



# Trademark Dilution in Japan

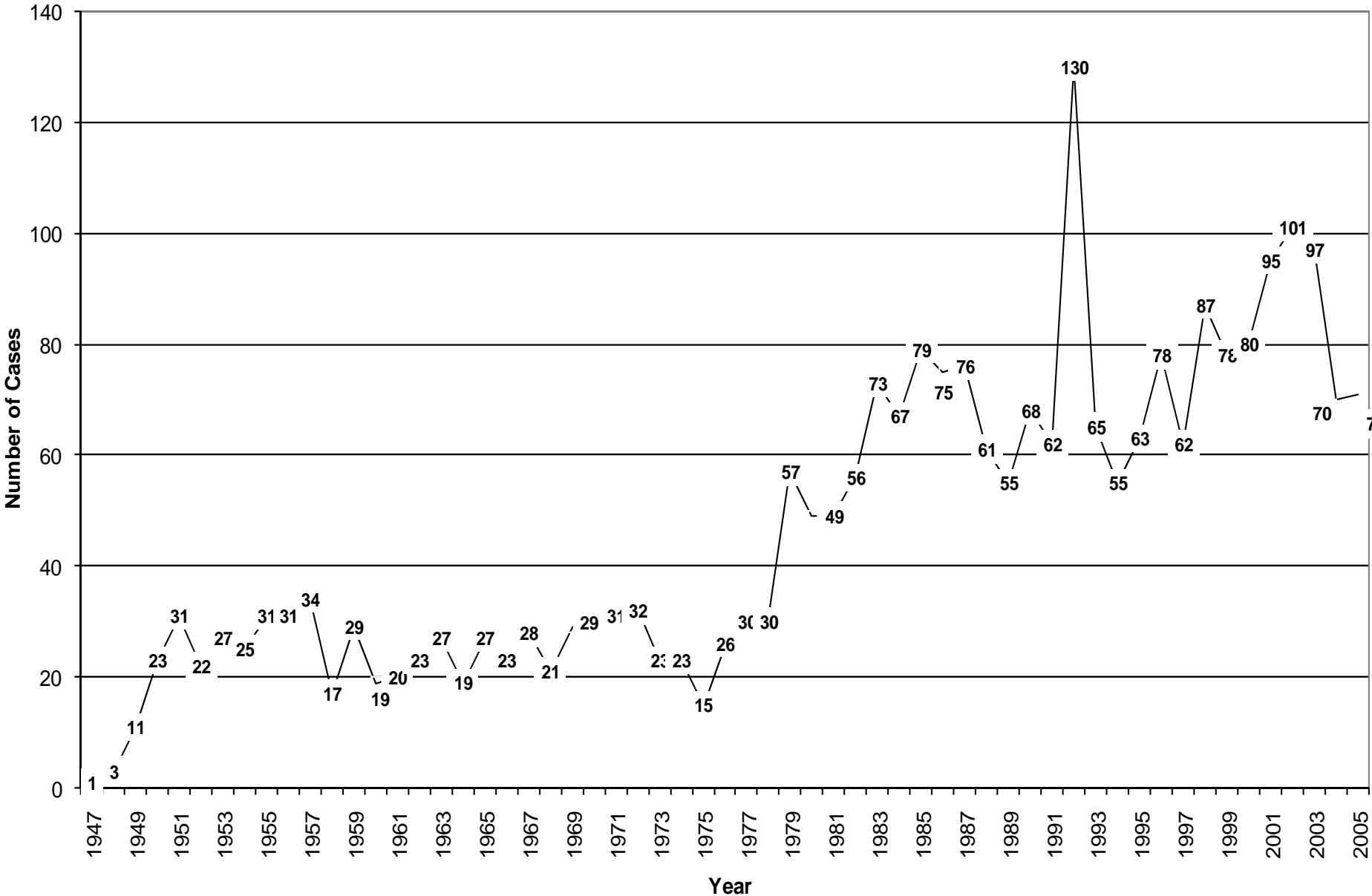
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# Reported US FTDA Cases 1996-2005

• Year	Total Number of Cases	Only Dilution Claimed
• 2005	9	1
• 2004	16	2
• 2003	14	1
• 2002	23	5
• 2001	19	5
• 2000	23	5
• 1999	32	1
• 1998	39	0
• 1997	27	2
• 1996	19	0
• <b>Total</b>	<b>218</b>	<b>22</b>

# Graph A: Total Number of Reported Cases Per Year



# “Dilution”-like protection in Japan

- Japan is a Civil Law system, so need a statute to recognize the right.
- Japan’s Trademark Law is silent on anything that might be called “dilution.”
- Japan’s Unfair Competition Prevention Act (UCPA) was amended in 1993 to arguably cover “dilution,” but it never uses that word.
- No statute says the Japanese word for dilution (



# Trademark Law ( ... )

- Only applies to registered marks
- A separate law, the Unfair Competition Prevention Act ( ... ) is the only place “dilution-like” protection occurs

# UCPA

- **Article 2-1:** As used in this Law, the term "unfair competition" shall mean:
  - (i) the act of using the Goods or Other Appellations (as used hereinafter, "Goods or Other Appellation" shall mean a name connected with a person's business, trade name, trademark, mark, the container or package of goods, or any other appellation of goods or businesses) which is identical with, or similar to, another party's Goods or Other Appellation that is well-known among the consumers, . . . and causes confusion with the goods or business of that other party's.
  - (ii) the act of using Goods or Other Appellations of another that are identical with, or similar to, another person's famous Goods or Other Appellations . . .



