence. Further, objection proceedings will create legal-administrative impediments for those without the assistance of a local expert.³⁵ The Japanese legal market makes a strong effort to cater to the needs of foreign undertakings.³⁶ Although there has been a decrease and a downward trend in the operations of international, primarily Anglo-American, law firms in Japan they maintain a strong presence in Tokyo, with a cadre of IP practitioners, including Japanese Patent Attorneys – *benrishi* – often also admitted to the bar of the State of New York or California.

In addition, incorporating a company in Japan and working in conjunction with a local Japanese partner, e.g. to launch a brand or product, offers the benefits of local knowledge, a pooling of resources and better apportioned risk, but it also has its perils. Such partnerships have not always been successful, due to a lack of understanding of the Japanese trade mark registration system and the fundamentals of who owns the registered trade mark rights can lead to complications, which further necessitates the involvement of local IP experts.

It is also important to consider the constraints created by the International Olympic Committee (IOC), the governing body overseeing the Tokyo 2020 Olympic Games. As per the agreement with the IOC, the Olympic venues and their locality will be heavily policed to ensure that unauthorized, non-Olympic Partner brands do not infiltrate them.³⁷ Official guidance has now been published by the Tokyo Organising Committee of the

Olympic and Paralympic Games (TOC). While the *Brand Protection Guidelines* issued by the TOC does not have the power of legislation, it is sensible for firms to abide by the rules to avoid unnecessary disputes and ensuing negative publicity for the brand.

2. Branding and the Tokyo Olympics 2020 Brand Protection Guidelines

The particulars of the Japanese host city contract are fairly standard, vesting Japan with broadly the same rights and responsibilities as previous hosts, with incremental development of the contract through iterations of the Olympic games. As part of the host city contract, Japan has to satisfy the IOC that adequate safeguards are in place to protect the marketing interests of the official sponsors, who are required to pay the IOC large sums of money for the right to display Olympic indicia and to be associated with the event, and to have their trade marks displayed at the Olympic venue.³⁸ Consequently, the JOC's *Brand Protection Guidelines* should reassure stakeholders and clarify the legal position with relation to the use of marks, branding and advertisement in the context of the Tokyo 2020 Olympic Games.³⁹

By way of background, past Olympiad host countries (such as the UK, host of the London 2012 Olympiad⁴⁰) have enacted legislation that includes protection of Olympic brand, but enacting legislation is not a fundamental IOC requirement, as long as there is adequate protection for the official sponsors' IP rights. The purpose of the Tokyo 2020 Olympic *Brand Protection Guidelines*⁴¹ (the *Guidance*) is to protect Olympic sponsors and, by extension, the IOC's financial interests, by deterring ambush marketing⁴² and IP infringement. The *Guidance* sets out three prominent ways in which contravention may occur: (1) infringement of sponsor trade marks; (2) infringement of the trade marks; or (3) indicia of the IOC and introduction of non-sponsor marks to the Olympic venue.⁴³ Ambush marketing may occur in other ways as well but, unlike the infringement of the Olympic brand or the marks of the official sponsors, a marketing ambush is often a purely contractual matter, with no element of trade mark infringement.⁴⁴ Unlike the UK in anticipation of the 2012 London Games, Japan chose not to enact special legislation specifically to prepare the trade mark regime for the Olympics. It was determined that the existing IP legal framework sufficiently

³⁰ World Intellectual Property Organisation (WIPO), Global Brand Database (World Intellectual Property Organisation, 2019) is an aggregator of trade marks and emblems, aggregating the marks registered under the Madrid system, emblems registered under the Lisbon system and those protected as per 6ter of the Paris Convention, see <<https://www.wipo.int/branddb/en/>> accessed 9 June 2019. The GBD is an effective tool to perform a wide-ranging search to gauge the registrability of a mark across several jurisdictions. There is some variation in the level of sophistication of national trade mark databases, and the robust and refined search capabilities of the WIPO database, and its reverse image search capabilities make it a very useful tool.

³¹ WIPO search: Prosciutto (wipo.int, 2019) <<https://www.wipo.int/branddb/en/index.jsp?q=%7B%22searches%22%3A%5B%7B%22e%22%3A%22BRAND%3Aprosciutto%22%7D%5D%7D>> accessed 11 May 2019.

³² The present iteration of the Japanese Online Trade Mark Register does not produce a static link for searches, but the register can be searched at: J-Plat Pat (j-platpat.inpit.go.jp, 2019), see <<https://www.j-platpat.inpit.go.jp/t0100/>> accessed 1 June 2019.

³³ Jeffrey M. Samuels/Linda B. Samuels, International Trademark Prosecution Streamlined: The Madrid Protocol Comes into Force in the United States, 12 Journal of Intellectual Property Law 151 (2004).

³⁴ Gerd F. Kunze, The Madrid system for the international registration of marks as applied under the Protocol, European Intellectual Property Review 223 (1994).

³⁵ Almost all statistical indicators published by the Japan Patent Office show a significant increase in the number of trade mark applications across the period of the last 3-5 years. Some of this increase can be attributed to an increase in the size of the economy and greater interest in the registration of trade marks, however the trend remains strong even

when accounting for this possibility. Japan Patent Office, Preliminary Statistical Data On Applications, Requests And Registrations | Japan Patent Office, (jpo.go.jp, 2019) at <https://www.jpo.go.jp/e/resources/statistics/syutugan_toukei_sokuho/index.html> accessed 4 April 2019.

³⁶ See The Legal 500 Asia Pacific 2019: Japan: Intellectual Property: Recommended Law Firms, Lawyers (Legal500.com, 2019) available at <<http://www.legal500.com/c/japan/intellectual-property>> accessed 1 April 2019.

