

Japan Patent & Trademark Update



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1. Does Using Another Party's Trademarks as a Hashtag Constitute Trademark Infringement?



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Introduction

People are increasingly using #hashtags on social media. Using #hashtags makes it easier to find specific topics, news, goods, or services, etc. and to increase online visibility of businesses. However, can we use another party's registered trademark as a hashtag? A recent Osaka District Court decision held that a party's use of another party's registered trademark as a hashtag to promote their

own goods on Mercari, a major e-commerce platform, infringed upon the other party's trademark rights (R2 (Wa) 8061, decided on September 27th, 2021).

Facts

The Plaintiff designs, manufactures, and sells apparel and daily products, etc. and owns a trademark registration for シャルマントサック ("charmantsac" in katakana) in relation to "bags, pouches" in Class 18. The Defendant sold "drawstring bags, etc." on Mercari under the handle "pud." The defendant used "#シヤルマントサック (#charmantsac)" to promote its own goods, which consumers could buy on the Defendant's Mercari page.

Plaintiff's registered trademark	Defendant's mark
シャルマントサック ("charmantsac" in katakana) (Reg. No. 6232133) "Bags, Pouches" in Class 18 https://www.charmantsac.com/	#シヤルマントサック (#charmantsac in katakana)

The Plaintiff filed a lawsuit against the Defendant arguing that the Defendant's use of the Plaintiff's mark as a hashtag constitutes infringement of the Plaintiff's registered trademark and demanded that the Defendant stop using the Plaintiff's marks on its website. The Plaintiff argued that the Defendant's use of the Plaintiff's mark as a hashtag was to attract consumers on Mercari who were interested in the Plaintiff's brand to Defendant's website, and it is highly likely that such consumers would believe that the products on the Defendant's website were the Plaintiff's products. The Defendant's use of the Plaintiff's mark as a hashtag created an association with the Plaintiff's products, and the Defendant therefore took potential customers away from the Plaintiff. Thus, Defendant's use of the Plaintiff's mark as a hashtag functioned as a source identifier and was therefore used

as a trademark. The Defendant argued that its use of the Plaintiff's mark as a hashtag was not use as a trademark, as hashtags are just tools for consumers to locate information on specific topics, news, goods, or services, etc. on a website or social media and that the Defendant's use merely indicates the location of information in relation to the Plaintiff's brand.

Osaka District Court decision

The court found that the Defendant's hashtag was used not only for the purpose of inducing users to visit the Defendant's website but also for the purpose of promoting the sale of its own goods by assisting users in searching for information on "charmantsac" products among the products listed on Mercari. The Defendant's website indicates that the listed products were handmade, and the Defendant's hashtag was displayed in parallel with other hashtags, such as "dot bag," and with words "For those who like..." at the end of the series of hashtags. All of these indications could also be understood as indicating that the listed products were manufactured by the Defendant itself and that the products were recommended to users interested in "charmantsac" products, even if they were not "charmantsac" products themselves. However, the court said that these indications were not sufficient for ensuring that consumers would recognize that the goods indicated on the Defendant's website are not "charmantsac" products. The court concluded that the Defendant's hashtag also functions as a source identifier and that displaying the Defendant's hashtag on its website constitutes trademark infringement.

Comments

This is the first trademark infringement court case in Japan in which use of another party's registered trademark as a hashtag was considered. The Osaka District Court found that the use of another person's trademark as a hashtag constitutes trademark infringement, as the Defendant's hashtag functioned as a trademark. However, this does not necessarily apply to all uses of another party's trademark as a hashtag. In this court decision, the fact that the Defendant was selling products while freeriding on the Plaintiff's brand seems to have worked in the direction of trademark infringement. When using another party's registered trademark as a hashtag on social media, etc., it is necessary to pay attention to the purpose and manner of use, etc. On the other hand, brand owners need to monitor other parties' use of hashtags that may dilute their own brand or cause a decrease in customers.