# UCPA

- Clause (i) is clearly not a dilution-like provision
  - Protects “well-know” appellations
  - From confusing uses
- Clause (ii) clearly is a dilution-like provision
  - Protects “famous” appellations
  - Apparently from any same or similar uses



# Trouble is:

- Japanese courts can't keep (i) and (ii) clear and distinct
- So, some of the most famous “dilution” cases, cite (i) and not (ii).

# Great myth:

- Japanese don't litigate.
- In trademark dilution, it's true.
- Very few dilution cases.



# In my short time, I want to:

- Talk about the elements of a dilution cause of action;
- Talk about why so few cases
- Comment on what I see as the normative role of dilution law in Japan

# Elements:

- 1. Famous appellation
- 2. Same or similar



# Famous appellation

- Not “well-known” appellation from (i)
- Something more
- “an exacting standard”
- But, 18.3% of customers knowing of Levi’s pocket trademark was considered “famous.”

# Regional Fame

- Must be nationally famous for purposes of (ii).
- But, Japan is a narrow, small, but long country
- So Hokkaido is like Minnesota and Okinawa is like Hawaii.
- It seems unfair to say, then, that a manufacturer of snowshoes could never have a famous mark because they would never sell their goods in Okinawa.
- So, the black letter law is that nationwide fame is needed, but the circumstances of the use may make a court recognized regional fame.



# Difference between “fame” and “well-known”

- Basically, nationwide use

# Extra requirements of “fame”

- Commentators say:
  - 1. Specific distinctiveness
  - 2. Fame
  - 3. Very high quality goods
  - 4. Unique status
  - 5. Abstract distinctiveness
  - 6. Particularly striking
- Something truly remarkable



# Comment on commentators

- I think they are unrealistic
- If we listened to them, only the most famous marks would be “famous” for (ii)
- Much less famous marks have established fame before the judiciary (18% of Levi’s buyers)
- So, interesting disconnect in Japan between commentators who want dilution saved for only the most famous marks and courts that grant famous status a much broader class of marks

# Same or similar

- Confusion not required
- So the “same or similar” analysis is give extra weight
- How:
  - Determine essential elements of the plaintiff’s appellation
  - Determine essential elements of the defendant’s appellation
  - Compare only essential elements





# Interesting cases

# Kobayashi v. Uesugi

- Gohmanism Sengen v. Datsu Gohmanism Sengen
- Held: using trademark as alternative title of book is not “use” of the appellation as required by Art. 2-1-2.
- Therefore not a dilution



# JACCS v. Nihonkai Pakuto

- Defendant registered [www.jaccs.co.jp](http://www.jaccs.co.jp) as domain name
- JACCS is like the Discover Card
- Defendant sold odd items like toilet seats
- Said, mark to them meant “Japan Association Cozy Cradle Society
- Held: Use of an appellation under Article 2-1-1
- That is, dilutive conduct that gets enjoined under wrong provision

# Advance Magazine Publishers v. Puropasuto

- Plaintiffs holder of VOGUE mark for magazines
- Defendant use “La Vogue Minami Aoyama” for name of condo building
- Held: well-known for purposes of Art. 2-1-1 but not famous for 2-1-2 and therefore not diluted
- Market limited to those who read fashion magazines and an appreciable number of condo owners don't read such magazines



# Why so few cases?

- Statute and concept is vague
  - Courts confuse its application
  - Can't distinguish between two distinct causes of action
- Courts use multiple terms for dilution
  - Dilution, freerider,
- Confusion in the “broad sense” and the “narrow sense”
- Japanese judges find application of dilution law troublesome

# Why so few cases?

- Defensive Mark Registration System
- Under utilized
- Register your well-known or famous mark for unrelated goods or services when confusing use is likely
- Closest thing to a “Famous Mark Registry”
- So, other outlets for holders of famous marks
- But, only 60 marks registered as defensive marks in 2004



# Why so few cases?

- Dilution is superfluous in Japan
- With judges dreaming up “confusion in the broad sense” as a complete judicial fabrication, much dilution gets enjoined under the auspices of “confusion.”

# Conclusion

- Unlike most of the rest of Japanese trademark jurisprudence, dilution-like protection is a mess
- Judiciary is a highly educated, highly motivated, professional class of people
- Not likely that this mess is anything other than intentional.