CHAPTER 3. THE CONCEPT OF THE TRADEMARK LAW

I. The Meaning of Trademark Law

Trademarks can function in their full capacity even absent laws that regulate them if the following conditions apply: the goods are traded only in an extremely limited area; the service industry is regional and is undeveloped; and the moral standard of the society is high. However, once the goods are traded widely, once the service industry flourishes, and once the market for the goods and services widens, it would be simply impossible to protect trademarks through commercial morality or the regulations governed by trade associations. Today, each major country in the world has a unified legal system to protect trademarks that is applicable within its borders. In a free economy in particular, protecting trademarks maintains consumer confidence in companies and protects consumer profits.

In Japan, trademark regulations were enacted to protect trademarks from early on. Today, there is the Trademark Law, which serves a core function in Japanese trademark regulation. The Trademark Law was first introduced as Law No. 127 of 1959, and went into force on April 1, 1960. Since then, it has been amended multiple times through the following measures: Law Nos. 140 and 161 in 1962; Law No. 148 in 1963; Law No. 81 in 1965; Law No. 91 in 1970; Law No. 46 in 1975; Law No. 27 in 1978; Law No. 89 (bylaw) in 1978; Law No. 45 in 1981; Law No. 23 in 1984; Law No. 24 (bylaw) in 1984; Law No. 41 in 1985; Law No. 27 in 1987; Law No. 30 (bylaw) in 1990; Law No. 65 in 1991; Law No. 26 in 1993; Law No. 47 in 1993; Law No. 89 in 1993; Law No. 116 in 1994; Law Nos. 68 and 110 in 1996; Law Nos. 51 and 83 in 1998; and Law No. 41 in 1999. There are other trademark laws that regulate trademarks in addition to the Trademark Law. They are the Trademark Enforcement Law, the Trademark Enforcement Order, the Trademark Enforcement Rules, the Trademark Registration Order, and the Regulations on the Trademark Registration Order.

A trademark right is granted when a trademark is registered in the Patent Office. The grantee of the trademark right is permitted to use the trademark continuously (known as a "use right"). He has the right to prohibit the use of the same trademark that he has registered, or a similar trademark to the one he has registered, for the same or similar goods (the "prohibitive right"). Moreover, the grantee can request damages or sue a person for intentionally infringing his trademark right.

As illustrated, the trademarks registered in the Patent Office are granted a large degree of protection. There are exceptional cases, however, in which unregistered trademarks are protected. If the trademark is of a kind that is well known or famous, it is subject to additional protection under the Unfair Competition Prevention Law, passed as Law No. 14 of 1934 and amended in its entirety under Law No. 47 of 1993. The details of the Trademark Law and the concept of the related articles of the Unfair Competition Prevention Law will be discussed in subsequent sections.

II. The Legal Origin of the Trademark Law

Trademarks are protected under the Trademark Law (term used in a narrow sense here);
however, there are other legal decrees concerning trademarks, which are as follows: the Trademark Law Enforcement Law, the Trademark Law Enforcement Order, the Regulations under the Trademark Law, the Trademark Registration Order, and the Regulations under the Trademark Registration Order.

The Trademark Law established fundamental and important legal provisions, such as matters concerning the establishment of the trademark right and the effectiveness of that right. It is comprised of 85 articles, 53 additional articles, such as art. 5-2, and two blank articles (arts. 48 and 48-2). There are a total of 136 articles. Its bylaws set forth the enforcement date and transitional measures. The Trademark Law Enforcement Law stipulates the procedure with regard to the enforcement of the Trademark Law. For instance, it regulates the remaining enforceability of a trademark right under the present trademark law when the mark was registered under the former trademark law. The Trademark Law Enforcement Order is an order by the Japanese government that sets forth the details necessary to put into practice the regulations established in the Trademark Law based on the regulations relied upon the enforcement of the Trademark Law. The main portions of the Order establish the "classes for goods and services," consisting of Classes 1 to 34 for goods and 35 to 42 for services, and regulates the qualifications of trademark examiners. The Regulations under the Trademark Law is an order by the Ministry of Trade and Industry that regulates in detail the formalities involving matters necessary in enforcing the Trademark Law. This order shows the proper form of a trademark application and provides examples of designated goods. (According to the provisions on expiration, the older Trademark Law Enforcement Order is still valid, and there are few instances where the prior, older law has to be consulted on old trademark applications and other matters.) The Supreme Court Rules provide for judgments and implementation at the time of the enactment of the present trademark law (bylaw, art. 56).

The Trademark Law, in a general, substantive sense, is created by the interaction between the Trademark Law, in a narrow, formalistic sense, the other decrees and regulations discussed above, and the laws regulating legal issues concerning trademarks (discussed in the next section).

III. Laws related to trademarks

There are many other laws that are connected to trademarks. For example, there is the Unfair Competition Prevention Law that applies to well-known trademarks that are not registered. When trademarks and trade names intersect and become one, namely, when the phenomenon of "trademarkization" of a trade name takes place (for example, the trademark "Toshiba" for Toshiba Incorporated), or when the trademark itself becomes a trade name (for example, the trademark "Suntory" turning into a trade name, resulting in Suntory Incorporated), the general regulations in the Commercial Law are applied to the Trademark Law. Many provisions on procedural formalities apply the Patent Law and the Designs Law (Art. 17, 17-2, among others). As the Popeye trademark case has displayed, there are rare instances in which the Design Law or Copyright Law is related to the Trademark Law. (Under art. 29, on the rare occasion, the Patent Law or the Utility Model Law become an issue as well). Further, trademark rights in relation to the right of importing and exporting goods, as one kind if industrial property right, becomes
an issue, in relation to the Customs Tariff Law (Art. 21), the Export/Import Transaction Law (Art. 2) or the Export Trade Control Ordinance (Art. 1, Separate List 1, No. 211), in addition to the Unified Trademark Law on the Export of Products of the Small and Medium Entities and other laws, and as illustrated in the Parker Trademark Case and the BBS Trademark Case. A campaign for goods or a trademark advertisement on a pamphlet is connected to the Act against Unjustifiable Premiums and Misleading Presentation, which is closely related to trademarks. Additionally, antitrust law is also closely linked to trademarks in the areas of licensing of famous trademarks or parallel importing.

The above-mentioned law that regulates trademarks in substantive meaning is called the "substantive trademark law." The "Trademark Law" that regulates enforcement of the law is called "formal trademark law." In this book, the latter kind is called the Trademark Law, and the former is called "the trademark law in substantive meaning," or "trademark law, generally." This book focuses mainly on providing an outline of trademarks, and the discussion on the Unfair Competition Prevention Law or the regulations of trade names in the Commercial Law is kept only to a level necessary to convey a summary of the Trademark Law. For more extensive explanations on the Unfair Competition Prevention Law or the regulations on trade names, please refer to The Unfair Competition Prevention Law by Masanobe Ono (Yuhikaku 1994).