894.543/1-145 -- 12-3145 -47-48-49

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Trademarks

1-1

CHINA-AMERICA COUNCIL OF COMMERCE AND INDUSTRY, INC.

30 ROCKEFELLER PLAZA NEW YORK 20, N. Y.

January 29, 1945

Please address reply:
1604 K STREET N. W.
WASHINGTON 6, D. C.
Telephone District 3822

A. VIOLA SMITH
Washington Representative

Mr. Edwin F. Stanton, Deputy Director
Office of Far Eastern Affairs
Room 360-A, Department of State
17th St. & Pennsylvania Ave., N. W.
Washington, D. C.

B

Dear Mr. Stanton:

I am forwarding for your information the following documents:

1. Draft of Suggested Amendments to the Chinese Trademark Law of November 23, 1935.

2. Memorandum on the New Chinese Law on Patents, Utility Models and Designs.

XR 893.542

The Trademark Law memorandum is based upon an expert analysis made by Dr. Stephen P. Ladas, an authority upon the subject, and represents a composite of his viewpoint and that of Council members who have commented upon the subject. The Chinese Patent Law memorandum, specially prepared by Langner, Parry, Card & Langner, is now in the process of being circulated to Council membership for comment. As suggestions come in, the entire subject matter will be placed before our special committee for consideration, after which a revised statement will be drawn up.

In the near future the Council expects to have informal discussions with representative Chinese experts now in America regarding these Chinese Laws, with the viewpoint of seeking clarification on certain aspects thereof and developing appropriate ways which might be reached for securing modification of the laws.

A copy of this material is being made available to Judge Helmick with the thought that it might be useful to him in any discussions he might have in Chungking with the Chinese upon these particular laws.

We would value having any comments which you might care to make and I wish to again take the opportunity of expressing the Council's appreciation for the splendid cooperation you have given to our organization in its efforts to develop a sound basis for future commercial relationship with China.

Very sincerely yours,

A. Viola Smith

A. VIOLA SMITH
Washington Representative

Enc.

CS/HM

893.542/1-2945

893.542/1-2945

RB

2-2-45

file in CA

China-America Council of Commerce & Industry 1-1

* See Patents Jan 19-45 Trademark 11-23-

My dear Mr. Brown:

I enclose a memorandum prepared by the China-America Council of Commerce and Industry in regard to the Chinese Trade-Mark Law promulgated by the National Government on November 23, 1935. The memorandum in question was prepared as a result of reports submitted by experts and comments made thereon by members of the Sub-Committee on Trade-Marks, Copyrights and Patents. It will be noted that the sub-committee has drafted certain amendments which it believes should be made in the trade-mark law. It would be very much appreciated if you would consider these suggestions and indicate whether you think them desirable and technically sound.

There is also enclosed a memorandum on the new Chinese patent law, which was prepared for the China-America Council of Commerce and Industry by Langner, Parry, Card and Langner. Your comments on the suggestions set forth in this memorandum would also be very much appreciated.

Sincerely yours,

For the Secretary of State:

Edwin F. Stanton
Deputy Director
Office of Far Eastern Affairs

Enclosures:
Two memoranda.

Mr. James L. Brown,
Bureau of Foreign and Domestic Commerce,
Department of Commerce,
Washington, D. C.

FE:EFS:EAB
2/2/45

1-29-45
Trade marks
1-1

CHINA-AMERICA COUNCIL OF COMMERCE AND INDUSTRY, INC.

30 ROCKEFELLER PLAZA NEW YORK 20, N. Y.

DRAFT OF AMENDMENTS TO THE CHINESE TRADE-MARK LAW OF NOVEMBER 23, 1935

The Chinese Trade-Mark Law promulgated by the National Government on November 23, 1935 is a legislative act embodying generally sound provisions for the protection of the rights of trade-mark owners in their trade-marks and for the protection of the Chinese public against confusion and deception. It constitutes an improvement in many respects over prior legislation on trade-marks in China, and gives legislative effect to decisions rendered by Administrative Tribunals and by the Judicial Yuan in their efforts to reach rational solutions on many problems of conflicting rights or of balancing the whole scheme of interests involved. Experience, however, has shown that improvement and revision of the law is desirable on certain important points.

As a result of reports submitted by experts, comments thereon by members and discussion at meetings of the Sub-Committee on Trade-Marks, Copyrights and Patents, there has been general agreement reached on the amendments suggested herein. In each case, submission is made of draft provisions of amendment and the reasons are indicated in an adjoining column of comment.

- - - -

PROPOSED TEXT	COMMENT
I. PROTECTION OF TRADE-MARKS	
Article 1, paragraph 3 should be amended as follows: "The protection of a trade-mark shall include the pronunciation thereof and the idea thereof."	This paragraph of the law reads: "The characters used in a trade-mark shall include the pronunciation thereof." This means that a word mark includes the equivalent in sound in Chinese ideographs. However, a mark may be expressed in China in ideographs which either give the sound of the word or its idea. The protection of the trade-mark owner should include both these equivalents if injury to the owner and confusion of the public is to be avoided.
Article 2, Clause 6, should be amended to read: "None of the following may be registered as a trade-mark:	The present text reads: "anything identical with or similar to a mark generally known as another person's mark or emblem and used on the same kind of goods."

PROPOSED TEXT	COMMENT
...(6) Anything identical with or similar to a mark which has previously been used or made known in China as another person's mark or emblem and used in respect of similar goods."	As interpreted by the Tribunals in China, this text did not protect the prior user of a trade-mark against misappropriation by another person. The former, in order to succeed, had to show that his prior mark had been so long and extensively used in China that it was generally known to the public and trade in China as his mark - a very difficult showing in most cases of misappropriation of trade-marks. The proposed text purports to protect the person who has prior rights in China by virtue of having used the mark in China or made it known there, for instance, by advertising. This is the sound basis of protection both from the point of view of trade-mark owners and from that of the protection of the public against deception.
Article 13, paragraph 2, should be amended to read: "The exclusive right is confined to the mark as registered and to the goods specified in the application for registration, subject to the other provisions of this law."	This paragraph in the present law reads: "The exclusive right is confined to the design in the application approved and to the commodity specified in the application for registration." This wording may unduly limit the scope of the trade-mark right. A word trade-mark may be registered in a particular lettering or script form, but its protection should not, of course, be limited to that form. Also, more than one commodity may be covered by the registration. The addition of the words "subject to the other provisions of this law" purports to eliminate any conflict of this Article with the other Articles of this law purporting to define the scope of protection of the trade-mark such as Articles 1, 18 and 25.
Add to Article 17 a second paragraph as follows: "The application for recordal of the assignment of a trade-mark shall be made	The present Article 17 requires assignments of trade-marks to be recorded in order to be effective in respect of third parties. On the other hand, Article 18 provides that the Trade-Mark Bureau of its own motion or at the request of an

PROPOSED TEXT	COMMENT
within a year from the date thereof. Upon failure to do so, the new owner shall pay a fine equal to one-half of the registration fee as provided in the Regulations of this law."	interested party shall cancel a registration when no application for registration of an assignment has been made within one year of the assignment. This provision is unique, the law in no other country in the world containing a similar sanction. No valid reason exists for such a harsh provision, and it may work great injustice in particular cases. The sanction of a fine is suggested which is the only sanction for late recordals made by the laws of certain countries, particularly British.
Article 18 should be amended as follows: "The registration of a trade-mark may be cancelled at any time upon the request of the registered owner. On any of the following conditions, the Trade-Mark Bureau, subject to prior reasonable notice, shall cancel the registration motu proprio, or upon the request of an interested party: (1) When the general appearance of the registered trade-mark is altered or signs or symbols are added with intent to use the same for the purpose of imitation; (2) When the mark has not been used for a continuous period of five years, unless non-user shall be shown to be due to special circumstances in the trade and not to any intention not to use or to abandon the trade-mark." Clause 1 of this Article does not apply to cases where the owner of the mark alters the same in respect to non-essential or non-distinctive elements including the use of a different color or scheme of colors provided always that the Trade-Mark Bureau may require the owner to apply for registration of such altered trade-mark. Clause 2 of this Article does not apply to cases where one of the "associated trade-marks" is still in use.	The first paragraph of this Article is unchanged subject to two formal amendments: (a) The present text reads: "the exclusive right of use in a trade-mark may be cancelled." This wording is objectionable. The owner of a trade-mark who obtains a subsequent registration for a new form of the mark or for a broader list of goods may wish to cancel his previous registration. In such case he cancels the registration but not the exclusive use in this trade-mark; (b) the words "subject to prior reasonable notice" are added to take the place of the last paragraph of the present Article 18. The two clauses contain the grounds upon which a registration may be cancelled by the Trade-Mark Bureau or by an interested party. The first clause is unchanged but a sub-paragraph has been added to make clear that non-essential alterations introduced in the trade-mark by the owner thereof shall not cause cancellation. At most, the Trade-Mark Bureau may require in such cases of the owner to register the new form of the mark. It is well known that changes in design, improvements in commercial art, and the like, often determine trade-mark owners to make non-substantial changes in their packages which do not affect the identity of the trade-mark. This is particularly true of the shades of colors used in a package. If such changes may involve a

conflict with other marks registered by other persons, the Trade-Mark Bureau, by requiring the owner to file application for the altered form of the mark, will give an opportunity to other persons to oppose the application for the new form of the mark.

Clause 2 of the present Text provides that a mark may be cancelled if its use has not commenced in China within a year from registration or if such use has been interrupted for two years. These provisions are excessively strict; they do not take account of the need of the trade-mark owner to protect his mark against misappropriation well in advance of his use in China and also of trade conditions which may cause interruption of shipments to China. Forfeiture of a registration should be determined by proof of abandonment of the mark in China. The suggested amendment provides that non-user for five years shall give a presumption of abandonment but such presumption may be disproved by a proper showing.

Article 25 to be amended as follows:
"The application for registration of a trade-mark must state the class of goods to which it is appropriated, according to the classification set forth in the Regulations.

"Several groups of goods in a class may be covered by the same application subject to the payment of an extra fee for each additional group equal to one-fourth of the prescribed registration fee."

The present Article 25 in conjunction with the Regulations require the applicant to limit his application to groups of goods in each class. There are 70 classes and these are sub-divided into groups of which there is a total of 257. This amounts to an excessive detailed classification unique in the world, withthe result that rarely does a trade-mark owner find it possible to be adequately protected against infringement and unfair competition by covering only one group. Multiple registration is irksome and increases expense to such extent that trade-mark owners prefer not to register. The amendment suggests that an applicant may cover several groups in one class (for instance, in the Clothing and Wearing Apparel Class he may cover by a single application the following four, out of a total of 11, groups: Collars and cuffs Group, Neckties Group, Gloves

Group, Handkerchiefs Group), subject to paying an extra fee for each additional group. This is a sound compromise between the object of the Government to obtain additional revenue and the necessity for adequate coverage of trade-marks. It will encourage, rather than discourage, trade-mark registrations.

II. REMEDIES AGAINST INFRINGEMENT

A new Article on Remedies for infringement should be inserted if possible after Art. 38 of the present law:

"The penalties provided for by the Criminal Law shall be imposed on any person who:
(a) reproduces, without authorization from the owner, by any means, wholly or in part, a registered trade-mark;
(b) imitates a registered trade-mark in a manner that may deceive the consumer;
(c) uses the mark of another, or an imitation thereof;
(d) sells or offers for sale products or articles bearing a counterfeited or imitation trade-mark.

To constitute imitation or usurpation, a mark must be used in respect of the articles covered by the registered trade-mark or on articles of the same class.

In addition to the above penalties, infringers shall be subject to a civil action for damages caused to the trade-mark owner.

Whenever a civil or criminal action is instituted for infringement of a trade-mark right, the plaintiff may petition the Court for a temporary injunction against the continuation of the infringement.

The Chinese Trade-Mark Law provides for opposition against infringing applications and cancellation of infringing registrations but it has no provisions for remedies against infringements- civil or penal. The Trade Mark Laws of 1923 and 1928 contained provisions for criminal prosecution of trade-marks but these were eliminated from the subsequent laws of 1930 and 1935. The Criminal Law of 1935 (Art. 253 - 255) provides penalties for fraudulent imitation of registered marks only.

