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To: Legislative Affairs Office, General Affairs Division, Japan Patent Office

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Chairperson of the Trademark Committee,
Japan Intellectual Property Association

Opinions on the "Draft Report by the Working Group on New Types of Trademarks"

With regard to the issue mentioned above, on which you have invited opinions as of February 2009, we would like to submit the following opinions.

1. Gist of this document

We basically welcome the enrichment of measures to promote intellectual property protection. However, as the Japanese trademark law system adopts the first-to-file system, the substantive examination principle and the principle of registration in principle, we consider it as a premise of introducing a new system that predictability by system users is secured with clear standards for registration and protection having been indicated. In addition, since new exclusive rights are to be granted to specific persons, we consider it necessary to sufficiently take the negative effects into account, for example, inhibition of free advertising activities, etc. by companies.

New types of trademarks, on which we are submitting opinions at this time, are **those which are totally different in nature from trademarks of which the concept is stated in the existing law**, including invisible trademarks. Therefore, **sufficient discussion and careful examination** in consideration of the aforementioned points **are required** with regard to the advisability of making such types of trademarks subject to protection.

Although we expect the enrichment of intellectual property protection as mentioned above, it is hard to think that the aforementioned draft report has been sufficiently discussed, examined and disclosed. Therefore, it is difficult to express our approval of the draft report without reservation. For this reason, we daringly assume a poor system with regard to points that are not clearly specified in the draft report, and state all problems that may occur in introducing such system.

2. Introduction of a protection system for "new types of trademarks"

The aforementioned draft report is written in the direction of introducing a protection system for new types of trademarks. However, we think that the reasons for introduction, picture of the system, and effects thereof, which should be indicated in the draft report, are unclear or inappropriate in some points, as mentioned in (1) to (3) below. Therefore, we believe that there is sufficient room to reconsider the following matters prior to the introduction of the system.

(1) Reasons for introducing the protection system

①-1 As reasons for developing a protection system for new types of trademarks, the draft report indicates that there are needs for protection in Japan and that there is a trend of establishing such a

protection system in other countries.

However, taking into account that only about 500 companies answered a questionnaire survey conducted by the Institute of Intellectual Property, which is considered to provide support for the existence of needs for protection in Japan, out of about 3,100 companies subject to the survey, it is also understood that around 2,600 companies that did not answer the survey were not interested in new types of trademarks.

In addition, for the content of the questionnaire survey, we also think that the questions have a high tendency to induce the respondents to give affirmative answers for the protection system. That is, in a question concerning the status of use of motions and sounds, the status of their use alone was simply questioned, and whether they have a property of trademarks was not taken into consideration. Also, in a question concerning the necessity of protection as exclusive rights, no neutral option was provided, and respondents had psychological difficulty in answering that they "do not wish rights (protection)." Taking into account that there were no explanations or questions concerning disadvantages of introduction of the protection system, even for about 500 companies that answered the questions, it is reasonable to think that the number of companies expecting active protection is less than the number of companies that answered the questions.

Taking these circumstances into account, it is hard to think that there are actually high needs for protection of motions and sounds as new types of trademarks and that there is the actual use of motions and sounds, as indicated by the rate of responses to the aforementioned questionnaire survey. Therefore, we believe that it is necessary to reconsider the point that the text of the draft report states that 82% of domestic companies desire protection of new types of trademarks as trademark rights.

①-2 In fact, in Japan today, there is no case known in which one has incurred damages, as motions/sounds are not protected as trademarks. This indicates that there is **no significant problem in the current situation** in which motions/sounds are used without being handled as trademarks. In addition, this is also probably because a method to take a legal action under the Unfair Competition Prevention Act is available.

①-3 With regard to trends outside Japan, the draft report shows examples of introduction of a registration system in other countries and examples of registrations there as well as international frameworks for protection systems and the status of consideration; however, it does not show information that serves as materials for determining the propriety of introducing a protection system in Japan in light of such trends (for example, the analysis of the actual conditions of exploitation of rights and problematic cases in other countries). Therefore, it is not possible to guess the propriety of introducing such a system in Japan in light of international trends. In addition, with regard to the number of examples of registrations, it is believed that the same trademarks have been registered in several countries, and thus, the figure stated in the draft report is not directly the number of trademarks that should be registered. Therefore, the number that should be essentially stated is the number of "marks" that should be made subject to protection.