³⁷ Katelynn Hill, Ambush Marketing: Is It Deceitful or a Probable Strategic Tactic in the Olympic Games Comments, 27 Marquette Sports Law Review 197 (2016).

³⁸ Benoit Séguin/Norman J O'Reilly, The Olympic brand, ambush marketing and clutter, 4 International Journal of Sport Management and Marketing 62 (2008).

³⁹ Brand Protection Guidelines, 1st edn, Version 4.3, JOC 2019, at <<https://tokyo2020.org/en/copyright/data/brand-protection-EN.pdf>> accessed 2 April 2019.

⁴⁰ London Olympic Games and Paralympic Games Act 2006, Sec. 33.

⁴¹ Ibid.

⁴² Ambush marketing occurs when a rival firm attempts to associate its products with an event, such as the Olympic Games, that already has official sponsors.

⁴³ Tom Robinson/Lois Bauman, Winning the Olympic marketing game: recall of logos on clothing, equipment and venues at the 2006 Winter Olympics, 9 International Journal of Sports Marketing and Sponsorship 48 (2008).

⁴⁴ Stephen Townley/Dan Harrington/Nicholas Couchman, The legal and practical prevention of ambush marketing in sports, 15 Psychology & Marketing 333 (1998).

protects sponsor IP rights.⁴⁵ As regards the marks of the IOC, they enjoy the baseline trade mark protection afforded to trade marks in Japan, on grounds of identity or similarity. The IOC, however, also enjoys a further layer of protection as it is an international organization, so the JPO examiners are almost certain to refuse to register marks identical to or closely resembling the marks of the IOC.⁴⁶ All official sponsors are corporate entities, so they enjoy only the baseline protection. Trade mark law is, not strictly relevant to the two most prominent forms of ambush marketing. Most notably, any trade mark displayed inside of the Olympic venue is very likely to be construed by consumers as belonging to an official sponsor.⁴⁷ There are contractual arrangements in place to prevent an infiltration by non-sponsor marks, but this is a contractual matter.⁴⁸ Japanese contract law is codified and defines the rights and obligations of the parties generally. In practice, however, Japanese contracts are succinct, some say ‘terse’, and tend to contain very little detail in contrast with the level a detail in a traditional English law contract. In Japan, the parties negotiate resolutions to complications as they arise.⁴⁹ However, in relation to the issue of ambush marketing, there does not appear to be any applicable trade mark or other IP laws which stipulate that displaying a non-sponsor mark inside of the Olympic venue is an infringing act. Nonetheless, it is to be expected that attendees, employees working at the venue and any other persons with the right to enter the premises would enjoy this right conditionally, and only to the extent that they do not introduce non-sponsor marks into the Olympic venue. The *Brand Protection Guidelines* also include a catalogue of words and terms associated with the Japanese Olympic and Paralympic Committee that are legally protected, as set out in Figure 1 below:

Figure 1 Summary of the Tokyo 2020 Protected Olympic Terms

Names for the Tokyo 2020 Games of the XXXII Olympiad	Tokyo 2020 Paralympic Games
Abbreviated names for the Tokyo 2020 Games Tokyo 2020 Olympic Games	Tokyo 2020 Olympic and Paralympic Games Tokyo 2020 Games Tokyo 2020
Other terms (Examples) Olympics	Olympism; Olympian; Olympiad; Paralympics; Paralympian Citius, Altius, Fortius Faster, Higher, Stronger Faster, Higher, Stronger (in Japanese) Spirit in Motion Olympic flame / Olympic flame relay Torch / torch relay Athletes of the Japanese Olympic delegation Athletes of the Japanese Paralympic delegation “Gambare! Nippon!” slogan

Source: *TOC Tokyo 2020 Brand Protection Guidelines*

2.1. Olympic marks and Tokyo 2020

⁴⁵ Trademarks Act 1959, Arts. 3(1) and 4(1).

⁴⁶ Art. 4(1)(iii).

⁴⁷ *Vikas Behal/Sania Sareen*, Guerilla marketing: A low cost marketing strategy, 3 International journal of management research and business strategy 1 (2014).

⁴⁸ *Marc Mazodier*, Ambush Marketing: Innovative or Immoral?, in: Nicole Ferdinand/Paul Kitchin (eds), Events Management: An International Approach, 11, 1st edn, Sage Publications Ltd 2012.

⁴⁹ J. *Denoncourt*, Q&A Business Law, Routledge 2009-2010, Chapter 6, pp. 57-58.

⁵⁰ Japanese Patent Office Trade Mark Registration 1128499.

⁵¹ *M. Szarkiszjan* undertook a search of the JPO Trade Mark Register on 13 June 2019.