The result was that unregistered marks or names had no protection at all against fraudulent imitation or misappropriation at the expense of the Chinese public as well as of trade-mark owners. Even when criminal prosecution was in theory possible in the case of infringement of registered marks, owners suffered by the absence of adequate civil remedies.

It appears necessary that the Trade-Mark Law in China should contain specific provisions for remedies similar to those contained in the trade-mark law of all countries in the world. Hence the suggested amendments.

Attention is particularly called to the last paragraph of the Article suggested which provides for a temporary injunction. This is the most effective remedy in infringement cases. It is a remedy well known to the Chinese Law, as shown by the Copyright Act promulgated April 27, 1944, Article 28 of

which provides for a temporary injunction in copyright infringement matters.

III. PROTECTION OF TRADE NAMES

A new Article should be inserted in the law for the protection of trade or commercial names. Its proper place would be after the above proposed Article on Remedies. The following text is suggested: "Trade names or commercial names of individuals, firms, corporations and associations shall be protected, the same as trade-marks, without the requirement of registration whether or not they form part of a trade-mark."

The present Trade-Mark Law contains Article 2, clause 8, which prohibits the registration of a trade-mark which contains the name or trade name of another person or the name of a corporation except with the owner's consent. Decisions have limited the effect of this provision. The provision applied only to trade names registered as trade names in China under the "Regulations concerning Registrations of Companies and Corporations" which foreign corporations generally shunned.

The suggested provision is similar to that in many foreign legislations and follows the text of the International Convention for the Protection of Industrial Property. It protects not only against the adoption of trade-marks containing another's trade name but also against the adoption of an infringing trade name.

IV. PROTECTION AGAINST UNFAIR COMPETITION

A new Article should be inserted in the Trade-Mark Law to protect against unfair competition. This may be inserted after the above provision for the protection of trade names. It should read as follows: "All acts of unfair competition and all acts of competition contrary to honest practices in commercial transactions are prohibited. Such acts are deemed to be, in particular:

(1) all acts whatever capable of creating confusion by any means with the products or business of another;

(2) false allegations in trade of a

The present law of China contains no provisions on unfair competition, although the Chinese Civil Code contains certain Articles which could be construed to provide a basis for an action for damages in cases of unfair competition. In many European countries there are similar articles included in the Civil Codes but in nearly all of these countries special legislation has been enacted on unfair competition. It may be necessary for China to adopt a special legislative act on unfair competition, but in the meantime the inclusion of the suggested Article in the law will provide desirable protection.

nature to discredit the products or business of a competitor.

There shall be applied to acts of unfair competition the provisions applicable to infringements of trade-marks."

V. REESTABLISHMENT OF RIGHTS AFFECTED BY THE WAR

Rights in trade-marks as defined by the Trade-Mark Law shall be reestablished and restored in favor of persons entitled thereto on September 1, 1939.

A period of one year after the termination of hostilities between China and Japan shall be accorded to trade-mark owners, without the payment of any fee or other penalty, in order to enable such persons to accomplish any act, fulfill any formality, pay any fees, and generally satisfy any obligation prescribed by the law relating to the obtaining, preserving or enforcing rights to or in respect to a trade-mark acquired before September 1, 1939 or which, except for the war, might have been acquired as a result of an application made before such date of subsequent thereto.

This provision shall be deemed to apply, in particular, to terms for filing required documents, terms for payment of fees, procedural terms, and terms for opposition, cancellation or annulment of trade-mark application or registrations, and terms for user of trade-marks.

(comments continued)

Or course, China may not wish to extend these benefits to enemy nationals. In such case, a paragraph may be added to this Article stating that these benefits are only extended to nationals of the United Nations.

It is well known that war conditions have prevented trade-mark owners from taking the usual steps to acquire or preserve trade-mark rights in China. Thus:

(1) Owners of registered trade-marks were prevented by the war from applying for renewal within the legal term;

(2) Prior users and prior registrants of trade-marks were prevented from filing timely oppositions;

(3) The use of registered trade-marks has been interrupted for a period longer than provided for in Article 18 (2);

(4) Assignments were not recorded within a year from the date thereof as provided for in Art. 18 (3);

(5) Owners of new marks could not file applications and this may have resulted in misappropriation of such marks in China.

Most of the belligerent and neutral countries have promulgated emergency legislation to cover the above situations and at the end of the war it is expected that further measures will be adopted to reestablish the position as at the outbreak of the war.

It is suggested that China should adopt this provision as an amendment of the law or as a special legislative act.

(continued first column)

ADDITIONAL COMMENTS FROM COUNCIL MEMBERS RECEIVED AFTER MEMO MIMEOGRAPHED

November 6, 1944

My general reactions are most favorable to the draft. I think in the main that an excellent job has been done. There are, however, one or two points that I should like to raise for the consideration of the Council.

The proposed amendment of Article 2, Clause 6, prevents the registration of any mark which is "similar" to a mark which has been previously used or made known in China. I wonder whether the word "similar" standing by itself and unqualified by any adjective, may not be too broad. In this country registration is denied similar marks which are likely to cause confusion or mistake in the mind of the public or to deceive purchasers. It seems to me that the concept of confusion should be introduced into this clause so that only marks which are "confusingly similar" would be denied registration. This amendment might conceivably be used to bar products from the Chinese market which have been sold in this country for many years.

I have some doubt whether the proposed amendment of Article 13, paragraph 2, will accomplish the purpose intended. I query whether the new language is not apt to be given the same interpretation as the old. I think that in this case broader language is necessary if the exclusive rights of a proprietor in his trade-mark are not to be duly restricted.

I have some reservations as to the wisdom of criminal penalties for trade-mark infringement. Don't you think that the proposed draft on remedies goes much too far when it makes it a criminal act to reproduce a part of a registered mark. There will always be much disagreement as to what constitutes a part of a mark. Consider in this connection the wording of the statute in terms of the use of such items as a hyphen, a single letter or a syllable. As you know, there are very many trade-marks which have features in common with other trade-marks, I appreciate that similar language is found in some of the statutes of other countries. But I think as long as a revision of the present law is being proposed, language which more effectively accomplishes the intention of the proponents should be employed.

On the other hand, should the remedies against infringement be limited to the use of the imitating mark on articles of the same class as the registrant's product? Perhaps the criminal liability should be so limited. But oughtn't we to set our sights a little higher and seek protection against the use of the same of confusingly similar marks on products in different classes? I appreciate that this is a most difficult problem and one that perhaps needs some further discussion on the part of the members of the Trade-Mark Committee.

In the section on unfair competition, shouldn't it be made clear that the two groups of offenses which are specified in the sub-paragraphs are illustrative and not exclusive?

November 30, 1944

It appears to me that this amendment strengthens the law. The only possible objection I could see would be the application of criminal penalties to trade-mark infringement. It is my opinion that trade-mark infringement should be subject to civil action only. However, this, I presume, is a matter for the Chinese officials themselves.

JOHN EDGAR HOOVER
DIRECTOR

IN REPLY, PLEASE REFER TO
FILE NUMBER

Federal Bureau of Investigation
United States Department of Justice
Washington, D. C.

PERSONAL AND CONFIDENTIAL
BY SPECIAL MESSENGER

Date: August 31, 1945

To: Mr. Frederick B. Lyon
Chief
Division of Foreign Activity Correlation
Department of State

From: John Edgar Hoover - Director, Federal Bureau of Investigation

Subject: Japanese Patent;
Santiago, Chile

Information has been received from reliable, confidential sources to the effect that among the records of the former Japanese firm at Santiago, Chile, the Compania Comercial Taibo, S. A., there was found considerable correspondence regarding a Japanese patent.

On June 28, 1941, Patent Attorneys in Japan communicated with Luis Harnecker, a Patent Attorney in Santiago, Chile, at which time they requested him to endeavor to register a patent of Katsuyuki Hikami, No. 622 East 3-Chome, Magome-Machi, Omori-Ku, City of Tokyo, Japan. It appeared that this patent was based on Japanese Patent Application No. 5144/1941 dated April 1, 1941. It was entitled "A Method of Preventing a Natural Combustion and Overheating of Sulphide Ores and Other Mineral Products".

As of interest to you, there is transmitted a copy of a memorandum dealing with this patent. This information is also being furnished to the Foreign Economic Administration.

Enclosure

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English Specification
(for reference)

My invention relates to a method of preventing harmful natural heat generation of sulphide ores or other mineral products which are liable to cause spontaneous combustion, and its object is to safely prevent the natural firing or overheating of mineral ores or products such as particles obtained by a floatation method during their storage or transportation.

Fine powders of sulphides of metals such as copper, iron, lead, zinc and the like are unavoidably oxidized by the action of moisture contained in themselves and air during a long storage or a huge accumulation as in case of shipping or marine transportation. Especially in case of loading of a large quantity or a great deposited mass of fine powders such as floatation products, the heat transmission or ventilation is not good so that the heat caused by oxidation may be accumulated owing to the small specific heat of the fine powders and the evolution of heat proceeds with acceleration resulting often spontaneous firing.

My invention is to prevent the dangerous heat evolution of the mineral products by suppressing the natural oxidation of sulphides of metals which is the main cause of the heat generation. For this purpose, I have found out after many experiments that soap solution is most effective for preventing the progress of natural oxidation of sulphides. In accordance with my invention, soap solution or soap in other form is sprayed or mixed with powders of mineral ore or treated products, or blown refuses of metallurgical refining process, or other mining products which are liable to cause the spontaneous heat evolution. Then the soap solution reacts with the sulphates of iron, copper, aluminium, calcium or other metals, which coexist with or are attached to the particle or ore or the mineral products, as the result of oxidation of the surface of sulphides and produces insoluble metallic salts of fatty acids which form protective covering for the other ores and sulphide particles, thereby suppressing the natural oxidation caused by the combined action of moisture and air, and thus the heat evolution can be prevented.

In carrying my invention into effect, any kind of aldaline soap may be used and a suitable amount such for instance as 0.1 to 3% of soap such as soda soap may be dissolved in water. Such soap solution is sprayed on fine particles of copper ore collected as floatation products or concentrates containing copper pyrite and iron pyrite, for instance, when such floatation products or ore particles are shipped on board for the purpose of transportation. Fine powders or paste of soap may be mixed with sulphide particles by suitable means. Then the danger of heat evolution due to the spontaneous combustion even during a long voyage can be safely prevented by the action of protective film of insoluble fatty acid salts produced by the chemical reaction of soap and sulphates of metals, thereby covering the ore particles to isolate the particle from air and water and to suppress the oxidation of sulphides.

The inventor considers that natural combustion of coal is caused by the effect of sulphide particles attached to coal and accordingly the present invention can equally be applied to coal or coal particles for preventing spontaneous combustion or explosion.

Alkaline elements in the soap have no effect of preventing natural oxidation of sulphides, but the action of fatty acids in soap is utilized by this invention. According to my experiments I have ascertained that mere alkaline solution such as lime solution is not effective to prevent the natural oxidation of coal since the oxidation of sulphides such as iron pyrite occurs according to the following reaction:-

$$FeS_2 + 7O + H_2O \longrightarrow FeSO_4 + H_2SO_4,$$

The sulphate base " SO_4 " in the right term of the equation is neutralized by alkali such as calcium hydroxide successively so that the equilibrium is not stable and the oxidation proceeds constantly. Thus it will be clear that the action of fatty acids in soap upon sulphates is most important in this invention.

I claim:

1. A method of preventing natural combustion and overheating of sulphide ores and other mineral products which are liable to cause spontaneous combustion consisting in mixing alkaline soap in a suitable form such as solution powder or paste with sulphide ores and other mineral products containing sulphides of metals, thereby forming protective film of insoluble fatty acid salts around the particle of mineral substance to suppress the natural oxidation of sulphides.

SCHENLEY DISTILLERS CORPORATION
EMPIRE STATE BUILDING
350 FIFTH AVENUE
NEW YORK CITY

TELEPHONE CHICKERING 4-2200

EXECUTIVE OFFICES

October 10, 1945

The Honorable James F. Byrnes,
Secretary of State,
Department of State,
Washington, D.C.

My dear Mr. Secretary:

Prior to World War II, the sale of American products abroad was thwarted and curtailed by competition from the inferior articles with which Japan flooded the world markets. As is well known, the Japanese for many years openly ignored the protective features of trade mark and patent laws, with the result that many Japanese products bore imitations and counterfeits of the trade marks of the leading merchandising brands of this country, and many articles produced by the Japanese were manufactured and distributed without recognition of the inventor's rights or the payment of royalties.