①-4 Japan urges other countries for international harmonization of systems, and it is also necessary for Japan itself to aim in the direction of international harmonization. At the same time, we believe that it is beneficial to citizens and is the first principle of development of a legal system to choose and adopt a system that conforms to business practice in Japan rather than to follow overall international

trends. Therefore, if trends outside Japan are taken into account in introducing a protection system, it is indispensable to first promote the analysis of the actual conditions of exploitation of rights and problematic cases in other countries that have introduced such a system and then assess the propriety of introducing a protection system in Japan based on the results of the analysis.

Referring to examples of foreign registrations, which are indicated in materials distributed by the aforementioned working group, it does not appear that there are example cases in which an application for a new type of trademark, of which actual use has not been accumulated, was filed or such a new type of trademark was registered. It appears that requests for protection in other countries are exclusively for trademarks that have been used in the past.

To sum up, it is hard to say that the aforementioned draft report indicates clear reasons for introducing a protection system for new types of trademarks in Japan, and there is no other choice but to say that it is difficult to infer reasonable reasons for introduction. Unclearness of reasons for introduction leads to ambiguity regarding the gist, content and scope of protected rights. Consequently, companies are expected to file many defensive applications for new types of trademarks that are not used (or used for an extremely short period), which are not aimed at registration, in a blind way only for the purpose of temporarily obtaining the status of prior application. There is a concern that this leads to a situation that causes delay in examination and increase in the number of unused registered trademarks.

Therefore, as mentioned above, we would ask for careful assessment of needs and clear indication of reasonable reasons for introduction before introducing a protection system for new types of trademarks.

(2) Specific examples of the system to be introduced

The aforementioned draft report gives simplified explanations on the genre of each type of trademark that is subject to consideration at this time. However, with regard to specific forms, which are assumed this time as the subject-matter of protection with respect to each type of trademark, the draft report only states in “Possibility of specification of the scope of right (III. 1. (1))” that “it is difficult to specify the scope of right.” We would request clear indication of whether it is appropriate to understand that this statement specifies the subject-matter of protection or the subject-matter of protection will be decided through discussion based on this statement.

Even if further discussion will be held in the future, indication of a certain picture of the system is indispensable to prevent discussion from becoming tangled. For this purpose, we consider it necessary that specific examples of forms that are assumed as the subject-matter of protection are sufficiently cited with respect to each type of trademark from the very beginning.

(3) Influences on corporate activities

The aforementioned draft report devotes most of its pages to the aspect of protection and registration of new types of trademarks. However, we think that it is necessary to sufficiently take into account the influences when considering the introduction of the protection system.

From the standpoint of companies that are system users, types of registrable trademarks will increase if a new protection system is introduced; however, viewed from another side, there will be the possibility that restrictions and constraints are imposed in terms of expression and use concerning sound phrases, sound effects and color, which they could use freely. Therefore, introduction of the

system has a chilling effect especially on important means of appealing goods and services, such as advertising. Thus, there is significant concern that introduction leads corporate activities to be spoiled or acts as a barrier to new entries.

In addition, it is easily imaginable that companies will be forced to conduct prior trademark search, file applications and obtain registrations for those for which it is hard to determine whether they are protected as new types of trademarks, in order to prevent omission of obtainment of rights and avoid needless disputes in advance with regard to image, sound and color that they plan to use for their goods/services.

Consequently, we hope that the trademarks of the types and forms that are anticipated to offer few advantages through introduction of the protection system are excluded from the subject-matter of protection based on the thorough recognition that the protection system of this time is a double-edged sword.

In addition, as infringement of a trademark right may be subject to criminal punishment, we hope that the definition of trademarks subject to protection, the requirements for registration and the scope of rights are not based on operations but are clearly stated in the text of a law so that system users can clearly understand and comprehend them.

3. Desirable Protection System and System Design for Each Type of "New Types of Trademarks"

Regarding a desirable protection system and system design that are indicated in the aforementioned draft report, opinions and questions are stated below.

(1) Distinctiveness and functionality of trademarks

For the requirements for registration that are cited in the draft report, clear explanation is provided with regard to "distinctiveness"; however, for "functionality," the draft report only states that "trademarks consisting solely of those indispensable for ensuring the function of goods, etc. are unregistrable." It is thus unclear what are specifically assumed as falling under the "function of goods, etc." for each type of trademarks. Therefore, we consider it necessary that specific examples are indicated with respect to each type.