The IOC has registered numerous trade marks under its French name *Comité International Olympique* (as listed in the Japanese Trade Mark Register), but there is no specific registration for the preponderance of the listed words and phrases set out in Figure 1 above. There are general registrations, such as the mark ‘Olympiad’,⁵⁰ but it is likely that the IOC chose to forego registration of a host of marks as they would likely to be protected by Art.4 (1)(vi), (vii) of the Japanese *Trademark Act 1959* (TMA 1959). Marks such as the Olympic Motto ‘*Citius, Altius, Fortius*’, Latin for ‘Faster, Higher, Stronger’ fall under the protection afforded to a recognized international organization under the TMA 1959. Furthermore, the IOC has 136 entries in the Japanese Trade Mark Database, 128 of which are registered and valid, whereas 8 await examination.⁵¹ [Figure 1, a depiction of Romulus, Remus, the Capitoline Wolf, the Olympic Rings and the Roman numerals MCMLX as a trade mark] The marks are extremely varied, ranging from Lausanne 2020,⁵² through Generation Rise,⁵³ to the Capitoline Wolf on top of the Latin numerals MCMLX and the Olympic Rings.⁵⁴ The number and variety of registrations would be difficult to navigate for any undertaking with the intent to register a mark which is even vaguely related to the Olympics, as any application is very likely to fall foul of the similarity, if not the identity exception to registration. [Figure 2, the word mark ‘Lausanne 2020’ in conjunction with the Olympic Rings as a trade mark] For the reasons outlined above, attempting to register a trade mark which bears even a superficial resemblance to any of the Olympic symbols or IOC marks is a risky endeavour. With the long window between filing a registration and the conclusion of the examination process, any delays are likely to push the registration date past the Tokyo 2020 Olympic games. A contentious mark which evokes the Olympic games in some way is almost certain to be contested by the IOC, the JOC and the official partners. Financial constraints permitting, it is a better alternative to attempt to register multiple high and low risk marks, to ensure that by the commencement of the Tokyo 2020 Olympic Games, there is a registered mark to be affixed to goods. Whilst the marketing potential is strategic in terms of Tokyo 2020, trade marks are mostly registered for their potential to protect a brand in the long term, even long after the games have ended. Incorporating a limited company or Japanese GK as a special purpose vehicle (SPV) capable of acquiring, holding and disposing of IP assets such as trade marks will be discussed next.

3. Incorporating to facilitate registering trade marks in Japan

During the Beijing 2008 Olympics, many prospective proprietors were faced with the problems of high barriers to market entry. A key factors were the operation of corporate law and incorporation⁵⁵ and technology transfer arrangements arising from the uneven bargaining positions of Chinese and foreign undertakings.⁵⁶ Although only as recently as in 2018, the PRC increased the percentage ownership cap of joint ventures between foreign and Chinese partners from 49% to 51%,⁵⁷ allowing a controlling share of the venture. As such, many foreign businesses contemplating a branding strategy for the Japanese market might be reluctant to pursue incorporation in Japan or co-operation with

⁵² Japan Patent Office Trade Mark Registration 1205023.

⁵³ Japan Patent Office Trade Mark Registration 1145441.

⁵⁴ Japan Patent Office Trade Mark Registration 1145441.

⁵⁵ *Paul W Beamish*, The characteristics of joint ventures in the People’s Republic of China, [1993] 1 Journal of International marketing 29.

⁵⁶ *Daniel C. K. Chow*, A Comparison of EU and China Competition Laws that Apply to Technology Transfer Agreements, 9 *IS: A Journal of Law and Policy for the Information Society* 497 (2013).

⁵⁷ *Xiaoyang Zhang*, The legal framework governing business organisations in China: gaining an understanding of its general evolution, [2019] 2016 *Amicus Curiae* 6.

a local partner, due to the less than optimal experiences of dealing with its northern neighbour, the PRC. However, these concerns need not apply to Japan in the same way and to the same extent. Incorporation in Japan is a straightforward process. Japanese company law is based on the Corporations Code 2006 and directors duties and shareholder liability rules are similar to the UK company law system in many respects. Therefore, with very limited exceptions, foreign legal and natural persons can own 100% of a Japanese *Kabushiki Kaisha* (K.K) (株式会社) or *Godo Kaisha* (G.K) (合同会社).⁵⁸ These are similar to UK public and private limited companies respectively. The former can be listed on the stock exchange, in contrast with the latter, which also has a pared down administrative structure and is less administratively onerous to maintain. Companies can be incorporated with as little as ¥1 paid up. A K.K. with capital of over ¥5,000,000 is also able to request investor visas.⁵⁹ The advantage of establishing a Japanese company is to facilitate ownership, licensing and eventual disposal of the trade marks in that jurisdiction. Next we turn to the topic of selecting marks for the Japanese market and a critical analysis of the key linguistic and cultural considerations.

3.1. Linguistic aspects of choice of Japanese word marks

The Japanese language is predicated on syllables, in contrast with, for instance, English. While English makes use of syllables, the Latin alphabet used to construct English comprises characters which each correspond to a single sound. Japan does not have an alphabet. Rather, it has two broadly overlapping syllabaries, *hiragana* and *katakana* (*kana* collectively) and an ideographic set of symbols of Chinese origin – the *kanji*. These important linguistic features should be taken into account when choosing a trade mark, as semantics and aesthetics of the mark will be affected.⁶⁰

a) Japanese perceptions of aural similarity

A key consideration is how the Japanese perceive aural similarity. As much of the *kana* corresponds to syllables, there are very few freestanding sounds, such as a, i, u, e, o and n. As syllables are a more restrictive unit than sounds, as they permit for fewer permutations of the same length, the Japanese language is replete with homophones. Sammy and Sunny, for example, were considered by the Japanese judiciary to be aurally similar, despite differences in their visual appearance and the fact that in English they appear quite distinct.⁶¹ Due to these characteristics of the Japanese language, the choice of a trade mark can sometimes be difficult. The Japanese trade mark register includes the Romanized pronunciation of most registered trade marks. For example, the word mark Excelsior⁶² will be aurally perceived by the Japanese public as “ekuserushiooru” or “ikuserushio”. Some words can be rendered in Japanese without such a conversion, but words with multiple consonants without much interspersion by vowels cannot.