Throughout the world Bourbon and Rye whiskies are recognized as the distinctive product of North America. Despite this fact, the Japanese did not hesitate to manufacture in large quantities and to market in their own country and in any other part of the world in which they could find a buyer, alcoholic beverages spuriously labeled as Bourbon and Rye whiskies, and frequently under counterfeit trade marks as well.

In formulating the terms which will govern the future status and activities of the people of Japan, it is sincerely hoped that our representatives will be alert to the necessity of requiring the Japanese to establish and enforce effective trade mark and patent laws and to refrain from the manufacture and distribution of counterfeits and imitations of the products of other countries.

Very truly yours,

Lester E. Jacobi,
President

NOV 29 1945

In reply refer to
Le 894.543/10-1045

My dear Mr. Jacobi:

Reference is made to your letter of October 10, 1945 regarding the problem of Japanese imitation of American trade marks, in which you suggest that representatives of the United States Government should be alert to the necessity of requiring the Japanese to establish and enforce effective trade mark and patent laws and to refrain from the manufacture and distribution of counterfeits and imitations of products of other countries.

Your letter has been made of record and your suggestion will receive due consideration.

Sincerely yours,

For the Secretary of State:

Green H. Hackworth
Legal Adviser

Mr. Lester E. Jacobi, President,
Schenley Distillers Corporation,
Empire State Building,
350 Fifth Avenue,
New York, New York.

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27 1945

894.543/10-1045 CS/LE

CHARGE SLIP

File No. 894,543

Enclosure	Charge to—	Date	Clerk's initials	Remarks
7-546	LE	4-946	fk	Let to Henry 4/8/46

U. S. GOVERNMENT PRINTING OFFICE 1—1433

CHARGE SLIP

File No. 894,543

Charge to—	Date	Clerk's initials	Remarks
LE	4-946	fk	Let to Henry Ruhl 4/8/46

OFFICE 1—1433

The attached letter from Henry Ruhl and a draft reply were turned over to me by Miss Hadley when she left the Department. The draft has been revised in the reply attached. It is regretted that this revision has caused delay in answering the inquiry.

IR:WMRudolph

LEV

25

APR 8 1946

In reply refer to
IR 894.543/2-546

My dear Mr. Ruhl:

In your letter of February 5 you state that your client, Arthur Bier and Company, Incorporated, of 57 Worth Street, New York City, sought unsuccessfully in 1939 to register its trade-mark "ABC" in Japan. You inquire whether the trade-mark can be registered now with the United States military authorities in Tokyo and how your client may otherwise protect his mark.

The United States military authorities have not assumed the civil functions of the Japanese Government and accordingly it is not possible to register trade-marks with them. Moreover, private Japanese trading and business communication with nationals of other countries have not yet been permitted and until such trade and communication are authorized, it would not appear that the question of protecting your client's trade-mark will arise.

When it becomes possible to resume private trade and business communication, it is expected that application for trade-marks will be permissible. American business will be adequately informed of such development through the press.

Sincerely yours,

For the Secretary of State:

Robert P. Terrill
Assistant Chief, International
Resources Division

APR 8 1946

Mr. Henry Ruhl,
Patent and Trade-mark Attorney,
274 Madison Avenue,
New York 16, New York.

IR:WMRudolph:oms 4/4/46

894.543/2-546
CS/LF
894.543/2-546

HENRY RUHL
PATENT AND TRADE MARK ATTORNEY
274 MADISON AVENUE
NEW YORK 16, N. Y.
ASHLAND 4-4728

file

Reply drafted 4/4/46 WNR

February 5, 1946.

State Department,

Washington, D. C.

Gentlemen:

My client, Arthur Beir & Co., Inc., of 57 Worth Street, New York City, N.Y., in 1939 sought to register its trade mark "ABC" in Japan. Investigation discloses that the firm of Assano Company Ltd. had registered the trade mark "ABC" in Japan for similar goods (textile fabrics) under No. 97,209.

My client is desirous of registering its trade mark so that it may be in a position to prosecute any infringers in Japan. Please advise me whether it is possible or expedient to register the trade mark with our military authorities in Tokyo; if not, is it possible to protect said trade mark in any other way?

Respectfully,

Henry Ruhl

HR:cw

894.543/2-546

894.543/2-546

CS/VJ

The UNITED STATES TRADE MARK ASSOCIATION

522 FIFTH AVENUE, NEW YORK 18, N. Y.
VANDERBILT 6-0865
CABLE ADDRESS: USTRADMARK, NEW YORK

October 17, 1947

The Honorable,
The Secretary of State
Department of State
Washington, D. C.

Dear Sir:

Our Association understands that your Department is engaged in the drafting of provisions relating to industrial property for insertion in the Peace Treaty with Japan.

We have been receiving for some time past, suggestions from our members calling our attention to special problems created in Japan before the war with regard to trade-marks, trade names and indications of origin of American products, and requesting that we make submissions to the Department that these problems should be given particular attention in drafting the provisions on industrial property for this Treaty of Peace.

Indeed, in addition to the general stipulations which are called for with the view to re-establishing and restoring industrial property rights of American nationals in Japan, stipulations similar to those made in the Treaty of Peace with Italy, Hungary, Bulgaria, Rumania and Finland and to be made in the Treaty of Peace with Germany, the following particular problems concerning Japan require attention:

1. For several years prior to the outbreak of the war with Japan in 1941, American nationals experienced a decided bias by the Japanese Patent Office in favor of Japanese applicants for trade-marks simulating American trade-marks. In some cases where decisions adverse to American trade-mark owners could not be shown to be based on such bias, they were at least based on the Patent Office's viewing the similarity of the trade-marks from the point of view of the phonetics involved in the transposition of the trade-marks into Japanese ideographs. In other words, if a Japanese applicant filed application for registration of a trade-mark consisting in a word in the English language identical with the American trade-mark except

for the first letter, the Japanese Patent Office would grant registration for this mark merely because the transliteration of the two trade-marks in Japanese ideographs would show the ideographs for the first syllables of the two marks to be quite different. This, however, did not eliminate actual confusion in Japan because of the appearance of the two words and even their English pronunciation by a substantial part of the Japanese public; also this would enable the Japanese applicant to export into foreign countries articles bearing this trade-mark which was, in such countries, nearly identical to the American mark inducing confusion and deception.

In order to correct this situation, we submit that the following provision be inserted in the section on industrial property in the Treaty of Peace with Japan:

> "Japan undertakes to refuse or invalidate the registration and to prohibit by appropriate means the use of any trade-mark filed or used by a national of Japan which is not <u>clearly dissimilar</u> from trade-marks belonging to nationals of the Allied or Associate Powers and registered or used by them in Japan."
>
> "In considering whether a trade-mark filed, registered or used by a national of Japan is similar to a trade-mark of a national of the Allied or Associate Powers, it is understood that similarity shall be judged not only by the equivalence of the mark in Japanese ideographs but also by their sound or appearance in the language in which the trade-mark of the nationals of the Allied or Associate Powers is expressed."

It is, of course, to be expected that as a result of an incorporation of such a provision in the Peace Treaty, Japan will adopt a corresponding provision in its trade-mark law so that the same may become applicable to all trade-mark applicants and not only to Allied nationals.

2. American manufacturers, as well as manufacturers of other Allied countries, have experienced considerable difficulties in Japan by reason of acts of unfair competition by unscrupulous Japanese competitors by various means and particularly by the use of false indications of origin. The latter was particularly encouraged by the Japanese government conniving or closing its eyes to a practice of renaming Japanese villages with the names of important tradinglocalities in foreign countries which allowed Japanese imitators to claim that their goods were made in these well known foreign localities. Also Japanese exporters used marking indications

on their products were of an origin other than Japanese. Lastly, false markings of weight and measure were used on imitation products capable of deceiving the consuming public.

It is believed that the most effective manner of dealing with these practices is to incorporate in the Treaty with Japan the provisions on Protection of Commercial Names, Repression of Unfair Competition, Repression of False Indications of Origin and Remedies which are part of the Inter-American Convention for Trade-Mark and Commercial Protection signed in Washington in 1929, the text of which is appended hereto. These provisions are now the law between the United States and the American Republics which have ratified the above Convention and they appear to be suitable for insertion into the Treaty of Peace with Japan.

It is further submitted that Japan may be required to provide that all goods exported from Japan into foreign countries should be clearly marked with the words "Made in Japan" translated into the language of the country to which the goods are being imported, so that their origin may be clearly indicated.

We sincerely believe that the above submissions are calculated to protect the legitimate interests of American manufacturers and traders, as well as of those of the other Allied countries, and we trust that the Department of State may see fit to recommend the insertion thereof in the Peace Treaty with Japan.

Respectfully,

Thy V. Lam

Chairman,
International Committee

THE UNITED STATES TRADE MARK ASSOCIATION

SPL:t

GENERAL INTER-AMERICAN CONVENTION FOR TRADE-MARK AND COMMERCIAL PROTECTION

Signed At Washington, February 20, 1929

CHAPTER III
Protection of Commercial Names
Article 14

Trade-names or commercial names of persons entitled to the benefits of this Convention shall be protected in all the Contracting States. Such protection shall be enjoyed without necessity of deposit or registration, whether or not the name forms part of a trade-mark.

Article 15

The names of an individual, surnames and trade-marks used by manufacturers, industrialists, merchants or agriculturists to denote their trade or calling, as well as the firm's name, the name or title legally adopted and used by associations, corporations, companies or manufacturing, industrial, commercial or agricultural entities, in accordance with the provisions of the respective national laws, shall be understood to be commercial names.

Article 16

The protection which the Convention affords to commercial names shall be:

(a) To prohibit the use or adoption of a commercial name identical with or deceptively similar to one legally adopted and previously used by another engaged in the same business in any of the Contracting States; and

(b) To prohibit the use, registration or filing of a trade-mark the distinguishing elements of which consist of the whole or an essential part of a commercial name legally adopted and previously used by another owner domiciled or established in any of the Contracting States, engaged in the manufacture, sale or production of products or merchandise of the same kind as those for which the trade-mark is intended.

Article 17

Any manufacturer, industrialist, merchant or agriculturist domiciled or established in any of the Contracting States, may, in accordance with the laws and the legal procedure of such countries, oppose the adoption, use, registration or deposit of a trade-mark for products or merchandise of the same class as those sold under his commercial name, when he believes that such trade-mark or the inclusion in it of the trade or commercial name or a simulation thereof may lead to error or confusion in the mind of the consumer with respect to such commercial name legally adopted and previously in use.

Article 18

Any manufacturer, industrialist, merchant or agriculturist domiciled or established in any of the Contracting States may, in accordance with the law and procedure of the country where the proceeding is brought, apply for and obtain an injunction against the use of any commercial name or the cancellation of the registration or deposit of any trade-mark, when such name or mark is intended for use in the manufacture, sale or production of articles or merchandise of the same class, by proving:

(a) That the commercial name or trade-mark, the enjoining or cancellation of which is desired, is identical with or deceptively similar to his commercial name already legally adopted and previously used in any of the Contracting States, in the manufacture, sale or production of articles of the same class, and

(b) That prior to the adoption and use of the commercial name, or to the adoption and use or application for registration or deposit of the trade-mark, the cancellation of which is sought, or the use of which is sought to be enjoined, he used and continues to use for the manufacture, sale or production of the same products or merchandise his commercial name adopted and previously used in any of the Contracting States or in the State in which cancellation or injunction is sought.

Article 19

The protection of commercial names shall be given in accordance with the internal legislation and by the terms of this Convention, and in all cases where the internal legislation permits, by the competent governmental or administrative authorities whenever they have knowledge or reliable proof of their legal existence and use, or otherwise upon the motion of any interested party.

CHAPTER IV
Repression of Unfair Competition
Article 20

Every act or deed contrary to commercial good faith or to the normal and honorable development of industrial or business activities shall be considered as unfair competition and therefore, unjust and prohibited.