In addition, if "an indistinctive trademark, which is neither actually used as an indication of the quality, etc. of goods nor is indispensable for ensuring the function of goods, etc. but can be easily chosen as motion/color/sound of goods, etc." is registered, there will be concern that the purpose of introduction of the protection system of this time will be lost. Therefore, it is necessary to develop provisions for preventing this.

Incidentally, looking at various news reports, new types of trademarks appear to be perceived as unpredictable and different in concept from typical trademarks. In consideration of such state of society, a method of smoothly introducing a registration system for new types of trademarks, which are not familiar to companies and consumers, with their understanding is considered to be necessary. Therefore, we think that a step-by-step introduction of the system is sufficiently worth consideration. An example of such introduction is handling, for convenience, all new types of trademarks, without exception, as indistinctive, or as those that are registrable through acquisition of distinctiveness based on use, at the stage of establishing the system and relaxing the requirement of distinctiveness for registration when trademarks that have been registered under such conditions have penetrated in the world and recognition of new types of trademarks has developed.

(2) Electronic file and summary concerning specification of trademarks

With regard to a method of specifying a trademark at the time of filing and the scope of trademark right (constitution and form of the trademark), there are many unclear points in the content of specific system design. Therefore, we would request the development of a system that pays more attention to concreteness, feasibility and repeatability based on the due recognition that said scope determines the scope of exclusive right and the application of criminal punishment.

For example, even if a summary of the content of an electronic file does not relate to the specification of the scope of a registered trademark, uniformity of the statements of a summary is necessary in order to ensure that confirmation, etc. of the trademark can be effectively conducted. Therefore, we think that it is reasonable to oblige the fulfillment of certain conditions for statements of a summary and make it possible to request amendment of a summary in examination.

Incidentally, although we agree to set up restriction on the time length of electronic files, we think that the original ground for setting up the restriction should be sought in the requirement of one application for one trademark. That is, even if the length of electronic files becomes a burden to examination and search, electronic files should not be eliminated only for the reason of their length if those in the electronic files are trademarks that should be registered and protected. We think that it is reasonable to secondarily position the time restriction as a supplementary standard or standard for convenience.

(3) Similarity of trademarks

We think that the idea of the scope of similarity of trademarks and the relevant system design, presented in the draft report, lack clarity.

That is, with regard to the scope of similarity of trademarks, the draft report indicates two points – (i) the existing observation method is used based on the existing determination standards and (ii) similarity is determined across types; however, it does not specifically state matters to be considered and determination standards according to the property of each type of trademark. Therefore, we think that the system remains unclear in terms of the handling of the scope of similarity.

We believe that it is indispensable to specifically assume determination standards and matters to be considered, which serve as a starting point of discussion, when discussing system design concerning the scope of similarity; therefore, we wish that discussion will proceed after these points are clarified.

(4) Prior trademark search

Even under the situation in which the period of trademark examination in Japan has been extremely shortened in recent years, it remains unchanged that the preliminary search of prior registered trademarks is important when companies adopt and start using trademarks. In addition, if a company can conduct accurate prior trademark search, it can narrow down trademarks for which it files an application to registrable trademarks. Therefore, the number of applications is appropriately maintained, thereby contributing to expediting examination and restraining increase in the number of unused registered trademarks.

Consequently, we think that it is indispensable that prior trademark search, which makes it possible to predict registrability with the accuracy and speed that are the same as or better than conventional search, can also be conducted in the protection system for new types of trademarks.

Some new types of trademarks are those of which the form cannot be understood at a glance, such as motion or sound trademarks. Therefore, we would request enrichment of search means to ensure sufficient search speed by giving individual applications a code that systematizes the constituent elements of each type of trademarks, like the Vienna Classification for figure trademarks, not to mention the improvement of the description, etc. of a trademark.

(5) Addition of the requirement of distinctiveness to the definition of trademark

The aforementioned draft report refers to adding the requirement of distinctiveness to the definition of trademark (III-2(2)(vii)). However, in the end of that section, the draft report negatively states that "careful consideration is required," for the reasons of the necessity of assuring that disagreement with court precedents that have been accumulated in the past is prevented and the ensuring of consistency in the definition of use of a trademark.