b) Visual similarity and Japanese writing

The Japanese language has a different relationship with its principal writing system, the *kanji*, compared to the relationship between the Latin alphabet and the English language. 物 and 生

can be read as ‘mono’, ‘shou’, ‘sei’ or ‘nama(raw)’ respectively, and they mean ‘thing’ and ‘life’. In combination, 生物 becomes ‘seibutsu’ and means ‘life form’ or ‘living thing’. In other words, *kanji* changes its reading and its meaning in combination with other *kanji* and *kana*. The Chinese symbols, in use in Japanese, are not bound to a single sound. Instead, they are building blocks used to construct words in an intuitive and variable way. To successfully communicate with and attract Japanese consumers, it is important to be cognisant of the operation of these two phenomena. *Kanji* is intuitive, not static, so it is best to avoid combining *kanji* in a way which treats individual ideographs as constants, as they are not constants but variables. As noted, Japanese is rich in homophones, and the aforesaid operation of the writing system is necessary to aid in ascertaining the intended meaning of words. In speech and longer writings, the meaning of a word can be intuitively ascertained using the available context. Unfortunately, with trade marks, there is often no context. Without knowing that the mark NIKE is derived from the name of the Greek goddess of victory, it might be difficult to ascertain the intended pronunciation of the mark. This problem is exacerbated in Japanese by the dynamic fluidity of the *kanji*. 御

柱祭 can be pronounced as “mihashira-matsuri”, “onbashira-matsuri”, “mihashira-sai” or “onbashira-sai”. All of these readings mean *Mihashira* Festival, *matsuri* and *sai* being two of the possible readings for 祭 or festival. However, *matsuri* and *sai* are aurally very different and they would be perceived as aurally akin to different sets of prior registrations. It is also very likely that 御柱祭 would not be visually similar to a mark it shares aural similarity with.⁶³ This is in contrast with something like the visual and aural similarity of the words *Wagamama* and *Rajamama*.⁶⁴ Trade mark examiners and Japanese courts are keenly aware of and take into account these factors. This is understandable given the significant proportion of advertising which employs non-Japanese script.⁶⁵

Therefore, the most important consideration in choosing a trade mark is how Japanese consumers would perceive the mark both aurally and visually. This deeper understanding of the layers of difficulty in selecting an appropriate mark for the Japanese market will support preliminary trade mark searches. Further, foreigners will be better placed to communicate their instructions and understand advice received from Japanese *benrishi* when determining brand strategy for the Japanese market.

c) Transliteration issues and registering foreign marks in Japan

Further, it is not self-evident that a registration for a mark in *kana*, *kanji* or Romanized form covers the others. It is very likely that the courts will afford protection, but it is not automatic, as the systems of transliteration⁶⁶ are imperfect and numerous.⁶⁷ The most prominent romanization styles are Hepburn, Hepburn Revised, Nihon-Shiki/Kunrei-shiki and JSL, but none are universally accepted or the true, correct style of Romanization, as they all only approximate native Japanese pronunciation. Similarly, Japanese speakers try to approximate the native language pronunciation of words, most commonly English. The co-author’s name Martin, for example, can be pronounced in a rhotacized fashion, a non-rhotacized fashion, with a silent ‘r’,

⁵⁸ Companies (Japan) Act 2005, Sec. (2)(i); Tom Nicholas, The Organization of Enterprise in Japan, 75 The Journal of Economic History 333 (2015).

⁵⁹ Milos Debnar, Individual migration, non-ethnic integration and challenges for the integration policies in Japan, 2011.

⁶⁰ Roger Shuy, Using Foreign Language Words in Trademarks, in: Linguistic Battles in Trademark Disputes, Palgrave Macmillan UK 2002, at <https://doi.org/10.1057/9780230554757_12> accessed on 14 June 2019.

⁶¹ Tokyo High Court, 23 July 1991 (Heisei 3) Heisei (Gyo-Ke) 288.

⁶² Japan Patent Office Trade Mark Registration 1759770.

⁶³ *Toyoshimaya v. Suwa Taisha* [THC] 04/08/1998 Han-Ji Issue 1660, 120.

⁶⁴ *Wagamama Ltd v. City Centre Restaurants PLC* [1995] FSR 713; *P Jaffey*, Likelihood of association, 24 European Intellectual Property Review 3-8 (2002).

⁶⁵ [THC] 26/05/1992 5904 Sokuho 205.

⁶⁶ Transliteration is a type of conversion of a text from one script to another, whereby letters are swapped in predictable ways.

⁶⁷ *Shusaku Yamamoto/John A. Tessensohn, A bigen or not a bigen*, that is the question, 18 European Intellectual Property Review 640-644 (1996).

with a glottal stop or some combination of these. It can, therefore, be rendered as “Maa-chin“, “Maru-chin“, “Maa-tin“, “Maru-tin“, “Ma-tin“, “Mar-in“ and so on. Although the first two are the most likely contenders, as ‘ti’ is a less common rendering than ‘chi’, the possible transliterations are still numerous.⁶⁸ Accordingly, the prudent choice is to provide multiple transliterations when filing a trade mark application in Japan. Although there is evidence that this is not necessary, and Japanese courts take an analytic perspective, a better deterrent is a precise registration which precludes, rather than wins, litigation.⁶⁹ The objective of a Japanese trade mark register search, under such time constraints is not to find a mark which is theoretically registrable, but one which is likely to avoid harsh scrutiny at the examination stage and opposition upon publication, to be discussed further in section 4 below.⁷⁰ Once a mark has been selected, the next stage is to engage in the Japanese trade mark registration process.

4. Registering a Trade Mark in Japan

A trade mark application must be filed with the JPO. The application must specify the particulars of the mark applied for, such as the name and address of the applicant and the class or classes applied for within the context of the Japanese trade mark classification system for goods and services.⁷¹ While Japan does not discriminate against foreign undertakings with respect to incorporation and trade mark registration, the latter is a laborious and protracted process for Japanese and foreign persons alike. Trade mark registration in Japan, as elsewhere, is a lengthy affair for the examiners, involving an extensive search to be conducted in increasingly greater numbers as Tokyo 2020 approaches. Presently, the Japanese examination process can take just under a year to over 3 years conclude,⁷² which does not necessarily result in a trade mark registration. An initial refusal, or heavy objections can supervene to extend the registration period beyond the commencement date of the 2020 Olympiad.