Article 21

The following are declared to be acts of unfair competition and unless otherwise effectively dealt with under the domestic laws of the Contracting States shall be repressed under the provisions of this Convention:

(a) Acts calculated directly or indirectly to represent that the goods or business of a manufacturer, industrialist, merchant or agriculturist are the goods or business of another manufacturer, industrialist, merchant

or agriculturist of any of the other Contracting States, whether such representation be made by the appropriation or simulation of trade-marks, symbols, distinctive names, the imitation of labels, wrappers, containers, commercial names, or other means of identification;

(b) The use of false descriptions of goods, by words, symbols or other means tending to deceive the public in the country where the acts occur, with respect to the nature, quality, or utility of the goods;

(c) The use of false indications of geographical origin or source of goods, by words, symbols, orother means which tend in that respect to deceive the public in the country in which these acts occur;

(d) To sell, or offer for sale to the public an article, product or merchandise of such form or appearance that even though it does not bear directly or indirectly an indication of origin or source, gives or produces, either by pictures, ornaments, or language employed in the text, the impression of being a product, article or commodity originating, manufactured or produced in one of the other Contracting States;

(e) Any other act or deed contrary to good faith in industrial, commercial or agricultural matters which, because of its nature or purpose, may be considered analogous or similar to those above mentioned.

Article 22

The Contracting States which may not yet have enacted legislation repressing the acts of unfair competition mentioned in this chapter, shall apply to such acts the penalties contained in their legislation on trade-marks or in any other statutes, and shall grant relief by way of injunction against the continuance of said acts at the request of any party injured; those causing such injury shall also be answerable in damages to the injured party.

CHAPTER V
Repression of False Indications of Geographical Origin or Source

Article 23

Every indication of geographical origin or source which does not actually correspond to the place in which the article, product or merchandise was fabricated, manufactured, produced or harvested, shall be considered fraudulent and illegal, and therefore prohibited.

Article 24

For the purpose of this Convention the place of geographical origin or source shall be considered as indicated when the geographical name of a definite locality, region, country or nation, either expressly and directly, or indirectly, appears on any trade-mark, label, cover, packing or wrapping, of any article, product or merchandise, directly or indirectly thereon provided that said geographical name serves as a basis for or is the dominant element of the sentences, words or expressions used.

Article 25

Geographical names indicating geographical origin or source are not susceptible of individual appropriation, and may be freely used to indicate the origin or source of the products or merchandise or his commercial domicile, by any manufacturer, industrialist, merchant or agriculturist established in the place indicated or dealing in the products there originating.

Article 26

The indication of the place of geographical origin or source, affixed to or stamped upon the product or merchandise, must correspond exactly to the place in which the product or merchandise has been fabricated, manufactured or harvested.

Article 27

Names, phrases or words, constituting in whole or in part geographical terms which through constant, general and reputable use in commerce have come to form the name or designation itself of the article, product or merchandise to which they are applied, are exempt from the provisions of the preceding article; this exception, however, does not include regional indications of origin of industrial or agricultural products the quality and reputation of which to the consuming public depend on the place of production or origin.

Article 28

In the absence of any special remedies insuring the repression of false indications of geographical origin or source, remedies provided by the domestic sanitary laws, laws dealing with misbranding and the laws relating to trade-marks or trade-names shall be applicable in the Contracting States.

CHAPTER VI
Remedies
Article 29

The manufacture, exportation, importation, distribution, or sale is forbidden of articles or products which directly or indirectly infringe any of the provisions of this Convention with respect to trade-mark protection; protection and safeguard of commercial names; repression of unfair competition; and repression of false indications of geographical origin or source.

Article 30

Any act prohibited by this Convention will be repressed by the competent administrative or judicial authorities of the government of the state in which the offense was committed, by the legal methods and procedure existing in said country, either by official action, or at the request of interested parties, who may avail themselves of the rights and remedies afforded by the laws to secure indemnification for the damage and loss suffered; the articles, products or merchandise or their marks, which are the instrumentality of the acts of unfair competition, shall be liable to seizure or destruction, or the offending markings obliterated, as the case may be.

Article 31

Any manufacturer, industrialist, merchant or agriculturist, interested in the production, manufacture, or trade in the merchandise or articles affected by any prohibited act or deed, as well as his agents or representatives in any of the Contracting States and the consular officers of the state to which the locality or region falsely indicated as the place to which belongs the geographical origin or source, shall have sufficient legal authority to take and prosecute the necessary actions and proceedings before the administrative authorities and the courts of the Contracting States.

The same authority shall be enjoyed by official commissions or institutions and by syndicates or associations which represent the interests of industry, agriculture or commerce and which have been legally established for the defense of honest and fair trade methods.

ACTION COPY

DEPARTMENT OF STATE

INCOMING TELEGRAM

Rosenfeld DAC

8

Action: ESP
Info :
EUR
NEA
FE
DC/L
ITP
OFD
A-C
A-H
OCD
FC
DC/R

Tangier

Dated September 5, 1946

Rec'd 9:45 a.m., 14th.

SECRET

Control 4626

Paraphrase before communicating to anyone.

	ACT	INF
ESP		✓
ES	✓	2
A		
JK		3

No action by us

SECSTATE

332, September 5, 11 a.m.

Following numbered answers correspond numbered inquiries reference telegram:

(1) Only Jap assets in Tangier, according administration, are following trademarks filed February 9, 1940, by Mitsui Bussan Kaioha Ltd: No. 206 trademark "Robinet a Fau" and No. 207 same trademark with different design. Trademarks Nos. 235 to 242 inclusive for "cat fork", "elephant and cigar", "cat and butterfly", 'three elephants", "crown and tiger", "B.E.D.", "dog and cigar", "ox and watch" respectively, deposited May 10, 1940 by Mataichi Kabushiki Kaisha. These trademarks still held by original owners and are both represented in Morocco according to records by M. Penanros Herve, 25 Rue Prom, Casablanca. Administration states no real property openly registered in name Jap nationals or government. No other Jap assets believed to be in Spanish Morocco or Tangier.

(Two) Estimated value of trademarks listed above unknown.

(Three) No known claims.

(Four) No Jap supplies or materials captured from or abandoned by Jap armed forces in this area.

(Five) None.

A copy

SECRET

A copy of this telegram is being sent to Casablanca in order that Consulate General may reply direct to Department, with copy to Tangier, concerning any Japanese public or private assets in French zone. In this connection reference is made to LEGTEL 314, October 24, 1945 re official Jap archives and assets.

REDEPCIRCTEL August 15 re Jap assets.

ALLING

NOTE: Message delayed in transmission.

BB:ES

SECRET

TCV

The UNITED STATES TRADE MARK ASSOCIATION

522 FIFTH AVENUE, NEW YORK 18, N. Y.
VANDERBILT 6-0865
CABLE ADDRESS: USTRADMARK, NEW YORK

October 17, 1947

Mr. Raymond Vernon
International Resources Division
Department of State
Washington, D. C.

Dear Mr. Vernon:

I am sending a formal letter to the State Department in connection with the provisions relating to industrial property in the Japanese Peace Treaty, copy of which is enclosed herewith.

This was written on behalf of the International Committee of the United States Trade Mark Association, but since I know that your Division is working on this Problem, I have thought I would send you this copy to be sure that you have the views of our committee before you. Any information you may give me as to the stage of the preparation of this provision of the Treaty would be sincerely appreciated.

With kindest regards,

Sincerely,

Thy U. Lee

Chairman,
International Committee

THE UNITED STATES TRADE MARK ASSOCIATION

SPL:t

In reply refer to
IR

My dear Mr. Ladas:

I refer to your letter of October 17, 1947, enclosing a copy of the recommendations of the United States Trade Mark Association on provisions in the Japanese Peace Treaty relating to industrial property.

I very much appreciate your bringing these views to our attention. We are giving them detailed study, and I shall communicate with you, should we need your assistance in connection with them. A unilateral United States version of the Treaty is now in the drafting stage which will, of course, contain suitable provisions on industrial property rights.

Sincerely yours,

Raymond Vernon
Assistant Chief, International
Resources Division

Mr. Stephen P. Ladas,
Chairman, International Committee,
United States Trade Mark Association,
522 Fifth Avenue,
New York 18, New York.

IR:RCDixon:mmp
10/29/47

17524
7160

NOV 12 1947

In reply refer to
IR

894.543/10-1747

894.543/10-1747
XR
890.0011 PW (Peace)

My dear Mr. Ladas:

I refer to your letter of October 17, 1947, in which you present recommendations of the United States Trade Mark Association concerning trade mark provisions for the Treaty of Peace with Japan.

You may rest assured that these recommendations will be given the most serious consideration in the drafting of the Treaty.

Sincerely yours,

For the Secretary of State:

C. Tyler Wood
~~Willard L. Thorp~~
Deputy to the Assistant Secretary
for Economic Affairs

DOR - ITP Unit
Anal. fk
Rev. WK
Cat. 213
Dist.

Mr. Stephen P. Ladas,
Chairman, International Committee,
United States Trade Mark Association,
522 Fifth Avenue,
New York 18, New York.

OE PSW

OIR LCR
NOV 6 1947 P.M.
NOV 10 1947

RCD
IR:RCDixon:mmp
10/29/47

Le/E FE ITP A-T

CS/V

894.543/10-1747

UNITED STATES POLITICAL ADVISER
FOR JAPAN

No. 53 Tokyo, January 24, 1948.

UNCLASSIFIED

Subject: Japanese Trademark "Permutit"

The Honorable
The Secretary of State,
Washington.

Sir:

I have the honor to refer to the Department's unnumbered airmail instruction of October 29, 1947 concerning a reported infringement by a Japanese company of the trademark "Permutit" of the Permutit Company of New York.

This instruction was referred to the Civil Property Custodian, General Headquarters, Supreme Commander for the Allied Powers, who has made the following report:

"1. The Japanese Government reports as follows:

a. The trademarks were cancelled 16 September 1942 in accordance with the Wartime Law of Industrial Property.

b. None of these trademarks are used by a Japanese firm.

c. The Permutit Co., Ltd., had been ordered to submit a report on its use of the firm name.

2. Permutit Co., Ltd., has reported that it decided to change its name to the Soft Water Industrial Co., Ltd., at a meeting scheduled to be held in December 1947.

3. The policy for the treatment of United Nations-owned Japanese trademarks has not been formulated. Upon formulation and approval of such a policy, ample publicity and time will be

given

UNCLASSIFIED

UNCLASSIFIED

given in order that all persons interested may take such steps as may be necessary to protect the rights which may be provided for therein."

Respectfully yours,

W. J. Sebald
Acting Political Adviser

Original and ozalid to the Department.

854
RBFinn:cs

HUGO MOCK
ASHER BLUM

ALEX FRIEDMAN

CABLE ADDRESS
MOCKBLUM, NEW YORK

TELEPHONES
LEXINGTON 2 - 7312
7313
7314

MOCK & BLUM

COUNSELLORS AT LAW
PATENT AND TRADE MARK CAUSES
10 EAST 40TH STREET
27TH FLOOR

NEW YORK 16, N.Y.

768

March 9, 1948

Secretary of State
Washington, D. C.

Dear Sir:

Re: Japanese Patents & Trade Marks

On account of the experiences of American nationals with the Japanese Patent Office before Pearl Harbor, I am taking the liberty of making the suggestion that care should be taken in any peace treaty, which is signed with Japan, that the rights of United States nationals affecting their trade marks and patents used in Japan should be carefully conserved.

It was notorious among the patent profession in the United States before Pearl Harbor, that the Japanese Patent Office consistently favored Japanese nationals against nationals of foreign countries where any question of ownership or priority arose, whether trade marks or patents were in question. Uniformly, trade mark decisions in interference cases were in favor of Japanese nationals. In patent matters United States attorneys had many disquieting experiences in finding out that inventions which were freely patented in all countries of the world could not be patented in Japan if the applications were made in the name of other than Japanese nationals.

It may be that a search of your files will indicate that at various times protests were made through the State Department against these practices of the Japanese Patent Office, though no relief was ever secured by reason of such protests. I am therefore taking the liberty of reminding you that if and when a peace treaty is made with Japan, this question of trade mark and patent rights of foreigners should not be overlooked.

Yours very truly,

Hugo Mock

632

In reply refer to
IR 894.543/3-948

My dear Mr. Mock:

I refer to your letter of March 9, 1948 to the Secretary of State, suggesting that provisions be incorporated in a treaty of peace with Japan to protect the patent and trade-mark rights of United States nationals.

The Department has for some time been aware of the problems with respect to the protection of industrial property rights of foreign nationals in Japan to which you refer. It plans to urge inclusion in the treaty of provisions designed to alleviate discrimination against foreign nationals in this respect. It is possible, also, that corrective action will be initiated before conclusion of a peace treaty by the occupation authorities in Tokyo.