2. Summary of the Partial Revision of the Patent Law of Japan



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Introduction¹

To tackle the drastic changes in business practices due to the COVID-19 pandemic and to adapt to the global standards for information technology, the Japan Patent Office ("JPO") decided to revise the Patent Law and other acts, placing emphasis on the following: (1) developing new procedures (e.g. digitalization of procedures) to address the spread of the pandemic, (2) addressing changes in corporate activities that accompany the advancement of digitalization and other technologies, and (3) enhancing the foundation of the intellectual property system, including reviewing the procedures for litigation and fee structures.

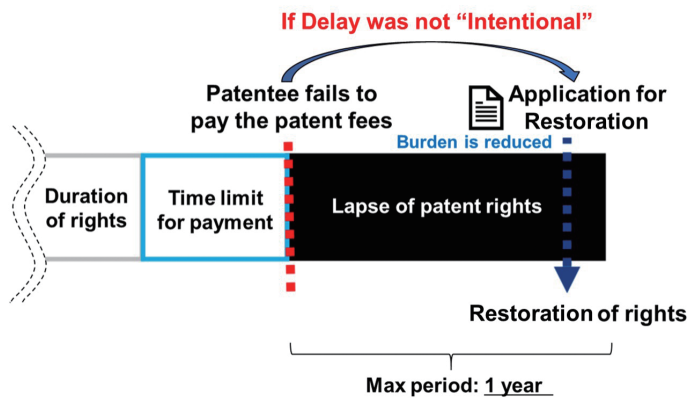
1. Addressing drastic changes in business practices due to Covid-19²

1.1. Relaxation of requirements for reinstatement of rights

The Patent Law Treaty (PLT) stipulates that lost rights will be reinstated under certain conditions and that member states may adopt one of the following criteria:

- (A) Failure to comply with relevant period despite "substantial care" required by the situation (due care standard); or
- (B) Delay was not "intentional" (intentional standard).

Before this revision, the JPO adopted criterion (A) but practically imposed a very high burden of proof on remedy-seeking applicants and patentees, which was criticized as too strict with a very low acceptance rate compared to other states that adopted the same criterion. Based on the circumstances described above, this revision will change the standard from criterion (A) to (B) in a bid to increase the remedy acceptance rate and relax the procedural and administrative burden on applicants and patentees. With this revision, the applicants and patentees that have failed to comply with legal deadlines can recover with the payment of additional fees. The following figure shows one example of the relaxed procedures that provide remedy for the failure to pay patent fees.

“Restoration of Patent Rights under 112-2 (1)”

The deadlines to which these remedies apply under the revised Patent Law are as follows:

- Submission of translations of patent applications in a foreign language;
- Priority claims based on a national patent application, etc.;
- Priority claims recognized under the Paris Convention;
- Requests for substantive examination of application;
- Restoration of patent rights upon late payment of patent fees;
- Translations of international patent applications in foreign languages; and
- Special provisions concerning patent administrators for overseas residents.

Under this intentional standard, the JPO has announced that the following cases are acceptable:

<Case 1>

Late submission is caused due to an unexpected technical malfunction in your deadline-management software.

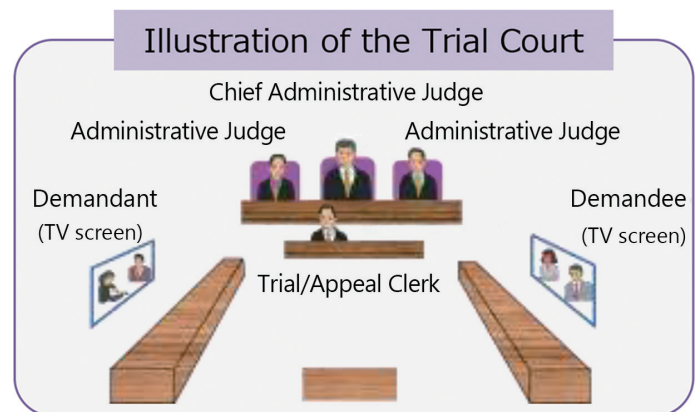
<Case 2>

Late submission is caused due to the sudden illness or accident of the person in charge of the case.

1.2.Utilizing video conferencing in oral proceedings for trials or appeals

Before this revision, in-person attendance at oral proceedings related to invalidation actions was required.