American global brand General Electric is one of the Worldwide Olympic Partners of the IOC. GE recently succeeded in registering their “GE90” trade mark registration in Japan, which is an international Madrid registration, based on a 2002 US⁷³ registration. The filing date for their Japanese application was 12 November 2015 and the trade mark was registered four years later, on 8 February 2019. The long delay has been caused by a refusal to register by the examiner, followed by a request to appeal lodged on 30 June 2017. Although the mark was eventually registered, the timeline makes it clear that a refusal to register at the examination stage will almost assuredly delay grants beyond the date of the 2020 Olympics. However, Intel, another WOP sponsor, used their existing US⁷⁴ registration through the Madrid system, with a Japanese filing date of 28 December 2016, which was granted under two years later, on 28 September 2018. Panasonic, also a WOP sponsor, bypassed the Madrid system altogether by filing an application directly in Japan with a filing date of 12/07/2018 and grant date of 26 April 2019, reducing the time from filing to grant even further.⁷⁵ GE’s Madrid application with appeal took 1184 days, whereas without opposition proceedings, Intel’s Madrid application took 639 days. In contrast, Panasonic’s application was filed directly in Kadoma-shi, Osaka and proceeded without any opposition. Panasonic Japanese trade mark

registration only took 288 days from application to grant. Considering the applicable time constraints, a direct application in Japan is the recommended, if not the preferred, course of action. The authors have confirmed that applications by the other major sponsors, such as Alibaba,⁷⁶ Bridgestone,⁷⁷ Samsung,⁷⁸ etc., all follow similar trends.

4.1. The Japanese Trade Mark Law Regime

In general, the trade mark regime of Japan resembles the regimes of the wider WIPO membership. Since the end of the economic bubble period, Japan has been striving to attract foreign businesses to participate in its market. The principal legal instruments governing the trade mark regime are the Trademark Act 1959 and the Unfair Competition Prevention Act 1993. The 1959 Act is the flagship statute governing the procedural elements of trade mark registration, use, infringement and ancillary matters. The 1993 Act governs matters pertaining to unregistered trade indicia, and it is superficial analogue of the law of passing off, although the standard for protection is much less charitable than under passing off in common law regimes.

a) Registration of traditional and non-traditional marks

Art.2(1) of the 1959 Act defines registrable subject-matter as “among those recognizable by human perception, any character(s), figure(s), sign(s) or three-dimensional shape(s) or colours, or any combination thereof, sounds, etc. provided by Cabinet Order”. On 16 May 2014, the TMA 1959 was amended to permit the registration of non-traditional trade marks, and the amendment entered into force on 1 April 2015. In particular, olfactory, gustatory and tactile marks cannot be registered in Japan at present, but a host of traditional and non-traditional marks, such as text, 3-D, auditory, motion and holographic marks can. As the crux of the test is human perception, the onus will be on the applicant to demonstrate that the mark can be represented in a human-perceptible fashion.⁷⁹ As noted above, there is little time remaining to register a trade mark comfortably to be used during the Olympiad. Non-traditional trade mark applications are likely to invite resistance on part of the examiners, if for no other reason than due to their lower prevalence and definitional nebulosity.

b) Absolute grounds of refusal

Art. 3(1)(i) sets forth the exclusions to registrability: a sign cannot consist “solely of a mark indicating, in a common manner, the common name of the goods or services”. Under Art.3(1)(i), marks which are descriptive or customarily used to describe goods, marks which denote place of origin, sale, quality or other terms and words which are not used to directly describe the goods, but which describe the particulars of its production or use are not registrable. Likewise registration is precluded for marks which consist only of a common name or surname, marks which are not suitable to allow consumers to discern the pertinent undertaking, other than if the mark, through use, had acquired such distinctiveness as to allow consumers to discern the associated undertaking, in spite of the ostensibly generic nature of the indicia.

⁶⁸ Hideo Okada, Japanese, 21 Journal of the International Phonetic Association 94 (1991).

⁶⁹ Ibid.

⁷⁰ Masaya Suzuki, The trademark registration system in Japan: a firsthand review and exposition, 5 Marq Intell Prop L Rev 133, 175 (2001).

⁷¹ Ibid., 144.

⁷² Japan Patent Office Trade Mark Registration 2561930; International Registration 1291316.

⁷³ Japan Patent Office Trade Mark Registration 2561930; International Registration 1291316.

⁷⁴ Japan Patent Office Trade Mark Registrations 87979748 & 87275464; International Registration 1361992.

⁷⁵ Japan Patent Office Trade Mark Registration 6140990.

⁷⁶ Japan Patent Office Trade Mark Registration 5980200, non-Madrid, no opposition: 340 days.

⁷⁷ Japan Patent Office Trade Mark Registration 6138644, non-Madrid, no opposition: 267 days.

⁷⁸ International Registration 1359116, Madrid, no opposition: 556 days, cf. Reg.No. 6087904, non-Madrid, no opposition: 354 days.

⁷⁹ Michiru Takahashi, Japan: Amendment To Trademark Act Of Japan - New Marks, Including Color Marks And Sound Marks, Can Be Protected, mondaq (www.mondaq.com) <<http://www.mondaq.com/x/338350/Trademark/Amendment+to+Trade+mark+Act+of+Japan+New+Marks+Including+Color+Marks+and+Sound+Marks+Can+Be+Protected>> accessed 2 April 2019.