Sincerely yours,

Raymond Vernon
Assistant Chief, International
Resources Division

Mr. Hugo Mock,
Mock & Blum,
10 East 40th Street,
New York 16, New York.

IR:RCDixon:sl RCD ITP Le/E OE
3-26-48

CS/V

894.543/3-948

UNITED STATES POLITICAL ADVISER FOR JAPAN

No. 196

Tokyo, March 25, 1948.

UNCLASSIFIED

MESSAGE CENTER

Subject: Infringement of Trademarks and Trade-name of Elizabeth Arden.

The Acting Political Adviser has the honor to enclose five copies of a directive (SCAPIN 5363-A) dated March 6, 1948 concerning application of directives to trademarks. The Japanese Government ~~is~~ directed to take all steps necessary to prevent the continuance of the trademark and trade-name infringement of Elizabeth Arden by the firm Arden Beauty Salon, Tokyo, Japan. It is further directed to submit to General Headquarters, Supreme Commander for the Allied Powers, within thirty days from the date of the enclosed directive, a full and complete report of action taken in compliance therewith.

Enclosure:

General Headquarters, SCAP, Directive (SCAPIN 5363-A) dated March 6, 1948 (five copies).

Original and ozalid to the Department.

854
JDEdwards:cs

UNCLASSIFIED

Enclosure to Despatch No. 196 dated March 25, 1948 from the Office of the United States Political Adviser for Japan, Tokyo, entitled "Infringement of Trademarks and Trade-name of Elizabeth Arden".

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
APO 500

AG 072 (6 Mar 48)CPC/PP 6 March 1948
SCAPIN 5363-A

MEMORANDUM FOR: JAPANESE GOVERNMENT

SUBJECT: Application of Directives to Trademarks

1. Reference is made to the following:

a. Memorandum for the Japanese Government, file AG 091.112 (13 Sep 45)MG, SCAPIN 26, 13 September 1945, subject, "Protection of Allied and Axis Property."

b. Memorandum for the Japanese Government, file AG 130 (22 Sep 45)ESS, SCAPIN 45, 22 September 1945, subject, "Control of Financial Transactions."

c. Memorandum for the Japanese Government, file AG 072 (10 June 47)CPC/PP, SCAPIN 1726, 10 June 1947, subject, "Application of Directives to Patents, Utility Models, Trademarks, Designs, and Copyrights."

2. Attention is directed to the fact that proper protection has not been afforded by the Japanese Government to trademarks registered on 7 December 1941 in names of United Nations nationals as required by references 1a and 1c above; infringement of trademarks and trade-name of Elizabeth Arden, 681 Fifth Avenue, New York City, U.S.A., by the firm listed below has been reported to General Headquarters, Supreme Commander for the Allied Powers:

Arden Beauty Salon, Kiya Building, Tokyo

3. The Japanese Government is directed to take all steps necessary to prevent the continuance of the trademark and trade-name infringement described in paragraph 2 above. The Japanese Government is further directed to submit to General Headquarters, Supreme Commander for the Allied Powers a full and complete report of action taken in compliance with these instructions; report will be submitted within thirty days from date of this memorandum.

FOR THE SUPREME COMMANDER:

A J Rehe
for R. M. LEVY,
Colonel, AGD,
Adjutant General.

GUSTAV DREWS
ATTORNEY AT LAW
233 BROADWAY
NEW YORK CITY
7

PATENTS
AND
TRADE MARKS

TEL. BARCLAY 7-7170

DC/R

April 29, 1948

United States Embassy
Washington, D. C.

Sirs:

Will you kindly advise whether you now permit the filing of trade-mark applications by United States citizens in Japan, and if so a list of reputable patent attorneys who are permitted to file such applications in Japan, preferably Tokyo.

Yours very truly,

GUSTAV DREWS

GD:ML

XR
163

2013

32-A

In reply refer to
IR 894.543/4-2948

MAY 17 1948

My dear Mr. Drews:

I refer to your letter of April 29, 1948 requesting information as to whether United States citizens are now permitted to file applications for registration of trademarks in Japan.

United States citizens are not at present permitted to file applications with the Japanese Patent Office. However, plans are now being made to permit such applications in the near future, probably before the end of the year. It is expected that a public announcement will be made at the appropriate time.

Sincerely yours,

For the Secretary of State:

Raymond Vernon
Assistant Chief, International
Resources Division

894.543/4-2948

Mr. Gustav Drews,
233 Broadway,
New York 7, New York.

IR:RCDixon:sl
5-10-48

OH L/E

A true copy of the original

CSM

MAY 17 1948 P.M.

1019

FORM DS-202
11-20-46

DEPARTMENT OF STATE
DIVISION OF COMMUNICATIONS AND RECORDS

TRANSFER SHEET

The item of correspondence, formerly filed under the number shown on the extreme margin of this sheet, has been transferred to the number indicated.

FROM GUSTAV DREWS	TO
DATED 5/21/48	DATE OF TRANSFER 6/8/48
ANALYST'S INITIALS JB	
REMARKS	

TRANSFERRED TO: COMMERCE DEPT

FORMER FILE NUMBER: 894.543/5-2148

AMERICAN CHEMICAL PAINT COMPANY

GENERAL OFFICES AND FACTORY

AMBLER, PA.

WALKERVILLE, ONT.
CANADA

6335 PALMER AVE., EAST
DETROIT 11, MICH.

June 30, 1948

DC/R

U. S. Department of State
State Department Building
Washington, D. C.

Gentlemen:

We have been informed by the National Foreign Council Inc. that representatives of this organization consulted with representatives of the Department of State on April 21, 1948 regarding the future position of Japanese Patents and Trademarks.

We would appreciate being advised when it is possible to file Patent and Trademark Applications in Japan and also the various rules and regulations which will govern such commercial activities.

Very truly yours,

AMERICAN CHEMICAL PAINT COMPANY

R. W. GANNON

RWG:AC

619-A

JUL 22 1948

In reply refer to
IR 894.543/6-3048 CS/A

894.543/6-3048

My dear Mr. Gannon:

I refer to your letter of June 30, 1948, in which you ask whether it is possible to file patent and trademark applications in Japan and inquire concerning the rules and regulations for such filing.

At the meeting on April 21 to which you refer, representatives of the National Foreign Trade Council were informed that the policy of this Government as presently formulated calls for the revalidation and restoration of patent rights of foreign nationals upon application by them. Coordinate with such action, applications by foreign nationals for new patents would be permitted. The representatives of the Trade Council also were informed that, owing to the necessity of obtaining the concurrence of other governments in the policy, there would likely be some delay before its implementation. It is, however, expected that the policy will be placed in effect before the end of the year, and it is anticipated that a public announcement will be made at the appropriate time. The procedures for filing will of course be announced at the same time.

CS/V

With respect to trademarks, policy development is not as far advanced as is the case with patents, but we hope that similar action can be taken concurrently with respect to them.

Sincerely yours,

For the Secretary of State:

Raymond Vernon
Assistant Chief, International
Resources Division

DCR - ITB Unit
CR
JUL 22 1948 A.M.

A true copy of signed original

894.543/6-3048

Mr. R. W. Gannon,
American Chemical Paint Company,
Ambler, Pennsylvania.

IR:RCD:prg
7-14-48

LE NA

1R

CORN PRODUCTS REFINING COMPANY
17 BATTERY PLACE
NEW YORK 4, N.Y.

EXECUTIVE OFFICES

September 30, 1948

Mr. Edward M. Martin, Chief
Japanese and Korean Economic Affairs
State Department
Washington, D. C.

Re: Nippon Kokusan Kogyo Kabushiki Kaisha -
Nippon Kokusan Kako Kabushiki Kaisha

Dear Mr. Martin:

It has come to our attention that certain former officials of the Mitsubishi Trading Company in Japan have just organized a business there under the name "Nippon Kokusan Kako Kabushiki Kaisha", with an office at No. 12 2-chome Marunouchi, Chiyodako, Tokyo.

As you will recall, our subsidiary in Japan, which was organized in 1930, is named "Nippon Kokusan Kogyo Kabushiki Kaisha". There is an obvious similarity of names and one which we would like to have discontinued.

I might add that the translation of our subsidiary's name is "Japan Corn Products Refining Company", and the translation of the new Japanese company is "Japan Corn Products Chemical Processing Company". Thus, in English as well as in Japanese, there is a close and confusing similarity, amounting, in our opinion, to what is known under our law as unfair competition.

We take the position that, being prior in time as far as use of the name is concerned, we are entitled to such name.

Would you be good enough to advise whether there is anything that the State Department, acting through its representatives in Japan, can do for us in this connection.

Very truly yours,

Warren S. Adams, 2nd

Warren S. Adams, 2nd
Attorney

WSA:MC

My dear Mr. Adams:

Receipt is acknowledged of your letter of September 30, 1948, addressed to Mr. Edward M. Martin, inquiring whether the Department can initiate action to have a local Japanese concern, recently organized, discontinue the use of its existing trade name because of its similarity to that of your subsidiary in Japan.

Your representation has been forwarded to the Department of the Army with the request that the matter be investigated in Tokyo.

I shall communicate with you further when we have received the results of this investigation.

Sincerely yours,

For the Secretary of State:

Raymond Vernon
Assistant Chief, International
Resources Division

OCT 13 1948
OCT 13 1948 P.M.

Mr. Warren S. Adams,
Corn Products Refining Company,
17 Battery Place,
New York 4, New York.

ITP-IR-JLightman:prg
10-11-48

CSA

894.543/9-3048

O-3469

DEC 1 1948 DC/R

In reply refer to
IR

CONFIDENTIAL

My dear General Eberle:

I am submitting herewith a paper on the treatment of Japanese trade-marks for your consideration as the State-Army position on this subject. It was drafted by an ad hoc State-Army working group and has the provisional approval of the Army members of the group. An earlier version was submitted to SCAP for his views, which have been taken into account in subsequent revision. The paper in its present form has the approval of the State Department.

It is contemplated that, following the adoption of a State-Army position, the substantive policy provisions will be forwarded to the Far Eastern Commission for its approval. I should, therefore, appreciate receiving an early reply ~~XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX XXXXXXXXX~~, in order that we may expedite the adoption of an FEC policy.

894.543/12-148

Sincerely yours,

DCR - ITP Unit
Anal.
Rev.
Cat.
Dist.

Charles E. Saltzman
Assistant Secretary

Enclosure:

Paper entitled "Policy on the Treatment of Japanese Trade-marks".

CR
DEC 1 1948 P.M.

Brigadier General George L. Eberle,
Chief, Civil Affairs Division,
Department of the Army.

ITP:IR:RCDixon:sl ITP EP OFD L/E NA
10-28-48
O:CVHulick:MMF 12/1/48

CSA

Dixon says that this has been discussed with Army (cot here) and is cleared up to USec. Expects no trouble. It has been discussed w. Patent office but not formally cleared. He will do this. It has not been discussed with office of Alien Property Custodian. He will clear with them.

894.543/12-148

CONFIDENTIAL

STANDARD FORM NO. 64

Office Memorandum · UNITED STATES GOVERNMENT

DATE: 11/26/48

Ms. Hulick - ok for C.E.S. signature. PR

TO : O - ~~Mr. Claxton~~ PR

FROM : O - J. W. Auchincloss

SUBJECT: JWA

Attached is a proposed letter for Mr. Saltzman's signature regarding the paper on Japanese trademarks which the Army has been asking for. It is now fully cleared in the Department. I hope you will find the paper sufficiently summarized in the memorandum from Dixon to me, which is also attached.

Attachments:

Letter,
Paper,
Memo,

STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

TO : O - Mr. John W. Auchincloss DATE: November 26, 1948

FROM : IR - Mr. Roger C. Dixon (R.C.D.)

SUBJECT: Policy on the Treatment of Japanese Trade-marks.

CONFIDENTIAL

The attached paper is a proposed United States position on the subject. Following its approval by the State and Army Departments, it will be transmitted to SCAP by the Army for his information, and the substantive provisions will be transmitted to the Far Eastern Commission for a policy decision.