With this revision, oral proceedings may be held via a video conference system at the discretion of the chief administrative judge. The change may allow parties to participate in oral proceedings online, as illustrated below.



(Source: The Japan Patent Office)

1.3.Cutting surcharges due to overdue processing periods due to of illness or disaster

If the payment of patent fees is overdue due to an outbreak of infectious diseases or a disaster, this revision will abolish surcharges for the relevant period of time.

2. Adapting to the global standards for information technology**2.1. Review of requirements for the consent of licensees in correction actions**

Previously, when patentees with stakeholders such as licensees or pledgees wanted to correct something in the patent documents, the consent of all stakeholders was required.

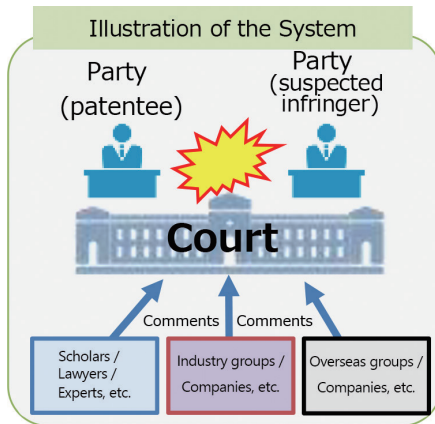
However, with global IT standardization involving numerous essential patents, patentees have trouble obtaining consent of foreign licensees, because this practice is not common in many other countries and has been criticized.

Responding to this criticism, in the revision, the requirement for patentees to obtain consent from licensees or pledgees has been removed.

2.2.Introduction of a system calling for third-party comments in patent infringement litigation

Previously, the Patent Law and the Code of Civil Procedure did not provide any laws or systems for gathering opinions from disinterested third parties. However, the situation surrounding patents has drastically changed in recent years, and court decisions have a significant impact on parties other than the parties to the trials. Thus, opinions from the general public or third parties are becoming more and more important.

Responding to this importance, the revision will introduce a system that allows courts to call for comments from a wide range of third parties, including overseas companies, in patent infringement litigation. In addition, it will allow third parties to supplement the evidence of the parties so that courts can make judgments based on a variety of comments in cases that may significantly impact society.



(Source: The Japan Patent Office)

3. Other revisions to the Patent Law and other laws

3.1. Review of the fee structure for patent fees, etc.

The official fee schedule for patents has been revised in order to secure the JPO's budgetary balance in response to increases in expenditures for examinations and system digitization.

	Fees before this Revision	Fees after this Revision
1-3rd year: annually	¥2,100 + ¥200 per claim	¥4,300 + ¥300 per claim
4-6rd year: annually	¥6,400 + ¥500 per claim	¥10,300 + ¥800 per claim
7-9rd year: annually	¥19,300 + ¥1,500 per claim	¥24,800 + ¥1,900 per claim
10-25rd year: annually	¥55,400 + ¥4,300 per claim	¥59,400 + ¥4,600 per claim

(Source: The Japan Patent Office)

3.2. Digitization of international design and trademark applications

This revision simplifies the procedures for informing applicants of decisions to register their international designs or trademarks by allowing the JPO to send such notifications electronically via the International Bureau instead of by postal mail. Accordingly, applicants will be informed of such decisions even if postal service is

suspended or delayed due to an outbreak of COVID-19.

3.3. Relaxation of the procedure for requesting an exception to the lack of novelty of a design

This revision allows applicants of international applications to submit a request for an exception to the lack of novelty to the International Bureau of WIPO, which enables applicants to reduce the time and effort required to submit the documents to the JPO directly.

3.4. Review of the Japanese patent attorney system

The intellectual property involved in agriculture, forestry, and fisheries, such as new varieties of plants or geographical identifications, requires expert handling; however, Japanese patent attorneys were previously not allowed to handle such matters. Under this revision, we can handle work related to this type of intellectual property, which broadens available services to better meet clients' needs.

Conclusion

We believe that these revisions tackle issues that arise in a pandemic and better adapt to global standards for information technology. Thus, these revisions greatly benefit you, and we are happy to assist with our abundant experience and up-to-date knowledge whenever you need.