“Genericide” (extinction and subsequent expungement of a mark which has become a generic word through its own success) and acquired distinctiveness are also contemplated. Kaminari Okoshi (雷おこし) is a type of Japanese confectionery. Although there was once a registration for *Kaminari Okoshi*, through extensive use in the Asakusa area of Tokyo, the mark lost its distinctiveness and became a byword for crispy rice sweets known today as Kaminari Okoshi.⁸⁰ With acquired distinctiveness this occurs in reverse, and a previously generic term comes to be associated with an undertaking. This is what happened in the *khaki cha or persimmon tea* case.⁸¹ At first instance the Khaki Cha mark was considered common, as it indicated the common name of the goods. However, on appeal, the Tokyo High Court decided that the mark, through prolonged use and association with a commercial undertaking, had acquired distinctiveness.⁸² *Juicy (juushii)*, likewise, is a generic descriptor for fluids. However, the mark was permitted registration as consumers have come to associate the English word overwhelmingly with the applicant. Under Art. 3(1)(ii) there is a further set of exclusions for words which are customary within the relevant industry. *Junsei* (genuine) is the customary word for first-party car parts (parts which are manufactured by the original manufacturer of the car, such as Ford manufacturing original parts for Ford automobiles) in the Japanese automobile industry and consequently the Tokyo District Court held a registration for Junsei invalid in the *Takagi v Daihatsu*⁸³ case. Geographic location marks are likewise covered by Art. 3(1)(ii), and acquired distinctiveness is applicable. In *Georgia Coffee*,⁸⁴ the principal consideration was whether the consumers could distinguish between the semantic meaning of the words and the trade mark representing an undertaking. Such acquired distinctiveness was held to be absent.⁸⁵ The circumstances of the latter case concerned the sale of hygiene products and toiletries under the Waikiki Beach name. Through prolonged and systematic use, the Japanese public came to associate Waikiki Beach with such products. Registration was ultimately denied, but it was not for lack of acquired distinctiveness, but rather due to the operation of Art. 4(1)(xvi): the mark was considered liable to mislead consumers, as the goods had no connection to Waikiki Beach in Hawaii. Article 4(1) covers what, in the UK, falls under absolute and relative grounds for refusal— marks which for normative or relative reasons are not registrable. Absolute grounds pertain to marks which cannot be registered for intrinsic reasons (e.g. marks devoid of distinctiveness), while relative grounds pertain to marks which cannot be registered due to existing rights, such as prior registrations of identical marks. Restrictions concern, amongst others, marks such as the imperial chrysanthemum crest,⁸⁶ or the crest or heraldry of a foreign nation, state emblems⁸⁷ or the crest or symbol of an international organisation or supra-national organization such as the EU⁸⁸ or a well-known mark or a symbol indicating control by a state or organization. Furthermore, it also covers marks which are liable to be detrimental to public policy.⁸⁹ Although not specifically in the wording of the statute, marks which are morally repugnant are also considered by the trade mark examiners as well as the courts to fall under this provision.

⁸⁰ *Tokiwado v. Abe* [SC] 08/04/1975 Han-Ji Issue 779, 56.

⁸¹ [TDC] 30/11/1994 Han-Ji Issue 1521, 139; *Biochemical Research Institute v. Genoa* [THC] 18/01/1996 Han-Ji Issue 1562, 116.

⁸² *Shusaku Yamamoto/John A. Tessensohn*, Written in the tea leaves, [1996] 18 European Intellectual Property Review 107-109.

⁸³ *Takagi v Daihatsu Motors* [TDC] 19/07/1976 Han-Ji Issue 841, 49

⁸⁴ *Coca-Cola Co. v. JPO* [SC] 23/01/1986 Han-Ji Issue 1186, 131.

⁸⁵ In contrast with the *Waikiki* case: *K.K. Otsuka Medical v. K.K. Sanseido* [SC] 10/04/1979 Han-Ji Issue 927, 233.

⁸⁶ Art. 4(1)(i).

⁸⁷ Art. 4(1)(ii).

⁸⁸ Art. 4(1)(iii).

⁸⁹ Art. 4(1)(vii).

4.2. Relative grounds of refusal

The relative grounds for refusal provide also that a mark is not registrable to the extent that it is identical with or similar to another mark filed *prior in tempore*, or if it is identical with or similar to a defensive mark (a well-known mark, for which the Japanese Trade Mark Database has a sub-section).⁹⁰ A defensive mark affords a type of status, title or protection which adheres to a mark which is well-known.⁹¹ This latter protection is an enhancement of the baseline trade mark right, and a defensive mark covers additional registration classes, so using a mark on cutlery, similar to a well-known or famous mark for petrochemical products would fall foul of the provisions, despite the vast difference between the class of goods and services.

Although Japan uses a system of registration, well-known trade marks are structurally closer, in their operation, to trade marks granted in use-based systems. In contrast with traditional, registered trade marks, a well-known mark is created through opposing proceedings and judicial action. The subset of trade marks which have been found to be well-known are entered into the database of well-known and defensive trade marks, as the two are aggregated. Whether a mark is well-known is judged in relation to the knowledge of the Japanese public.

Evangelion,⁹² for instance, is a famous Japanese animated television and film series. The brand is well-known in Japan, as the registration attests, but the same level of renown might not be present across other countries. Similarly, *Kakicha* is well-known in Japan, but it enjoys relatively little renown outside of Japan.⁹³ The requirement that a mark be well-known can be set aside under specific circumstances, where the mark concerned pertains to a speciality product not likely to garner a large base of consumers outside of specific industries. It is also not always necessary that the goods associated with the mark should have been marketed in Japan. Popular IT magazine *Computerworld* was considered to be well-known despite not being made available to Japanese consumers because, the court reasoned, the publication was well-known within the industry.⁹⁴

4.3. Database of Well-Known Trade Marks

The Japanese Database of Well-Known Trade Marks serves the convenience of businesses, providing a resource which can be consulted to ascertain what marks are well-known. However, it cannot be used, through elimination, to ascertain which marks are not. As a requirement of inclusion is judicial recognition, there are likely to be numerous marks which have yet to be included in the database due to lack of litigation to date.⁹⁵

4.4. Defensive trade mark registration strategies

A defensive trade mark strategy involves the owner of a well-known mark applying for a trade mark in a class of goods or services not intended to be used by the owner. The purpose of filing a defensive trade mark application is to reduce the possibility of other traders using the trade mark for unrelated goods or services. In other words, defensive marks provide a further layer of protection for a brand. However, before a mark can be designated as a defensive mark, it needs to be well-known.