However, this issue is originally not an issue that is specific to new types of trademarks, and it is understood as an issue concerning the Trademark Act as a whole. Therefore, we think that it is reasonable to discuss the issue ahead of the issue of new types of trademarks and then define the new types of trademarks in line with the conclusion of the discussion. Consequently, the propriety of handling the issue in this draft report comes into question.

(6) Desirable protection of/system design for each type of trademark

The aforementioned draft report shows system design for protection of new types of trademarks. In this relation, we express our opinions below with respect to each type as we have opinions and questions with respect to each type.

(a) Motion trademarks

① Definition

Regarding "motions," various patterns and combinations thereof are possible. For some of those patterns, such as a pattern in which only the color of a trademark of conventional type (or part thereof) changes gradually, it is probably difficult to determine whether to be recognized as a motion trademark. Therefore, we would request that a clear definition is provided in the text of a law so that the specific subject-matter/scope of protection are clearly understandable.

② One application for one trademark

If motion trademarks are made subject to protection, there will be a risk of proliferation of filing one application for several designs that have low relevance to each other. There is thus concern that the principle of one application for one trademark will be shaken. Consequently, we think that the system should be established in a strict manner so that photogenic objects that lack image continuity are excluded from the category of one trademark.

③ Distinctiveness and the scope of right

With regard to distinctiveness, the draft report describes the concept of "indistinctive motion." Although specific motions that fall under this category are probably to be considered in preparing examination guidelines in the future, we would request clear indication of specific examples in advance at the stage of considering the system. In particular, where a trademark right is granted for a motion that naturally arises at the time of using goods (for example, motion of a flip phone), there will be a concern that the right holder imposes technical constraints on others with the use of the

broad right. Therefore, we wish that such motions are clearly indicated as examples that should be excluded from the subject-matter of protection from the aspect of distinctiveness or functionality. In addition, we consider it reasonable that it becomes possible to understand the standards for distinctiveness of motions from the text of a law to a considerable extent.

With regard to the scope of effects of right for a registered motion trademark, we would request consideration of supplementarily adding restrictions based on the purpose of Article 26 of the current law. For example, in the case where a motion trademark in which two alphabetic characters of a general font gradually combine into one and become a monogram is registrable, we consider it necessary to set a provision that prevents the effects of the relevant trademark right from being extended to another person's act of using the two alphabetic characters alone.

④ Others

- With regard to the specification of a trademark, it is probably difficult to objectively express the characteristics of a motion trademark in writing in many cases. Therefore, we think that it is necessary to carefully examine whether a description of a trademark should be taken into consideration as an element for specifying the scope of right.
- As a trademark right is a semi-permanent right, where an application is filed by submitting an electronic file, it is anticipated that the environment to play the file will be unavailable after several decades if the form of the file is so special that it will become obsolete in a short period of time. We would thus request that the propriety of introducing the filing of applications for motion trademarks by electronic file is examined in sufficient consideration of versatility and continuity.
- We feel unease with the point that the draft report cites "movable two-dimensional trademark" and "movable three-dimensional trademark" as examples in the explanation of types of motion trademarks. In daring to describe motion trademarks, the expression "trademarks of which the shape and constitution change gradually" seems to be close to the original gist.

(b) Hologram trademarks

① Definition

Holograms vary in character, including those of which the degree of color solely changes and those of which the image itself changes. Therefore, for such a variety of holograms, we would request that the text of a law provides a definition so that we can clearly know the intention as to differentiation between holograms that are protected as trademarks and those that are not.

② One application for one trademark

If it becomes possible to file one application for two or more trademarks (for example, a trademark that has two or more forms in the manner that a character trademark changes into a figure trademark (or vise versa)), which is not accepted under the existing system, that will become an exception to the principle of one application for one trademark, which will cause unfairness in terms of granting of rights in relation to other types of trademarks. As a result of that, there is a risk of proliferation of filing one application for two or more figures and phrases that lack continuity, and there is also concern that the principle of one application for one trademark will be shaken. Therefore, we think that the system should be designed in a strict manner, for example, excluding those that change in a discontinuous manner, which are not holograms in reality, from the category of one trademark.

③ Distinctiveness

Since holograms have been used as the certificates of genuine goods in the past, even if they are used for goods, they are hardly recognized as indications of the source of goods or signs used for distinguishing between one's own goods and another's goods. Consequently, from the perspective of distinctiveness or functionality, it is appropriate to clearly stipulate that "those that are (ordinarily) used (or can be used) as certificates" are excluded from the subject-matter of registration. In addition, we would request clear indication of specific examples of "indistinctive holograms" as stated in the draft report, in addition to those mentioned above.