1: <https://www.jpo.go.jp/e/system/laws/rule/index.html>

2: https://www.jpo.go.jp/e/news/koho/saigai/covid19_procedures.html

Topics

TMI Podcast

We have launched a podcast channel called "TMI Podcast," which is available on [Apple Podcast](#), [Google Podcasts](#), and [Spotify](#) (please search using the search terms "tmi podcast" or "tmi japan," etc.).



This podcast talks all about intellectual property issues in Japan, and provides listeners with news, tips and information about various types of intellectual property, such as patents, trademarks and designs. In the first episode, we provide an introduction to TMI Associates and let listeners know some information about the intellectual property practice at our firm.

3. Examples of Design Registrations under the Revised Design Act in Japan -Part 2-:GUI Design



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Introductio

After almost two years have passed since the revised Design Act (the “Revised Act”) came into effect, many applications for subject matter newly protected by the Revised Act have been registered. Starting with this issue, we will introduce examples of design registrations under the Revised Act. In this article, we focus especially on GUIs.

Number of Applications and Registrations for GUI designs

The Japan Patent Office (“JPO”) constantly updated the statistics on the number of design applications and registrations filed under the Revised Act and released the latest statistics on February 10, 2020 as follows:

Number of design applications	Number of design registrations
2,150	797

Source: https://www.jpo.go.jp/system/design/gaiyo/seidogaiyo/document/isyou_kaisei_2019/shutsugan-jokyo.pdf

Since October 1, 2021, the number of applications and registrations for GUI images has increased by about 600 and 250, respectively, indicating that GUI images continue to be applied and registered under the Revised Act.

Expansion of GUI Images Protectable by the Revised Design Act

Before the Revised Act was enacted, GUI images were registrable only if the GUI images were pre-installed on an item (e.g. a smartphone or tablet). In other words, GUI images that are not pre-installed but provided only via the internet were not protectable.

However, the definition of “Design” under the Revised Act was amended to read that: *“Design’ in this Act shall mean... a graphic image (limited to one provided for use in the operation of the device or one displayed as a result of the device performing its function, and including a part of a graphic image)... that creates an aesthetic impression through the eye.”*

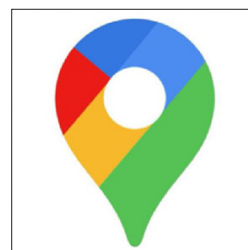
That is, GUI images protectable by the Revised Act are classified into “GUI images for operation” and “GUI images for display,” and the protection to GUI images are expanded to those are not pre-installed (e.g. images provided via the internet) and also to those projected onto non-display devices (e.g. roads or walls).

It should be noted, however, that protection will not be provided to images with no functional purpose, such as wallpaper, paintings, characters, etc., which are created/ designed for aesthetic purposes only.

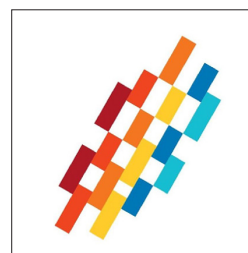
GUI Images for Operation

GUI images for operation include images for icon used to launch applications or software or to display websites, as well as images for operating devices. The following examples, registrations (1) to (5), are designs registered under the Revised Act. Registrations (1) to (3) are images for icon, and registrations (4) and (5) are images for operating devices.

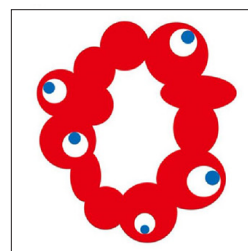
(1) JP1701010 for “Image for Icon” by Google LLC



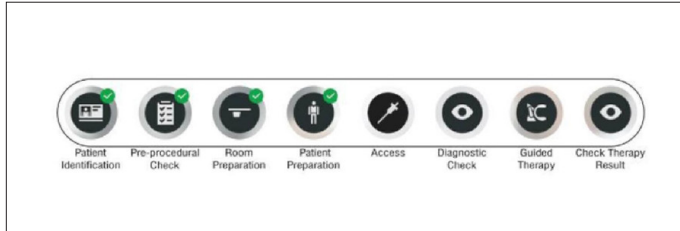
(2) JP1695196 for “Image for Icon” by Philip Morris Products S.A.