The paper treats four general problems, as follows:

1. Use of misleading and deceptive practices in the trade-mark field notoriously employed by the Japanese in the past.

There are two provisions in the paper designed to solve this problem. First, paragraph 4 provides that foreign nationals may petition the Japanese Patent Office for the cancellation of marks registered in Japan which so resemble their marks as to cause deception or confusion. It also recommends the establishment of adequate regulations to prevent the registration in Japan of such marks in the future. Second, paragraph 5 calls for a revision of an existing Japanese law for the prevention of unfair competition so as to make it unlawful to use, in either domestic or export trade, false or misleading designations of origin or descriptions of articles.

2. Trade-marks of reconstituted firms.

Paragraph 6 provides principles for the disposition of the trade-mark rights of firms or related groups of firms into independent enterprises, in order to avoid the use by two or more such independent firms of the same marks. Since this paragraph is designed to aid in the implementation of existing FEC policy, it will not be submitted to the Commission.

3. Treatment of foreign rights.

Paragraph 7 recommends a general formula, based upon those contained in existing peace treaties, under which

trade-mark

trade-mark rights in Japan of Allied nationals which were seized or otherwise invalidated during the war should be revalidated and restored to their former owners. This paragraph also provides for extension of the period of priority normally granted under the International Convention for the Protection of Industrial Property for those cases in which filing in Japan was impossible owing to the war.

4. Treatment of Japanese trade-marks in other countries.

Paragraph 9 of the paper is in the form of a recommendation by the FEC to countries which have been at war with Japan, with respect to the disposition of existing Japanese rights which were vested during the war, and to the acceptance by such countries of applications from Japanese for new trade-mark rights. These provisions have been adopted from a previously-developed parallel policy on the disposition of German trade-marks.

ITP:IR:RCDixon:sl

O - Mr. John W. Auchincloss November 26, 1948

IR - Mr. Roger C. Dixon

Policy on the Treatment of Japanese Trade-marks.

CONFIDENTIAL

The attached paper is a proposed United States position on the subject. Following its approval by the State and Army Departments, it will be transmitted to SCAP by the Army for his information, and the substantive provisions will be transmitted to the Far Eastern Commission for a policy decision.

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ITP:IR:RCDixon:sl

CONFIDENTIAL

O-File

DEPARTMENT OF THE ARMY
SPECIAL STAFF, UNITED STATES ARMY
WASHINGTON 25, D. C.

CSCAD 014 Japan

7 December 1948

Copy to Diam 9R
Rec'd Dec 17 - HWH

Mr. Charles E. Saltzman
Assistant Secretary of State
Department of State

Dear Mr. Saltzman:

Your letter dated 1 December 1948 inclosing a proposed policy statement on treatment of Japanese trademarks has been carefully considered.

I do not feel the changes made in the original draft prepared by the ad hoc State-Army working group alter the substance or intent of the paper. The policy as now written is acceptable to the Department of the Army.

It is our understanding that the Department of State will now attempt to obtain the concurrence of other interested governmental agencies, and will advise the Army when concurrence has been obtained to the end that SCAP may have the benefit of the views of this Government on this problem at an early date.

Sincerely yours,

G. L. EBERLE
Brigadier General, USA
Chief, Civil Affairs Division

894.5043/12-748

ASST SECY OF ARMY
FOR OCCUPIED AREAS
1948 DEC 17 AM 10 24
DEPARTMENT OF STATE

CONFIDENTIAL

Y581
4/1431

WAR DEPARTMENT
WAR DEPARTMENT SPECIAL STAFF
WASHINGTON 25, D. C.

CSCAD 091.31

13 December 1948

Office of the Assistant Secretary of State for
Occupied Areas
Attention: Mr. C. V. Hulick
Department of State
Washington 25, D. C.

Dear Mr. Hulick:

Reference is made to memorandum from the Department of State dated 11 October 1948, concerning the similarity of trade names of two firms in the Corn Products industry in Japan; one of which is an American subsidiary.

In connection with the above, and in reply to letter, 22 October 1948 file AGAO-C 095 Corn Products Refining Co. (19 Oct 48) CSCAD, concerning this matter, SCAP has advised, by letter, 26 November 1948 AG 095(22Oct48)CPC/FP (copy attached) that the Japanese Government has been directed to take action to prevent the continuance of any use of a trade name similar to "Nippon Kokusan Kogyo Kabushiki Kaisha" and that details of action taken will be forwarded when received from Japanese Government.

Sincerely yours,

T. S. RIGGS
Colonel, GSC
Deputy Chief, Civil Affairs Division

Incl:
Ltr fr SCAP to
AGD, dtd 26 Nov 48

24209

COPY

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
APO 500

V I A - A I R - M A I L

AG 095 (22 Oct 48)CPC/FP 26 November 1948

SUBJECT: Investigation of Trade Names within Corn Products Industry in Japan

TO: The Adjutant General
Department of the Army
Washington 25, D. C.

1. Reference is made to your letter, 22 October 1948, file AGAO-C 095 Corn Products Refining Co.(19 Oct 48)CSCAD, subject, "Request for investigation of Trade Names within Corn Products Industry in Japan," requesting an investigation regarding the use by a Japanese firm of a trade name similar to that of a Japanese subsidiary of Corn Products Refining Company.

2. A directive has been issued to the Japanese Government requiring that necessary action be taken to prevent the continuance of any use of a trade name similar to "Nippon Kokusan Kogyo Kabushiki Kaisha." Details of action taken will be forwarded upon receipt of same from the Japanese Government.

FOR THE SUPREME COMMANDER:

/s/ R. M. Levy
/t/ R. M. LEVY
Colonel, AGD
Adjutant General

0-4551

Trademarks
Japan

Oct 15 - 48

My dear Mr. Adams:

Receipt is acknowledged of your letter of September 30, 1948, addressed to Mr. Edward M. Martin, inquiring whether the Department can initiate action to have a local Japanese concern, recently organized, discontinue the use of its existing trade name because of its similarity to that of your subsidiary in Japan.

Your representation has been forwarded to the Department of the Army with the request that the matter be investigated in Tokyo.

I shall communicate with you further when we have received the results of this investigation.

Sincerely yours,

Raymond Vernon
Assistant Chief, International
Resources Division

Mr. Warren S. Adams,
Corn Products Refining Company,
17 Battery Place,
New York 4, New York.

ITP-IR-JLightman:prg
10-11-48

COPY

CORN PRODUCTS REFINING COMPANY
17 Battery Place
New York 4, N. Y.

September 30, 1948

Mr. Edward M. Martin, Chief
Japanese and Korean Economis Affairs
State Department
Washingon, D. C.

Re: Nippon Kokusan Kogyo Kabushiki Kaisha -
Nippon Kokusan Kako Kabushiki Kaisha

Dear Mr. Martin:

It has come to our attention that certain former officials of the Mitsubishi Trading Company in Japan have just organized a business there under the name "Nippon Kokusan Kako Kabushiki Kaisha", with an office at No. 12 2-chome Marunouchi, Chiyodako, Tokyo.

As you will recall, our subsidiary in Japan, which was organized in 1930, is named "Nippon Kokusan Kogyo Kabushiki Kaisha". There is an obvious similarity of names and one which we would like to have discontinued.

I might add that the translation of our subsidiary's name is "Japan Corn Products Refining Company", and the translation of the new Japanese company is "Japan Corn Products Chemical Processing Company". Thus, in English as well as in Japanese, there is a close and confusing similarity, amounting, in our opinion, to what is known under our law as unfair competition.

We take the position that, being prior in time as far as use of the name is concerned, we are entitled to such name.

Would you be good enough to advise whether there is anything that the State Department, acting through its representatives in Japan, can do for us in this connection.

Very truly yours,

Warren S. Adams, 2nd
Attorney

Japonese
TMIS

Executive Office, Civil Affairs
Division, Department of the Army

October 11, 1949

Office of the Assistant Secretary of State
for Occupied Areas (O).
Request for Investigation by SCAP to Determine the Extent of Unfair Competition Created by the Similarity of Trade Names Within the Refined Corn Products Industry.

The State Department has received a communication from the Corn Products Refining Co. of New York, indicating that certain former officials of the Mitsubishi Trading Company have organized a business in Japan under the trade name "Nippon Kokusan Kako Kabushiki Kaisha", with an office at No. 12 2 chome Marunouchi, Chiyodako, Tokyo.

The Japanese subsidiary of Corn Products Refining Co. is known as "Nippon Kokusan Kogyo Kabushiki Kaisha." It was organized in 1930.

The translation of the new Japanese Company's name is "Japan Corn Products Chemical Processing Co." The American subsidiary's name when translated is "Japan Corn Products Refining Co." The American company takes the position that this close similarity in the names of the two companies, in Japanese as well as English, is resulting in unfair competition with their previously established American subsidiary.

It is requested that the Department of the Army ask SCAP to investigate the situation, and if appropriate, take any action required to eliminate the existence of any unfair trade practices in violation of Japanese statutes which result from the similarity of the two trade names.

C. V. Hulick
Executive Assistant to the
Assistant Secretary for
Occupied Areas

ITP-IR-JLightman:prg

My dear Mr. Adams:

894.543/9-3048

Further reference is made to your letter of September 30, 1948, asking whether action could be initiated to prevent the use by a local Japanese concern in Tokyo of a trade name similar to that of your subsidiary in Japan.

12-1348

We have been advised by the Department of the Army that the Japanese Government has been directed to take action to prevent the continuance of any use of a trade name similar to "Nippon Kokusan Kogyo Kabushiki Kaisha".

Sincerely yours,

RW

Raymond Vernon
Assistant Chief, International
Resources Division

Mr. Warren S. Adams,
Corn Products Refining Company,
17 Battery Place,
New York, New York.

ITP:IR:JMLightman:prg
12-21-48

NATIONAL FOREIGN TRADE COUNCIL, INC.

111 BROADWAY • NEW YORK 6, N. Y.

Telephone: Digby 9-2720
Cable Address: NAFTRAC

December 20, 1948

Mr. Roger C. Dixon
International Resources Division
Department of State
Washington, D. C.

Dear Mr. Dixon:

One of our members reports that it had several trademark registrations in Japan that would ordinarily be due for renewal in 1950, 1953, and 1957. Please advise us whether any trademarks registered in the name of American nationals, were cancelled by the Japanese during the War and what action, if any, should be taken in order to protect such trademarks.

Yours truly,

Joseph B. Brady
Assistant Director
Foreign Property Division

JBB:VB

15639

Reply 12/23 RCD
File

894.543/12-2048

894.543/12-2048
CS/B

In reply refer to
IR

My dear Mr. Brady:

I refer to your letter of December 20, 1948 to Mr. Dixon, requesting information concerning the status of trade-mark rights of United States nationals in Japan.

With respect to your query as to whether any trade-marks registered in the name of American nationals were cancelled by the Japanese during the war, we do not have any separate figures available concerning United States-owned marks. However, only a little over fifty of all the foreign-owned trade-marks in Japan were cancelled under the wartime Law on Industrial Property. A significant number of foreign-owned marks lapsed during the war for non-payment of renewal fees.

It is planned that all trade-marks which were owned by foreigners at the start of the war will be restored to them upon application. This action should be possible in the fairly near future, and a public announcement will be made at the appropriate time. It will, of course, be possible at that time for foreign nationals to take all necessary action to protect their rights and renew them where necessary.

Sincerely yours,

Raymond Vernon
Assistant Chief, International
Resources Division

Mr. Joseph B. Brady,
Assistant Director,
Foreign Property Division,
National Foreign Trade Council, Inc.,
111 Broadway,
New York 6, New York.

ITP:IR:RCDixon:sl
12-23-48

ITP NA

File IRR Japan 15

IRR

CORN PRODUCTS REFINING COMPANY
17 BATTERY PLACE
NEW YORK 4, N.Y.

EXECUTIVE OFFICES

December 27, 1948

The Secretary of State
Washington
D. C.

Attention: Mr. Raymond Vernon,
Assistant Chief
International Resources
Division

894.543/12-2748

Dear Mr. Vernon:

This will acknowledge with thanks receipt of your letter of December 22 with reference to the prevention of the use of a trade name similar to Nippon Kokusan Kogyo Kabushiki Kaisha by a new Japanese company.

We are very much obliged to you for the expeditious handling of this matter.

Very truly yours,

Warren S. Adams, 2nd
Warren S. Adams, 2nd
Attorney

CS/JEC

894.543/12-2748

WSA:MC

159393

CONFIDENTIAL

REGISTERED

DEC 29 1947

In reply refer to
IR

894.5431/12-2948

My dear Mr. Bazelon:

There is attached a paper entitled "Policy on the Treatment of Japanese Trade-marks". It constitutes the position on the subject upon which the Departments of State and the Army have agreed.

