

Plain Packaging Questionnaire

Answers Japanese Group

1. **If the general conditions of registrability are met, does the product or service in relation to which a trade mark is used or proposed to be used have any affect on the ability to:**

(a) register the trademark; and

(b) use it once so registered?

(a) When a designated service can only be conducted by a person who has the qualification to do so (e.g. legal services), persons who are not qualified cannot acquire a trademark for such services. Otherwise, there are no restrictions.

(b) No

2. **What rights are derived from trademark registration?**

- Exclusive right to use the registered trademark in connection with the designated goods or designated services (Article 25 of the Trademark Act).
- Rights to ban and eliminate a third party's use of a trademark similar to the registered trademark in connection with the designated goods or designated services, or the use of the registered trademark or a trademark similar thereto in connection with goods or services similar to the designated goods or designated services (Article 37 of the Trademark Act).

Due to the exclusive right to use the registered trademark in connection with the designated goods or designated services, trademark rights are construed to be "positive rights" under the Japanese law.

3. **What rights exist in relation to a sign used as a trademark but not registered? What is the basis of any such right?**

- Right to use trademark arising from prior use (Article 32 of the Trademark Act)

Where an unregistered trademark has been used in Japan in connection with the designated goods or designated services of the trademark for which the application is filed, or in connection with goods or services similar thereto, without any intention to be engaged in unfair competition, from the time prior to the filing of the application for the trademark registration, and as a result, at the time of filing of the application for the trademark registration, such unregistered trademark has become well known

among consumers as that indicating goods or services pertaining to the business of the person, regardless of the fact that another person has registered an identical or similar trademark, the person has the right to use the trademark in connection with such goods or services as far as the person continuously uses the trademark for the goods or services.

- Rights based on the Unfair Competition Prevention Act (Article 2(1)(i) and (ii))

If a sign used as a trademark is well-known among consumers, and when another person's use of a sign that is identical with or similar to that well-known sign, creates confusion with the well-known sign holder's goods or business, the well-known sign holder may seek an injunction against such act.

If a sign used as a trademark is famous, that famous sign holder may seek an injunction against the use of a sign identical or similar to the famous sign even if there is no confusion..

4. Is it possible to:

(a) obtain; or

(b) maintain;

registration for a trademark that is not

(i) used; or

(ii) intended to be used?

(a) It is possible to obtain registration for a trademark that is not used or intended to be used.

(b) It is possible to maintain registration for a trademark that is not used or intended to be used unless a cancellation action against the registration of the trademark is filed.

In other words, if a registered trademark has not been used in Japan in connection with the designated goods and services for three consecutive years or longer by the trademark owner or its licensee, any person can file a request for trial for cancellation of such trademark registration in connection with the relevant designated goods or services and in such case, it is the trademark owner's responsibility to prove the use in Japan in connection with any of the designated goods and services subject to the cancellation action.

5. If yes to 4) above, the rights derived from such trademark registration the same or different to registered trademarks that are used?

Same.

6. Are rights in unregistered trademarks dependent on use? Whether yes or no, please explain the basis for your answer.

Yes. All rights in unregistered trademarks described above in 3) presuppose the use of the trademarks.

7. Is there any basis to restrict use of

(a) a registered trademark; or

(b) a sign used as a trademark?

If yes, please explain any relevant laws or precedents.

Regarding trademarks used as product names of medicines, quasi-drugs, cosmetics and medical devices, there are certain restrictions under relevant regulations set by the government.

As for product names of medicines, a notice issued by the Ministry of Health, Labour and Welfare (MHLW) provides that a product name of a newly approved medicine has to be such to avoid confusion with another product name of an existing medicine. Under the Japanese practice of the Japan Pharmaceutical Information Center, if the first three sounds of a product name resembles that of an existing product name, such a product name cannot be used.

Thus, even if a trademark is registered for a certain drug, that trademark cannot be used for drugs if it falls under the restrictions as explained above.

8. Is there any basis for the state or any state-controlled body to expropriate?

(a) a registered trademark;

(b) a sign used as a trademark; or

(c) the rights deriving from either (a) or (b)

In theory, the Diet has authority to legislate against the use of trademark or to expropriate a registered trademark as far as the legislation does not conflict with the Constitution. The relevant articles in the Constitution will be Articles 29 (2) and (3). The text of Articles 29 (2) and (3) are as follows;

(2) Property rights shall be defined by law, in conformity with the public welfare.

(3) Private property may be taken for public use upon just compensation therefor.

9. If yes to 7) or 8) above, do public interest considerations provide any basis for such restriction or expropriation ("Restriction / Expropriation")

Yes.

10. If yes to 7) or 8) above, are trademarks different from other intellectual property rights in this regards?

Restriction described above in 7) is unique to trademarks. On the other hand, Expropriation described above in 8) is not unique.

11. **If yes to 7) or 8) above, are any treaty or other international obligations relied on to provide a basis for such Restriction/Expropriation (as applicable)? If yes, please explain the international obligations, and how those obligations are reflected in our received into your country's law.**

No.