(3) JP1687581 for “Image for Icon” by Japan Association for the 2025 World Exposition



(4) JP1691760 for “Image for operating a medical device” by Siemens Healthcare GmbH



(5) JP1701010 for “Image for operating construction machinery” by Caterpillar Inc.



Before the Revised Act, when filing an image for operation, it was necessary to specify a device on which the image is used for operation (e.g. smartphone, table, etc.), and submit a drawing showing the position of the image on the screen of the device; however, under the Revised Act, we are able to register an image alone without specifying the relationship with the device.

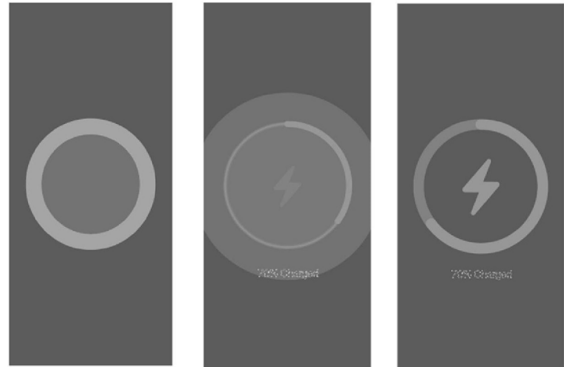
GUI Images for Display

GUI images for display include images registrable by themselves, such as Example (1) below, and images with characteristic transitions, such as Examples (2) and (3) below. Though an application may contain only one design (embodiment) in Japan, multiple designs can be registered in one application, if there is functional or morphological commonality in multiple transition images.

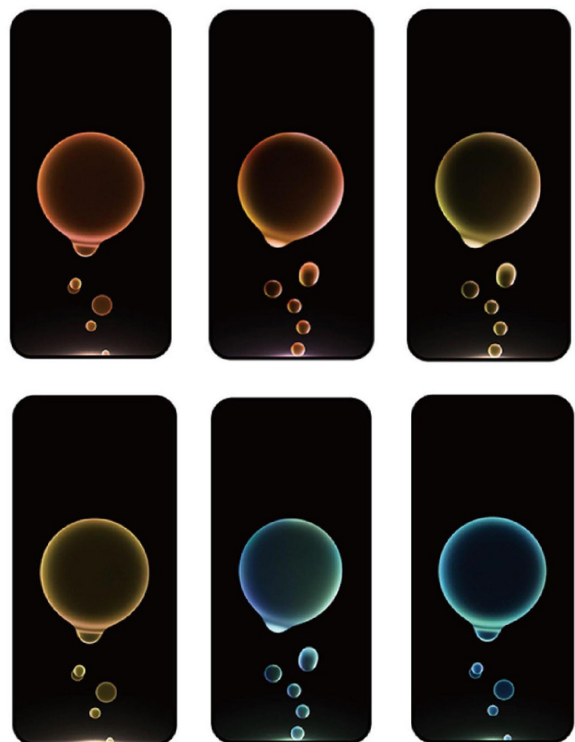
(1) JP1699248 for “Image displaying information” by Apple Inc.



(2) JP1694011 for “Image displaying information” by Apple Inc.



(3) JP1698823 for “GUI displaying charge status” by HUAWEI TECHNOLOGIES CO., LTD.



Conclusion

As discussed above, various types of GUI images can now be registered without specifying the relationship to the device. In particular, since it is now possible to seek protection only for the element of images (e.g. icon), the Revised Act became user-friendly and opened the door to potential users who create characteristic GUI designs. In subsequent issues, we will introduce examples of design registrations for buildings and interiors.

This Year's Promotion to Partner



Yoshio Murai

Partner

Patent Attorney | Japan
Attorney | California, USA

- Mechanical Engineering
- Control Engineering
- Electrical Engineering
- ICT
- Semiconductors

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Yoshio Murai (“Ken”) focuses his practice on patent prosecution to assist clients in developing powerful patent portfolios designed to enforce patents against competitors, as well as

global patent disputes. Ken leverages his extensive experience in global patent litigation and negotiations gained through his work at a multinational corporation before joining TMI. He is a Japanese patent attorney with more than 20 years of experience, and is also a qualified California attorney at law.