⁹⁰ Art. 4(1)(xii).

⁹¹ *Kenneth L Port*, Protection of Famous Trademarks in Japan and the United States, [1996] 15 Wis Int'l LJ 259.

⁹² Reg.No.3324699, khara, Inc., Suginami-ku, Tokyo.

⁹³ Reg.No.1318401 ,SEIKAGAKUKENKYUSYO CORPORATION Sakaide-shi, Kagawa.

⁹⁴ *CW Comm v. Dempa Newspaper* Han-Ji Tokyo High Court 26 February 1992 (Heisei 4) Heisei 3 (Gyo-Ke) 29.

⁹⁵ For more detailed information see: *Hiroko Onishi*, Well-Known Trade Marks: A Comparative Study of Japan and the EU, 1st edn, Routledge 2015; *Hiroshi Oda*, Japanese Law, 3rd edn, Oxford University Press 2011

There is no requirement that the goods or services be similar to a registered class, or that the mark should be used in conjunction with other goods or services. The legal requirement for a mark to be recognised as well-known is for over 50% of consumers to recognise it. A defensive mark also offers protection against subsequent applications which seek, indirectly, to leverage the reputation and goodwill associated with a well-known mark.

4.5 McDonald's experience partnering with a local Japanese business

As discussed in section 2 above, it is relatively easy to set up a limited company in Japan and the relationship with the Japanese partner may smooth the way for the brand to enter the Japanese market. Most common law, continental and mixed legal regimes have trade mark systems which permit original acquisition of trade marks through a system of registration. This is in contrast with the US, one of the very few jurisdictions which operates on the basis of use of a mark. In the *Makku Sangyo*⁹⁸ case for example, the legal team for McDonald's unfortunately disregarded this crucial legal difference leading to prolonged litigation in Japan. In essence, McDonald's local Japanese business partner was unwilling to relinquish the trade marks which it had registered⁹⁹, for the purposes of the partnership, in its own name to McDonald's. Fortunately, McDonald's was able to rely on the *Japanese Unfair Competition Prevention Act 1993* to recover its trade mark rights through an order for transfer of title. However, it took over 10 years for McDonald's, now an official sponsor the Tokyo 2020 Olympics, to be granted this remedy by a Japanese court. When dealing with a local Japanese partner, appropriate contractual safeguards should be in place to avoid a similar situation. [McDonald's had a very good business case for the global brand to devote substantial resources and expenditure over a decade to enforce its legal rights in Japan. This luxury may be less accessible to other firms wishes to establish their brands in Japan.

5. Unregistered marks

There is a further class of marks in Japan which are important for the purposes of conducting a thorough search and ensure that a mark applied for is registrable. Unregistered marks, despite the name, are a category of their own, altogether distinct from passing off or well-known marks. These marks are not only unregistered, but they are not susceptible to registration. The marks are added through ministerial designation, and the Japanese database also indexes the marks within the same category designated by the World Trade Organisation. The preponderance of these marks belong to international organisations, agencies and other bodies, such as the International Energy Agency¹⁰⁰ or Association of Southeast Asian Nations.¹⁰¹

6. Geographic Indications & Regional Collective Marks

Geographic indications in Japan are protected by the *Protection of the Names of Specific Agricultural, Forestry and Fishery Products and Foodstuffs Act 2014* (entered into force in 2015) or the *Geographic Indications Act 2015*. Regional collective marks are governed by Art. 7.2(1) of the TMA 1959, and structurally this is a type of trade mark right.

The Ministry of Agriculture, Forestry and Fisheries (MAFF) is responsible for regulating GIs in Japan. Art. 7 sets out the information which must be supplied by the group of producers applying for the GI, which pertains principally to the geographic definition of the producing region and the production methods which, upon successful application, will be the defining characteristics of the protected goods. The MAFF issues a public notice¹⁰⁴ and there is a three month window for opposition.¹⁰⁵ Following the notice period, the MAFF consults experts with relevant knowledge of the subject-matter¹⁰⁶ and taking into account their opinions, it will either implement the registration¹⁰⁷ or refuse to register the GI.¹⁰⁸ Regional Collective Marks are different as they protect standard trade mark subject matter, with some variation as to the particulars of the ownership of the mark. They can be applied for by bodies or consortia representing a regional industry, such as the Consorzio del Prosciutto di Parma.