④ Specification of trademarks and the scope of rights

With regard to specification of trademarks, as it is anticipated to be difficult to objectively express the characteristics of a hologram trademark in writing in many cases, we think that careful consideration is required on whether a description of a trademark should be taken into account as an element for specifying the scope of right.

In addition, as a trademark right is a semi-permanent right, where an application is filed by submitting a sample of a trademark (actual hologram), it is doubtful that the sample can be seen at the same level as now decades later. It is hard to say that it is appropriate to accept applications for hologram trademarks filed by submitting actual holograms under the condition in which there is no requirement concerning the durability of submitted objects.

⑤ Similarity of trademarks

With regard to similarity of hologram trademarks, a relationship peculiar to holograms can arise. That is, only the order of changes is totally different (for example, a trademark that change from "○" to "◎" and to "●" and a trademark that change from "◎" to "●" and to "○"). Therefore, we think that it is necessary to supplementarily add the standard for determining similarity that is peculiar to holograms.

In addition, as a slight difference in the change of color/shape that is peculiar to holograms matters in determining similarity, we would request that hologram trademarks are specified with the use of finer electronic files (video) or more precise samples (explanatory drawings) than those used for motion trademarks and that discussion is held so that such changes can be distinguished through official gazettes and the Industrial Property Digital Library at the time of publication. Incidentally, we think that it is acceptable to consider the validity of attaching actual holograms to paper applications and supplementary documents on the premise that an appropriate publication method is ensured.

(c) Color trademarks without outline

With regard to "color trademarks without outline" for which the draft report indicates establishment of a system for registration and protection, they can be roughly divided into "single color trademarks" and "trademarks in which two or more colors are combined." Regarding "trademarks in which two or more colors are combined," we would agree to the promotion of introduction of the system to a certain extent. However, regarding newly registering and protecting "single color trademarks," need therefor is unclear and examination of the relevant system is insufficient in the present state, as mentioned below; therefore, the sound development of the Japanese industry is highly likely to be inhibited if the system is introduced as it stands now. Consequently, we believe that introduction at this time is premature.

(i) Single color trademarks

① Nature as common property

Color is a basic element that is widely used for advertising, etc., not to mention for decoration and design of goods and packaging. Especially, a single color is an important decorative element that produces a variation of products and stimulates the tastes of individuals. Therefore, color has been handled as common property, which is available for anyone, from ancient times.

In the meantime, where color is used exclusively by a specific person as color without outline, use of the color itself will be prohibited. Consequently, it will be legally prohibited to sell and provide goods, etc. of the same kind that use the color, which anyone should be originally allowed to use based on free choice. This will result in inhibiting third parties from entering the market and encouraging the specific person to have a monopoly on selling and providing such goods, etc. We must say that a legal system that causes such a situation is inappropriate.

In order to grant to a specific person semi-permanent protection, or a trademark right, for a single color under such situation, the existence of reasonable needs for protection is necessary. In addition, we believe that it is necessary to weigh whether proprietary nature, which should be protected at the risk of inhibiting the freedom of use of color, has been established, as mentioned in the next section.

② Needs for protection of single color and establishment of credibility that should be protected

It is commonly recognized in the world that single color as a whole does not have distinctiveness as to the source in terms of its original nature.

Looking at court precedents in Japan, color can be protected as an "indication of goods or business" set forth in the Unfair Competition Prevention Act (Article 2(1)(i) of said Act) through combination with goods for which it is used. However, only the case in which color was found to be an indication of goods or business, for which it is used, based on the Unfair Competition Prevention Act, is the case concerning several colors of a wet suit(*1). Although there have been cases concerning single color(*2), single color was not found to be an indication of goods or business as a result of those cases.

(*1 "Tropical line case" (judgment of the Osaka District Court of December 23, 1983), *2 "Capsule color case," (judgment of the Tokyo District Court of February 10, 2006) and "it's case" (judgment of the Osaka District Court of May 30, 1995) and so on)

That is, there is the fact that there has been no case in which single color was found to be an indication of goods or business that should be protected even under the Unfair Competition Prevention Act that can actually provide protection for single color.