12. **Is your country a signatory to the WHO FCTC? If yes, has your country ratified the FCTC?**

Yes. Japan has ratified the FTCT in 2004.

13. **If yes to 12) above, has the FCTC been implemented in your country? If yes, please explain its legal impact, if any, including by reference to the Guidelines for Implementation of Article 11 and 13 of the FTCT.**

Yes. FCTC has been implemented in February 27, 2005.

In response to a signatory to the FCTC, the Japanese government formulated the following measures;

- 1) Establishment of the Liaison Committee among Ministries and Agencies on Tobacco Control

- 2) Review of the restriction

- Amendment of the warning on the package of tobacco

Amending the Ordinance for Enforcement of the Tobacco Industries Act, 8 new kinds of warnings are created from the point of view of providing consumers with risk information in impact of tobacco on health and added to the warnings that are required to be contained in the package by the Tobacco Industries Act.

- Tighter regulation on advertisements

Amending the Guideline for tobacco advertising issued by the Ministry of Finance in March, 2004, the regulation on tobacco advertising is enhanced depending on the advertising media. For example, tobacco advertising by means of television, radio and internet are prohibited except to the extent that it is technically possible to limit the audience to adult. Also, subject of the sponsorship should be limited to the events where all of the participants and people who engage in the event are adult as well as the subject of the event is mainly adult.

- The measure for preventing minors from smoking

Introduction of vending machines adding function of identifying adults.

- 3) Tobacco price revision
- 4) Health Japan 21 (Kenkou Nihon 21) ;1st stage (2000) , 2nd stage (2013)

As a movement of national health promotion in the 21st century, basic directional movements and numerical targets were established and published aiming for increasing health span.

- 5) Establishment of the Health Promotion Act
- 6) Insurance coverage for treatment of tobacco dependence

14. Is the FCTC received directly into your country's domestic law or is domestic legislation required to give it effect in your country's law?

Domestic legislation is required to give it effect in our country's domestic law.

15. If there is presently a legal basis in your country for permitting any Restriction/Expropriation, please answer the following questions in relation to both registered trademarks and unregistered trademarks (if your country recognizes/protects the latter).

(a) What are the parameters for such Restriction/Expropriation? For example. The nature of any stated public interest considerations, the proportionality of the proposed measure to the Restriction/Expropriation.

Regarding the restrictions on a trademark used as a product name of drugs, the nature of goods with which the trademark is used is considered. That is, confusion or misuses of these goods caused by misleading product names directly relate to risk of life and the purpose of the regulation is to safeguard the health and safety of citizens. Especially, the purpose of the regulation of product names of drugs is to prevent medical accidents arising from confusion of drugs.

Regarding state's restriction on the use by legislation, it is generally said that the constitutionality of the restriction for achieving a particular policy goal like this is judged depending on whether the restriction is reasonable for the policy goal.

(b) is it relevant that such Restriction/Expropriation only applies in relation to a particular class of products, eg tobacco products, foods deemed to be unhealthy or alcohol.

Yes.

(c) What are the financial consequences for the state and the trademark rights holder respectively?

No compensation is available as far as the restrictions described above are concerned. It is explained that those restrictions are rational restrictions inherent in the right.

(d) If compensation is available, how is it calculated?

N/A

(e) Does a trademark rights holder affected by Restriction/Expropriation have any other claims or remedies against the state?

No.

If Plain Packaging were introduced in Japan, there is a possibility that such a regulation would be considered to be against the constitution.

As described in above 2, the trademark right is construed as a "positive right" in Japan. Plain Packaging would strictly restrict the use of a trademark right, which could infringe the essential utility of a trademark right.

In addition, since Plain Packaging forces tobacco product manufacturers to express what they do not want to on their product, it could be seen as restriction of their right to freedom of expression,

Considering above, Plain Packaging could be judged to be unconstitutional unless the legislator can show that it has a reasonable basis in protecting public health.

(f) In the event of Restriction/Expropriation, could a trademark remain registered?

Trademark could remain registered.

(g) If yes, what is the consequence of any Restriction/Expropriation on a well known trademark that was registered prior to the Restriction/Expropriation?

The restriction that we have will not apply to well known trademarks.

16. If there is presently no legal framework in your country permitting Restriction/Expropriation, please answer the following questions in relation to both registered trademarks and unregistered trademarks (if your country recognizes/protects the latter).

- (a) What legislative changes would be necessary in your country to implement a plain packaging regime for a specific class or classes of products such as those previously mentioned? For example, amendments to existing domestic trademark legislation, changes to your country's constitution, multilateral or supranational treaty obligations.**
- (b) Could a plain packaging regime be implemented in your country without providing compensation to affected trademark rights holders? If no, what type of rights holders would be entitled to or eligible for compensation? If yes, why would no compensation be payable?**
- (c) Would a trademark rights holder affected by Restriction/Expropriation have any other claims or remedies against the state? If yes, please explain the basis and nature of any claims or remedies.**

N/A