You will note that the subject of the treatment of Japanese trade-mark rights in foreign countries is taken up on page 6 of the Conclusions and in the supporting discussion on pages 18-20. We would appreciate your giving consideration to this section of the paper. It is hoped that you will find it consistent with your own policy on the subject. If this is the case, the paper will be forwarded to the Supreme Commander in Tokyo as a statement of United States policy, and will be presented to the Far Eastern Commission with the view to obtaining a policy decision by that body.

In order that the adoption of a final policy on this subject may be expedited, this Department would appreciate receiving an early reply from you.

Sincerely yours,

Willard L. Thorp
Assistant Secretary

Enclosure:

Policy on the Treatment of Japanese Trademarks.

DEC 27 1948
DEC 29 1948

The Honorable
David L. Bazelon,
Assistant Attorney General,
Director, Office of Alien Property,
Department of Justice.

ITP:IR:RCDixon:sl ITP
12-22-48

CONFIDENTIAL

894.5431/12-2948

FAR EAST-AMERICA COUNCIL
of COMMERCE and INDUSTRY, Inc.

30 ROCKEFELLER PLAZA
NEW YORK 20, NEW YORK
TELEPHONE COLUMBUS 5-6375

March 2nd 1949

Dear Mr. Secretary:

The members of the Far East-America Council of Commerce and Industry are much concerned with the problems surrounding the full scale resumption of private trade between the United States and Japan and the fundamental issues relating to foreign investment there.

In this connection, one of the basic problems is the adequate protection in Japan of American trade-marks, patents and copyrights. The views of our Council on this matter are embodied in the attached memorandum entitled "Recommendations on Japan Trademarks, Patents and Copyrights".

It is the Council's hope that the recommendations submitted in the memorandum may be brought to the attention of and given consideration by the administrative officials concerned.

Any cooperation which the Department of State may give us in this regard will be greatly appreciated.

Sincerely yours,

Arthur B. Foye

Arthur B. Foye
President

The Honorable
Dean Acheson
Secretary of State
Department of State
Washington (25) D. C.

MWH

FAR EAST-AMERICA COUNCIL
OF
COMMERCE AND INDUSTRY, INC.
30 ROCKEFELLER PLAZA • NEW YORK 20, N. Y.

RECOMMENDATIONS ON JAPAN TRADE-MARKS, PATENTS AND COPYRIGHTS

Under a directive to the Japanese Government dated September 7, 1948 by SCAP, authorization was given for the Japanese Patent Office to accept and process applications for patents, utility models and designs by persons outside Japan. A supplementary directive of October 5, extended this authorization to the filing and processing of applications for trade-marks.

No change in the basic Patent, Design and Trade-Mark Laws of Japan has been made and no provisions have been adopted for the re-establishment of rights in industrial property that may have been lost by reason of the war or may have been affected by virtue of the war conditions.

We understand that a full program concerning provisions akin to those usually inserted in the Treaties of Friendship, Commerce and Navigation is now before the Far Eastern Commission of the Allied Governments for its approval. It is hoped that such approval may be given by this Commission and go into effect without waiting for the conclusion of the Treaty of Friendship, Commerce and Navigation. This, it was hoped, might forestall a later reopening of the issue in connection with the drafting of a Treaty with Japan.

While provisions in the Program referred to, submitted to the Far Eastern Commission of the Allied Governments, have not been made known, the Far East-America Council of Commerce and Industry wishes to point out several factors of concern to American business and to recommend consideration of the following basic and desirable provisions:

TRADE-MARKS

(1) Considerable difficulty was experienced before the war in obtaining adequate protection for American trade-marks in Japan against infringement.

While a United States National could apply for registration of his trade-mark in Japan and be assured of receiving about the same kind of treatment he would get in the patent office of any country where an examination of prior registration is made, including the granting of an opportunity to present arguments designed to overcome official objections to any prior registration cited against his application, and while the Japanese law provides that a party who has used his mark in Japan without registration, to such an extent that it has been well known in business circles there, may oppose the application of another party for registration of that or a closely similar mark, for the same or similar goods, there is no doubt that Japanese businessmen were among the worst of trade-marks pirates in any part of the world. Any foreign manufacturer who sold goods in Japan without registering his trade-mark could be fairly sure that an attempt to register his mark would be made by someone in Japan.

The chief difficulty was found in the frequent "technical views" of the Japan Patent Office, when attempts were made to construe similarity of trade-marks by transposing American words into the phonetics of corresponding Japanese ideographs.

In other words, if a Japanese applicant filed application for registration of a trade-mark consisting in a word in the English language identical with the American trade-mark except, for instance, for the first letter, the Japanese Patent Office would grant registration for this mark merely because the transliteration of the two trade-marks in Japanese ideographs would show the ideographs for the first syllables of the two marks to be quite different. This, however, did not eliminate confusion in Japan because of the appearance of the

two words and of their English pronunciation by a substantial part of the Japanese public. Also, this enabled the Japanese applicant to export into foreign countries articles bearing this trade-mark which was in such countries nearly identical to the American trade-mark.

FEC number 4

To correct this situation, the Japanese trade-mark law should be amended to provide that similarity between two trade-marks shall be judged not only by the equivalence of such trade-marks in Japanese ideographs but also by their sound or appearance in the language in which the foreign trade-mark is expressed.

(2) Japanese manufacturers or merchants have been engaged systematically before the war in imitation of American or other foreign marks with false indication or origin. It would appear that the Japanese Government furthered this by permitting the practice of renaming Japanese villages with the names of important trading localities in foreign countries. This allowed Japanese imitators to give the impression that their goods were made in these well-known foreign localities, and they sent goods so marked abroad for sale in other countries, in the hope that they would be accepted as goods coming from a country with a better reputation for the manufacture of honest merchandise than was enjoyed by the Japanese. A favorite practice was to put a mark of origin, indicating manufacture in the United States, on goods intended for sale in South and Central America.

No 7

The following provisions are considered necessary for the purpose of putting an end to these unfair practices:

(A) Every indication of geographical origin or source which does not actually correspond to the place in which the article, product or merchandise was manufactured or produced shall be considered fraudulent and illegal and therefore prohibited.

Indication of geographical origin relating to localities in Allied or Associated Powers shall always be prohibited.

(B) Japan undertakes to conform to the laws of and to the administrative and judicial decisions in force in any of the Allied or Associated Powers which determine or regulate the right or title to an indication of origin in respect of the products or manufactured goods of any of these Powers. Japan undertakes to prohibit and suppress by all appropriate means the import, export, manufacture, distribution, sale or offer for sale of goods bearing an indication of origin contrary to the laws or decisions of the Allied or Associated Powers.

(C) Every act or deed contrary to commercial good faith or to the normal and honorable development of industrial or business activities shall be considered as unfair competition and therefore prohibited. As such acts shall be considered particularly:

(a) Acts calculated directly or indirectly to represent that the goods or business of a manufacturer or merchant in Japan are the goods or business of another manufacturer or merchant of any of the Allied or Associated Powers, whether such representation be made by the appropriation or imitation of trade-marks, symbols, distinctive names, imitation of labels, wrappers, containers or other means of identification.

(b) The use of false indications of geographical origin or source of goods by words, symbols, or any other means which tend to deceive the public.

In the absence of any specific legislation suppressing such acts of unfair competition, Japan shall apply thereto the sanctions and penalties contained in the legislation on trade-marks or any other statutes and shall grant relief by way of injunction against the continuance of said acts at the request of any party injured, while at the same time the party causing such injury shall be answerable in damages.

NOTE The suggestions made above are covered by the provisions of the International Convention of 1883, as last amended at London in 1934. Japan ratified the 1934 Amendment in 1938, and if she can be required to adhere to and give effect to the Articles in the International Convention which are intended to give protection against unfair competition and the false marking of goods, that would seem to be sufficient. Attention is directed to Articles 9, 10, 10bis and 10ter of the International Convention as amended at London.

(3) During the war, many infringements of American trade-marks have been indulged in in Japan and such marks have also been registered in the Japanese Patent Office. It is believed advisable to relieve American trade-mark owners from the necessity of having to engage in proceedings to eliminate these infringing registrations from the record in Japan. Therefore, the following provisions should be inserted:

(a) The Japanese Patent Office should publish a list of all foreign language trade-marks which have been registered in the Patent Office from September 3, 1939 to date of treaty.

(b) Any trade-marks or designs registered in Japan during the period from September 3, 1939 to the coming into force of the Treaty of Friendship, Commerce and Navigation by Japanese

nationals which are not clearly dissimilar from the trade-marks or designs belonging to the Allied or Associated Powers or their nationals, shall be deemed null and void and shall be removed from the Register by the Japanese Patent Office ex officio upon petition of any interested national and the use of such trade-marks or designs shall be prohibited by action of the Japanese Government on a similar petition by an interested person.

A term of three years from a specified date might be provided within which anyone interested could have a search made in the Japanese Patent Office for the purpose of ascertaining if his particular mark has been registered, and if a registration of it were found, he could apply for cancellation of that registration on proof that he had registered the mark in his home country for the goods in question.

(4) Provisions must also be made for the re-establishment and restoration of industrial property rights of Allied nationals affected by the war in Japan similar to those inserted in the Treaties with Hungary, Finland, Italy, Bulgaria and Roumania.

For several months prior to the actual beginning of the war with Japan, communications by ship and airmail were not good and most Japanese patent agents were imposing new conditions on their foreign correspondents as to sending remittances with orders, and it is probable that some registrations lapsed between January 1, 1941 and December 8, 1941, although instructions were sent to Japanese agents in time for the renewals to be effected under normal conditions.

In connection with the restoration of industrial property rights, it is further suggested:

(a) That a definite term of one year be provided (to run from a specified date) for the filing of renewal applications in respect of Japanese registrations due for renewal between January 1, 1941 and the specified date;

(b) That the requirement in the Japanese Trade-Mark Law for the use of any mark in Japan be waived from January 1, 1941 to a date at least one year later than the specified date, which would be considered to end abnormal conditions;

(c) That a term of six months from the specified date could also be provided within which to file trade-mark applications in Japan under the terms of the International Convention and to claim belated priority rights.

PATENTS

(1) Provisions for the re-establishment and restoration of patent rights and for extension of terms should be made similar to those inserted in the Treaties with Hungary, Finland, Italy, Roumania and Bulgaria.

(2) The term of all patents in force in Japan and in the name of nationals of Allied or Associated Powers on December 7, 1941 shall be extended for a period of 7 years.

(3) All patents of nationals of Allied or Associated Powers cancelled by the Japanese War Legislation shall be reinstated.

(4) All taxes or annuities on patents which become due in Japan after September 3, 1939 should be waived until December 31, 1948.

COPYRIGHTS

Under a Treaty with the United States dated November 10, 1905, citizens of Japan are permitted to translate, without authorization, books,

pamphlets and all other writings, dramatic works and musical compositions published in the United States, and to print and publish such translations. This Treaty was entered into at a time when the United States was anxious to have the Japanese public absorb American ideas. Actually this was done at the expense of the copyright proprietors in this country. The Japanese publishers amply took advantage of this permission and it was impossible to suppress piratical reproductions there.

Before the war Japan resisted all efforts of the United States to revise this Treaty and protect American copyrights.

It is a principle of international law that a war abrogates existing treaties, unless the victor gives notice to the defeated power that it desires a specified treaty to become effective again at the termination of the war.

It is submitted that the United States should definitely signify to the Japanese Government that the above Treaty is to be deemed to have been abrogated by the war and that a new treaty will be entered into for the reciprocal protection of copyright between the two countries. In the meantime, provision should be made by the Japanese Government to protect American works subject, at most, to the requirement that registration of the copyright may be made in Japan within, say, a year from publication in the United States.

NATIONAL FOREIGN TRADE COUNCIL, INC.

111 BROADWAY • NEW YORK 6, N. Y.

Telephone: Digby 9-2720
Cable Address: NAFTRAC

March 2, 1949

Mr. Roger C. Dixon, Assistant Chief
International Resources Division
Department of State
Washington, D. C.