Consequently, we think that it is premature to make single color without outline subject to protection as a new type of trademark.

③ Functionality, etc.

In III. 4(2)(iii), the draft report states that it is appropriate to develop a provision so as to refuse registration of new types of trademarks consisting solely of those indispensable for ensuring the function of goods, etc.

According to this statement, we think that all single colors should be made subject to this provision from the perspective of public interest even if the establishment of the system is promoted to make single color trademarks subject to protection.

(ii) Trademarks in which two or more colors are combined

Compared to single colors, there are many kinds of combinations of two or more colors. A characteristic combination of colors or coloration has distinctiveness in some cases. In addition, it is also presumed that such combination or coloration may acquire distinctiveness as to the source in relation to certain goods through longstanding use.

However, in light of the current condition in which, for existing character trademarks, one or two alphabetical characters, etc. written in an ordinary manner are handled as lacking distinctiveness, single colors themselves are common properties that originally do not have distinctiveness, as mentioned above. For combinations of two or more colors, it is also understood that it is reasonable to handle them as not being able to exert distinctiveness as trademarks unless they are combinations of at least three or more colors.

Incidentally, this does not apply to combinations of two colors that have acquired distinctiveness through use; however, there remain many matters that are concerned in terms of practice and matters that are unclear in terms of institutional handling. For example, a method of securing the reproducibility of color at the time of filing and at the time of publication of registration is not clear, and there is no established method of expressing the percentage of colors. Therefore, we would request that, in introducing the system, such matters are clearly eliminated/solved in the text of law and examination guidelines, etc. after sufficient deliberation so that the industry (including transactors and consumers) will not be confused. Incidentally, combinations of two or more colors should be by necessity made subject to the functionality requirement.

(d) Position trademarks

① Definition

The aforementioned draft report defines position trademark as a "trademark that has acquired distinctiveness as a result of a mark, even an indistinctive one, being always attached to a specific position of goods, etc." However, the statement "even an indistinctive one" can be understood as if a distinctive mark can be a position trademark; therefore, we would request that it is clearly indicated that only indistinctive marks can fall under position trademarks.

② Distinctiveness

According to the definition that a mark of a position trademark itself is not distinctive, such a mark is supposed not to acquire distinctiveness irrespective of the position at which it is attached to goods, etc. Therefore, such a mark does not acquire distinctiveness immediately after its position is specified, and it is natural to understand that the mark can acquire distinctiveness only through repeated actual use.

In that case, for position trademarks, it is reasonable to grant registration only for designated goods/services pertaining to the specification of position only where a mark has actually acquired distinctiveness through use while being attached to a specific position of specific goods/business. Therefore, we would request the protection system is designed based on this point.

In addition, with regard to registered position trademarks, they have been registered on the premise that the marks themselves are not distinctive; therefore, we think that it is natural that the right to prohibit does not extend to goods/services that are similar to the designated goods/services of a registered position trademark and another person's trademark that is identical or similar to a registered position trademark, which is attached to a different position. We would request that this point is also necessarily reflected in considering the protection system.

③ Others

Where an application for registration of a position trademark is filed for services or a position trademark is registered for services, or where an application for registration of a position trademark is filed for services through combination with color or a position trademark is registered for services through combination with color, it is expected that trade dress, which is highly likely to be excluded from the subject-matter of protection this time, becomes substantially protectable, depending on the method of filing. (This is because color is to be included in the definition of mark.) We think that sufficient and careful further discussion is necessary with regard to the propriety of this point.

(e) Sound trademarks

Sound trademarks are not visually recognizable unlike conventional trademarks and other new types of trademarks that are to be introduced this time. From the perspective of ensuring predictability of registration, we would request that the content of protection and example subject-matter of protection are specifically presented at the stage of considering introduction of the system and that system users' opinions are taken into account.

① Method of specifying the scope of right, etc.

We think that further arrangements are necessary for the method of specifying sound trademarks in introducing the protection system since sound trademarks are not visually recognizable as mentioned above.

For example, as the draft report states that specification at the time of filing is based on an electronic file, when a system user determines similarity between his/her trademark and another person's trademark in a phase of prior trademark search, etc., a tool that can easily and accurately search and play electronic files is required, as already mentioned. In addition, enrichment of visual supplementary information, including explanatory documents and scores, is also considered to be valuable. However, as scores are not necessarily understandable by those who belong to the industry (including transactors and consumers), they should not be independently used as supplementary information but should be submitted with explanatory documents.