The TMA 1959 is drafted in such a way that Art. 3(1)(i) states that marks which consist "solely of a mark indicating, in a common manner, the common name of the goods or services" are not to be registered. Art.7.2(1) provides that an authorized body is able to register a "trade mark consisting solely of characters indicating, in a common manner, the name of the region and the common name of the goods or services pertaining to the business of the applicant or its members." However, Art. 7.2(1) goes on to qualify by adding "except a case falling under item (i) or (ii) of Article 3(1)." Due to the circular logic of the provisions, the Japanese courts have in some cases considered generic subject-matter unregistrable due to the exception to the exception.¹⁰⁹

7. The EU-Japan Economic Partnership Agreement and Brexit

The EU-Japan Economic Partnership Agreement entered into force on 1 February 2019. UK undertakings currently trade with Japan under the terms of the agreement but, prior to the agreement, the UK and Japan were trading on World Trade Organization rules. Under most Brexit scenarios the UK would leave the EU with a transition period. Before the extension until October 2019, the UK was scheduled to depart the EU in March 2019, and the transition period was to last until the end of 2020, with room for extension by bilateral agreement.¹¹⁰ This would allow UK businesses to take advantage of the EU-Japan agreement for the duration of the 2020 Olympics, but the long term trade relationship between the UK and Japan would depend on the substantive deal, or lack thereof, between the UK and the EU. There is the prospect of a Japan-UK trade agreement, but Japan primarily requires an entry point to the single market, and the UK's ability to successfully negotiate a trade agreement will depend on the terms and degree of access it can offer to the EU markets.

8. Conclusion, reflections & recommendations

The comparative trade mark law research presented contributes to the literature by identifying the differences and similarities in the approach to trade mark registration in Europe and Japan. While branding in Japan is highly visible, the trade mark law landscape is less known. The authors have analyzed how Japanese trade mark law and judicial rulings are likely to present practical challenges to those entities seeking to protect marks in Japan.

⁹⁸ Supra note [4].

⁹⁹ Japan Patent Office Trade Mark Registrations 2066698; 2319342; 2188712.

¹⁰⁰ Japanese Trade Mark Register Public Notice Number 206-1.

¹⁰¹ Japanese Trade Mark Register Public Notice Number 246-6.

¹⁰⁴ Protection of the Names of Specific Agricultural, Forestry and Fishery Products and Foodstuffs Act 2014, Art.8.

¹⁰⁵ Ibid., Art. 9.

¹⁰⁶ Ibid., Art. 11.

¹⁰⁷ Ibid., Art. 12.

¹⁰⁸ Ibid., Art. 13.

¹⁰⁹ *Kenneth L Port*, Regionally Based Collective Trademark System in Japan: Geographical Indicators by a Different Name or a Political Misdirection, 6 *Cybaris Intell Prop L Rev* 2 (2015).

¹¹⁰ Agreement on the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community, as endorsed by leaders at a special meeting of the European Council (2018), 195, Art. 126.

Although the Japanese jurisdiction and markets do not discriminate against foreign undertakings, impediments to market entry do exist, especially in the realm of trade mark registration largely due to linguistic reasons. The barriers are high, but not insurmountable with careful planning.

Japan has a very well developed IP law regime with multiple databases of trade mark registrations and restricted indicia spanning decades of registrations. However, knowledge of the law and registers is a pre-requisite for minimising the risk of a refusal to register at the examination stage and heavy opposition upon publication. We noted the Japanese system includes registers of well-known trade marks and defensive marks; coats of arms and other heraldry and crests and symbols of international organisations are designated by WIPO or through ministerial designation by the Japanese executive. The database of figurative elements is organized in line with the Vienna classification system and geographic indicators. The UK's China IPR SME Helpdesk,¹¹¹ and the EU-Japan EPA Helpdesk¹¹² both offer resources and services for UK and EU businesses contemplating doing business in Japan. The Japanese Law in Asia-Pacific Socio-Economic Context, a University of Sydney Blog is also useful.¹¹³ The Tokyo 2020 Olympics will attract intense global attention on Japan, making it a prime destination for global and less well known brands to become established in Asia. The country has always been a popular tourist destination and most tourists travel to Japan from China, as well as other Southeast Asian countries. Visitor arrivals from Mainland China and South Korea were in the range of 8.3 and 7.5 million respectively in 2018.¹¹⁴ The 2020 Olympics will attract an even greater number of affluent Chinese and South Korean consumers. For businesses, the Tokyo 2020 can be a pivotal gateway to introduce their brand in Asia. A robust marketing campaign, underpinned by branding and legally protected trade marks, can lay the foundation for further expansion into other Southeast Asian markets. While Japanese law is mostly a combination of legal transplants from western legal system, the paucity of translated sources and the language barrier can make the Japanese legal system look distant. In terms of trade mark law practice, foreigners must navigate the linguistic and cultural differences, yet expert counsel can be costly. Most foreign businesses will not have a nuanced understanding of the local Japanese legal services; enlisting the services of international law firms operating in Japan comes at a cost. Meanwhile, the Japanese legal profession has a strong local tradition, and it is prudent for commercial undertakings to have expert counsel such as the *benrishi*. Briefing a *benrishi* could save time.

The lack of Japanese Olympics legislation to enforce a restrictive Tokyo 2020 Olympics association right is a far less strict approach, than in the last two Olympiads. To date, the JOC has simply issued fairly brief Olympic Brand Guidelines and a list of Olympic words, terms and logos not to be used by non-sponsors – a more flexible, less strict approach than a legislative regime of fines and crimes. The Japanese approach is pragmatic and avoids the heavy handedness of the London 2012 games to non-official sponsors.

¹¹¹ European IP Helpdesk, China IPR SME Helpdesk (European IP Helpdesk, 2019) <<https://iprhelpdesk.eu/china-helpdesk>> accessed 14 June 2019.

¹¹² EU-Japan Centre, EU-Japan EPA Helpdesk (2019) <<https://www.eu-japan.eu/epa-helpdesk>> accessed 14 June 2019.

¹¹³ Japanese Law in Asia-Pacific Socio-Economic Context (University of Sydney, 2019) <<http://blogs.usyd.edu.au/japaneselaw/>> accessed 14 June 2019.

¹¹⁴ Japan Tourism Statistics, Breakdown by Country/Area (2019) <<https://statistics.jnto.go.jp/en/graph/#graph--breakdown--by--country>> accessed 14 June 2019.