







JAPAN LEGAL UPDATE

Intellectual Property

Accession to the Patent Law Treaty and the Singapore Treaty on the Law of Trademarks

On March 11, 2016, the Japanese government submitted instruments of accession to the Patent Law Treaty ("PLT") and the Singapore Treaty on the Law of Trademarks ("STLT," and together with PLT, "Treaties") to the Director General of the World Intellectual Property Organization ("WIPO"). The Treaties will come into force for Japan on June 11, 2016.

The PLT and the STLT aim at the standardization and simplification of the procedures for local patent and trademark applications, which vary among countries, in order to improve user-friendliness and reduce the burden on applicants.

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The Japanese government decided to accede to the Treaties in light of the rapid advance of international harmonization of such procedures in recent years, given the increasing accession by countries in Europe and the United States. As of the end of February 2016, 36 countries, including the U.S., the UK, France, and Australia, are contracting parties to the PLT, and 39 countries, including the four countries described above and two intergovernmental organizations, are contracting parties to the STLT.

Specifically, the PLT provides for (i) requirements for obtaining a filing date, (ii) simplified application procedures, (iii) relaxed time limits, and (iv) corrections or additions to priority claims and restoration of priority rights. The STLT, based on the provisions of the Trademark Law Treaty (to which Japan acceded in April 1997), provides for (i) expansion of the types of marks to which the treaty applies, (ii) availability of electronic filing, and (iii) relaxed time limits.

The Act for the Partial Amendment of the Patent Act, Etc., related cabinet orders, and related ministerial ordinances, including relevant provisions to implement the new procedures that were introduced along with Japan's accession to the Treaties, came into force as of April 1, 2016. The application procedures in accordance with the provisions of the Treaties were already in operation prior to the entry into force of the Treaties. Companies are advised to confirm whether any changes should be made to their current practice of applying for patents and trademarks in light of the newly introduced procedures.

Corporate

Submission of Bill to Amend the Act on Specified Commercial Transactions and Bill to Amend the Consumer Contract Act

On March 4, 2016, in order to address changes in the socioeconomic climate, including the progressively aging population, and to protect the interest of consumers, the Bill to Amend the Act on Specified Commercial Transactions ("Commercial Transactions Bill") and the Bill to Amend the Consumer Contract Act ("Consumer Contract Bill") were submitted to the ordinary session of the Diet.

The Commercial Transactions Bill would primarily enable the Consumer Affairs Agency or other agencies to increase the effectiveness of business suspension orders by prohibiting corporate executives from incorporating new companies or taking other actions that may allow them otherwise to proceed with the suspended business. The Commercial Transactions Bill also would introduce a system allowing consumers to withdraw an offer to purchase excessive quantities when made in the context of telemarketing sales.

In addition, the Consumer Contract Bill would expand the scope of rescindable contracts (introducing a right to rescind contracts for the purchase of excessive quantities and an expansion of substantial matters related to misrepresentation), extend the period when the right to rescind may be exercised, and expand the scope of contractual terms and conditions considered to be invalid (invalidating any clause that waives termination in the event that the business operator defaults).

It is recommended that businesses that conduct specified commercial transactions or engage in consumer business review their practice from a compliance perspective in light of the content of the Commercial Transactions Bill and the Consumer Contract Bill.

Tax

Amendment of Income Tax Act, Etc.

The Act to Amend the Income Tax Act, Etc. was enacted on March 29, 2016 and came into force generally on April 1, 2016. The Act implements the 2016 Tax Reform Proposal as described in the December 2015/January 2016 issue of this newsletter.

Intellectual Property

Extensive Revisions to the Trademark Examination Guidelines

On March 22, 2016, the Japan Patent Office published an updated version of the Trademark Examination Guidelines, which includes the most extensive revisions in 45 years. For example, with respect to the distinctiveness of a trademark acquired through usage, the revised Trademark Examination Guidelines provide for matters such as the identification of the trademark and the designated goods or services, in light of recent judicial precedents. The revised Trademark Examination Guidelines are applicable to trademark examinations conducted on or after April 1, 2016.

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