Ken devotes a significant amount of his practice to helping clients strategically develop robust patent portfolios specifically designed to enforce patents against competitors. In addition to being a Japanese patent attorney, Ken has also passed the U.S. patent agent examination.

Ken also represents and advises international and domestic

clients in patent litigation and administrative proceedings before the Tokyo District Court and the Japanese Patent Office.

Ken has experience across a wide range of technological fields, including semiconductor memory devices, LEDs and power transistors, as well as DVDs, HDDs, telecommunications, mobile phones, medical devices, display devices and mechanical engineering.

Before joining TMI, Ken gained extensive experience in global patent disputes with a number of companies as a patent specialist at a multinational corporation. He is highly skilled in utilizing the claims he has drafted to enforce and negotiate with other companies.

Yugo Endo (“Yugo”) is a trademark attorney handling both Japanese and global cases. Yugo joined TMI in 2015. Throughout his more than 20-year career, he has gained extensive worldwide experience across a wide range of trademark activities including searching, filing, oppositions, appeals and invalidations actions. Yugo’s particular focus is on protecting our clients’ brands against counterfeit goods. One of his specialties is analyzing our clients’ portfolios, creating strategies and advising on cost-effective actions, such as Customs registrations, raid actions

and filing lawsuits in various jurisdictions. He has especially deep experience in trademark cases in China.

Yugo has advised on various sectors for our clients including in the fashion, cosmetics, chemicals, food and beverage, IT and software, electronics, restaurant, entertainment, hotel and sports fields.

Before becoming a trademark attorney, Yugo worked for an IT company as a system engineer. This experience helps to contribute to his systematic and logical approach in solving problems and

deepens his understanding of our clients’ innovative software-based goods and services.



Yugo Endo

Partner

Trademark Attorney | Japan

- Trademark
- Design
- Unfair Competition
- Brands

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5. About TMI

Since our establishment on October 1, 1990, TMI Associates has grown rapidly to become a full-service law firm that offers valuable and comprehensive legal services of the highest quality at all times. Among TMI's practice areas, intellectual property (IP) – including patents, designs and trademarks – has been a vital part of our firm from the beginning, and we boast an unrivaled level of experience and achievement in this area.

Organizational Structure

TMI, has a total of more than 1,000 employees worldwide, including over 600 IP/Legal professionals, comprised of 487 attorneys (Bengoshi), 85 patent/trademark attorneys (Benrishi), and 46 foreign law professionals.

Attorneys (Bengoshi)	487
Patent / Trademark Attorneys (Benrishi)	85
Foreign Law Counsels	8
Foreign Attorneys	36
Advisors	7
Management Officers	2
Patent Engineers, Staff	419
Total	1,044

(As of March 1, 2022)

Areas of Expertise

TMI's practice covers all aspects of IP, including patent/trademark prosecution, transactions (e.g., patent sales, acquisitions and licensing), litigation, invalidation trials, oppositions, due diligence activities and import suspension at Customs. TMI handles over 9,500 patent/trademark/design applications and over 20 IP lawsuits per year and TMI's patent team covers all technical fields, including electronics, computer software, telecommunications, semiconductors, chemicals, biotechnology, pharmaceuticals, and mechanical fields.

Electronics	28	Chemical	15
Mechanical	16	Bio, Pharma	5
Design	6	Trademark	21
overlap included			
IP Lawyers	80		

Awards

TMI and its attorneys-at-law / patent and trademark attorneys have been the proud recipients of prestigious awards every year. At the beginning of this year, TMI was already awarded Band 1 in Chambers Asia-Pacific and ranked as Tier 1 in The Legal 500 Asia Pacific, both in the field of Intellectual Property!



Contact and Global Offices

If you have any questions or requests regarding our services, please contact our attorneys and patent attorneys who you regularly communicate with or use our representative address.

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