In addition, with regard to the time restriction of electronic files, those that are long like musical works seem to be often recognized by consumers as staging/decorative elements, which are something like background music. Therefore, we think that the length that can contain a company's sound logo or catch phrase that is played at the beginning or end of advertising is reasonable.

Moreover, the "quality of sound," "melody," "speed", etc., which are the elements that replace "appearance," should be taken into account in determining the similarity of trademarks for which an application has been filed, in addition to "pronunciation" and "concept." We thus think that similarity between trademarks with the same melody which are different only in range and similarity between trademarks with the same melody which are different in the speed of playing or tone require sufficient consideration as issues that are peculiar to sound trademarks.

② Requirements concerning distinctiveness

For sound trademarks, it is also necessary to provide in Article 3(1) that indistinctive sounds and sounds, etc. of which exclusive use should not be granted shall be unregistrable, in the same manner as for character and figure trademarks. We do not argue with the idea that sounds that ordinarily arise from designated goods/services are indistinctive.

However, as what can be said to be indistinctive sounds is unclear, we would request disclosure of specific examples thereof. For example, we think that ringing sound and sound that arises when a person picks up a phone in telephone services and the sound of tools used in construction work are indistinctive. We wish to confirm whether this recognition is the same as your recognition.

In addition, we also believe that sounds for which it is not appropriate to allow a private individual for exclusive use, such as well-known animal calls themselves and parts of classical music, should not be registered in principle.

Sounds that are not accompanied by words are also used not as trademarks but as background music or as sound effects in many cases, and they are likely to be recognized as such by their nature. Therefore, we think that they basically lack distinctiveness. Consequently, we consider it reasonable to understand that sounds that are not combined with words are recognized as trademarks and can acquire distinctiveness only through repeated use.

③ Limitations of effects of a trademark right

We sincerely hope that the situation of actual transactions and the actual conditions of use are sufficiently studied before developing provisions that limit rights for registered sound trademarks so as to prevent sound corporate activities from being hindered due to introduction of a protection system for sound trademarks.

(f) Issue of loss of distinctiveness of color trademarks without outline, position trademarks and sound trademarks

If a registration system is introduced for single color trademarks without outline, position trademarks and sound trademarks that are not accompanied by words, there will remain concern from the perspective of maintenance of distinctiveness even if the subject-matter of registration is limited to those that have acquired distinctiveness through use.

That is, although these trademarks are originally indistinctive as already mentioned, they are registered as trademarks only by fulfilling the requirement of distinctiveness with the distinctiveness that they have acquired through use. Thereby, specific persons will be allowed to exclusively use the trademarks while restricting third parties' freedom of adopting trademarks.

However, whether or not distinctiveness that such a trademark has acquired once is maintained is determined based on the status of use of the trademark after its registration; therefore, where the trademark has lost distinctiveness afterward, it is no longer fit for protection, and continued protection of the trademark would rather become a factor that inhibits the development of the industry. Therefore, we think that a mechanism of putting such cases in order on a case-by-case basis is necessary.

Although trademarks that have lost distinctiveness after registration are not subject to a trial for invalidation (Article 46) and a trial for rescission (Articles 50, 51, 52-2 and 53, etc.) under the current system, this does not appear to justify the survival of rights for trademarks that have ceased to fulfill the requirements for registration afterwards (for example, Article 65-4(1)(i) pertaining to the renewal of a defensive mark registration).

In order to prevent negative effect, that is, the situation where trademarks that are not worth protection are exclusively used by specific persons to the end of time, we consider it indispensable to make some institutional arrangements for these trademarks, such as establishing a provision on a trial for rescission of registration of a trademark that has lost distinctiveness after registration and

exempting such trademarks from the period of exclusion in a trial for invalidation (Article 47(1)).

Incidentally, we recognize that the handling of registered trademarks that have lost distinctiveness after registration is an issue that relates not just to new types of trademarks but also to all trademarks. However, for single color trademarks without outline, position trademarks and sound trademarks that are not accompanied by words, the issue of loss of distinctiveness is derived from the original nature of these types of trademarks; therefore, we think that special handling, such as rescinding registration of such a trademark even if there is a fact of its use, is necessary. Thus, we are making a special statement in this section.