Dear Mr. Dixon:

Subject: Trade-Marks

Is it possible to renew trade-marks in Japan owned by American nationals registered prior to the war and not cancelled or lapsed during the war? Don't know - are taking new trademarks

Yours truly,

Joseph B. Brady

Joseph B. Brady
Assistant Director
Foreign Property Division

JBB:MM

My dear Mr. Brady:

I refer to your letter of March 2, 1949 requesting information concerning the renewal of trade-marks in Japan owned by American nationals.

Your inquiry has been referred to the Military Government in Japan. I will write you again as soon as we receive a reply.

Sincerely yours,

RCD

Roger C. Dixon
Acting Assistant Chief
International Resources Division

Mr. Joseph B. Brady,
National Foreign Trade Council, Inc.,
111 Broadway,
New York 6, New York.

CS/A

CR

JML

ITP:IR:JMLightman:prg
3-21-49

In reply refer to
IR

My dear Mr. Brady:

Further reference is made to your letter of March 2, 1949 requesting information concerning the renewal of trade-marks in Japan owned by American nationals.

The Department has been informed by the Department of the Army that it is not now possible to renew such trade-marks but that a policy will be promulgated in the near future to permit such renewal.

Sincerely yours,

Roger C. Dixon
Acting Assistant Chief
International Resources Division

Mr. Joseph B. Brady,
National Foreign Trade Council, Inc.,
111 Broadway,
New York 6, New York.

ITP:IR:SGoldblatt:sl
4-4-49

L/E

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894.543/3-249

CS/A

894.543/3-2449

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APR 5 1949

In reply refer to
894.543/3-249

My dear Mr. Foye:

I refer to your letter of March 2, 1949 concerning the protection of American trade-marks, patents and copyrights in Japan.

The Department appreciates very much receiving the views of your organization on these matters. Enclosed for your information is a copy of a press release regarding Japanese patent policy distributed on March 30, 1949 by the Far Eastern Commission. As you will note, the policy statement covers most of the recommendations made by your organization.

The Far Eastern Commission is now considering policies regarding the restoration and protection of trade-marks and copyrights in Japan. You may be assured that your recommendations regarding these matters will be given full consideration.

Sincerely yours,

For the Secretary of State:

Roger C. Dixon
Acting Assistant Chief
International Resources Division

DOR - ITP Unit
Anal. 0207
Rev. MC
Cat.
Dict.

Enclosure:
FEC Press Release

Mr. Arthur B. Foye, President,
Far East-America Council of
Commerce and Industry, Inc.,
30 Rockefeller Plaza,
New York 20, New York.

APR 4 1949 P.M.
APR 5 1949 P.M.

ITP:IR:SGoldblatt:sl
3-30-49

ITP NA

894.543/3-249
CS/H

IN REPLY, PLEASE REFER TO FILE NUMBER

OFFICE OF ALIEN PROPERTY
DEPARTMENT OF JUSTICE
WASHINGTON 25, D. C.

March 7, 1949

The Honorable Willard L. Thorp
Assistant Secretary of State
Department of State
Washington, D. C.

Dear Mr. Thorp:

We have carefully considered the paper entitled "Policy on the Treatment of Japanese Trademarks" forwarded with your letter of December 29, 1948, particularly pages 6 and 18-20, as suggested in the second paragraph of your letter.

(A) Generally, there seems to be no fundamental conflict between the proposed policy and the trademark policy of this Office. You will note that so far as Paragraph 9(d) is concerned the purpose has already been accomplished by publication of the General License in Section 507.41 of the Regulations of the Office of Alien Property (13 Fed. Reg. 9512, December 31, 1948).

There are some qualifications in connection with procedure which I feel it advisable to bring to your attention:

(B) (1) This Office has no power under the present laws and Executive Orders to prohibit the use of trademarks. We can oppose and may possibly be able to prevent, the type of use intended to be prohibited by availing ourselves of existing legislation to protect our interest in vested trademarks. It is our understanding, however, that use of the term "prohibit" is desirable for tactical reasons, and that the Department of State and the Army will expect this Office to cooperate in enforcing the provisions of the agreement only to the extent possible, and by the methods available under our present powers.

(2) This Office can make no commitment at this time as to the issuance of royalty-free licenses on trademarks. In addition to doubts as to the propriety of issuing such licenses, there is serious question as to our authority to do so. Furthermore, we wish to call to your attention that trademark licenses issued by this Office have been non-exclusive and revocable. It is our understanding that the contemplated policy would not require a change in this respect. It is our understanding

that proposed licenses will be considered on a case-by-case basis, and that the Army, upon request, will provide this Office with written representations that the issuance of licenses is desirable in particular cases.

(3) The provisions of Paragraph 9(a) (Page 6) of the proposed agreement are interpreted to permit some flexibility in dealing with trademarks of United States corporations the majority stock of which, formerly Japanese owned, is vested. While we do not know of any instance where a trademark used on goods manufactured in Japan was also used on goods manufactured in the United States, we do have instances where goods produced in Japan were marked for sale in this country with trademarks registered to United States corporations, the majority of whose stock was owned by Japanese nationals. It may be necessary to permit the continued use of these trademarks on imports from Japan by the American corporations, or to sell the vested Japanese interest in the corporation without interfering with the corporate ownership of the trademarks.

Apart from the qualifications above suggested, the proposed Policy on the Treatment of Japanese Trademarks is in line with the trademark policy of this Office, and with experimental procedure already adopted. Accordingly, the Office of Alien Property joins in agreement upon the subject with the Department of State and the Army.

Very truly yours,

David L. Bazelon
Assistant Attorney General
Director, Office of Alien Property

STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

CONFIDENTIAL

TO : FE - Mr. Butterworth

DATE: March 23, 1949

FROM : IR - R. C. Dixon

SUBJECT:

XR 811.543

The attached letter to the Army is to inform that Department that the Office of Alien Property has now approved the State-Army paper on the Treatment of Japanese Trademarks (TAB A) and that accordingly it is now to be considered as the policy of this Government. The letter requests the Army to forward the conclusions to SCAP as an expression of US policy on the subject, in accordance with Recommendation 10 c. (p. 7) of the paper.

The paper was approved as a State-Army policy in December 1948 by an exchange of letters (TAB B). A similar exchange of letters with the OAP has established that agency's concurrence (TAB C). As explained in the letter to the Army, the qualifications contained in the OAP's reply are not of major significance.

Enclosure:

Letter to Army.

CONFIDENTIAL

ITP:IR:RCDixon:prg
3-23-49

STANDARD FORM NO. 64

CONFIDENTIAL

Office Memorandum • UNITED STATES GOVERNMENT

TO : FE - Mr. Butterworth

DATE: March 29, 1949

FROM : NA - Mr. Bishop

SUBJECT: Japanese Trade-Marks.

Recommend you sign the attached letter to the Department of the Army, which is explained in Mr. Dixon's memorandum attached. As pointed out by him, the basic paper was approved by the Department in December 1948, and the object of this paper is to transmit it to Army after concurrence of the Office of Alien Property.

Mr Bishop

Last page prepared for your signature. I have confirmed that this policy ~~has been~~ already agreed by SCAP, Army & ~~FE~~ State.

The proper scope of the FEC paper can be considered separately.

NA:NHemmendinger:lk
3/29/49

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CONFIDENTIAL

FE - Mr. Butterworth

NA - Mr. Bishop

March 29, 1949

Japanese Trade-Marks.

Recommend you sign the attached letter to the Department of the Army, which is explained in Mr. Dixon's memorandum attached. As pointed out by him, the basic paper was approved by the Department in December 1948, and the object of this paper is to transmit it to Army after concurrence of the Office of Alien Property.

NA:NHemmendinger:lk
3/29/49

CONFIDENTIAL

No. 196

Tokyo, March 25, 1948.

UNCLASSIFIED

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Recd.
Mar. 31

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Subject: Infringement of Trademarks and Trade-name of Elizabeth Arden.

The Acting Political Adviser has the honor to enclose five copies of a directive (SCAPIN 5363-A) dated March 6, 1948 concerning application of directives to trademarks. The Japanese Government is directed to take all steps necessary to prevent the continuance of the trademark and trade-name infringement of Elizabeth Arden by the firm Arden Beauty Salon, Tokyo, Japan. It is further directed to submit to General Headquarters, Supreme Commender for the Allied Powers, within thirty days from the date of the enclosed directive, a full and complete report of action taken in compliance therewith.

Enclosure:

General Headquarters,
SCAP, Directive (SCAPIN
5363-A) dated March 6,
1948 (five copies).

Original and ozalid to the Department.

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JDEdwards:cs

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
APO 500

AG 072 (6 Mar 48)CPC/PP 6 March 1948
SCAPIN 5363-A

MEMORANDUM FOR: JAPANESE GOVERNMENT

SUBJECT: Application of Directives to Trademarks

1. Reference is made to the following:

a. Memorandum for the Japanese Government, file AG 091.112 (13 Sep 45)MG, SCAPIN 26, 13 September 1945, subject, "Protection of Allied and Axis Property."

b. Memorandum for the Japanese Government, file AG 130 (22 Sep 45)ESS, SCAPIN 45, 22 September 1945, subject, "Control of Financial Transactions."

c. Memorandum for the Japanese Government, file AG 072 (10 June 47)CPC/PP, SCAPIN 1726, 10 June 1947, subject, "Application of Directives to Patents, Utility Models, Trademarks, Designs, and Copyrights."

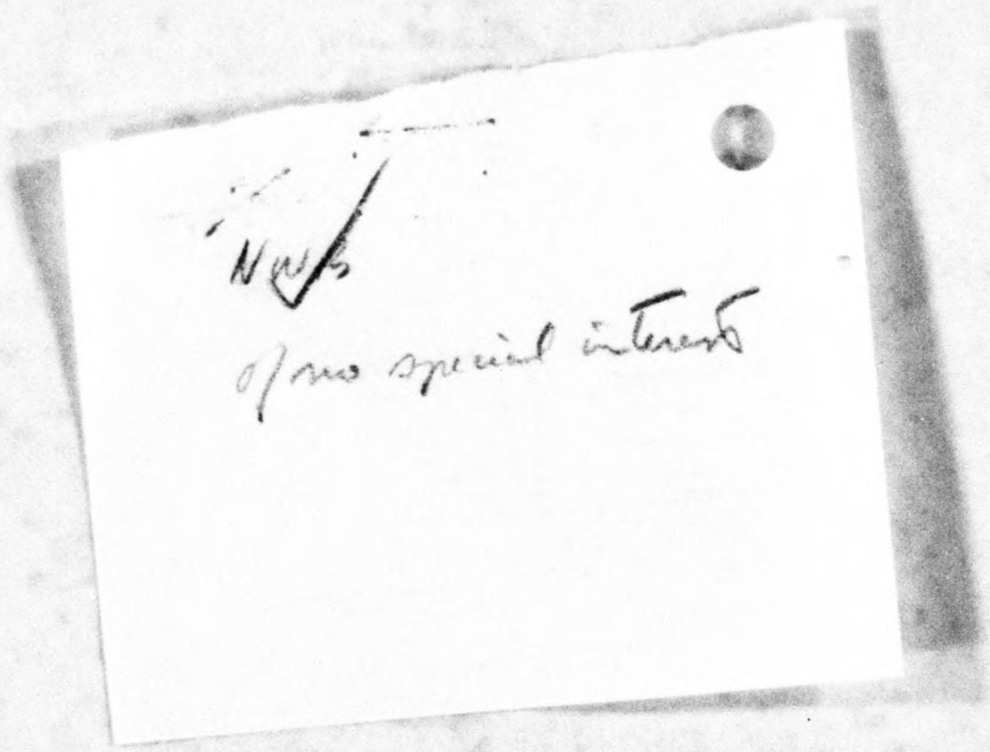
2. Attention is directed to the fact that proper protection has not been afforded by the Japanese Government to trademarks registered on 7 December 1941 in names of United Nations nationals as required by references 1a and 1c above; infringement of trademarks and trade-name of Elizabeth Arden, 681 Fifth Avenue, New York City, U.S.A., by the firm listed below has been reported to General Headquarters, Supreme Commander for the Allied Powers:

Arden Beauty Salon, Kiya Building, Tokyo

3. The Japanese Government is directed to take all steps necessary to prevent the continuance of the trademark and trade-name infringement described in paragraph 2 above. The Japanese Government is further directed to submit to General Headquarters, Supreme Commander for the Allied Powers a full and complete report of action taken in compliance with these instructions; report will be submitted within thirty days from date of this memorandum.

FOR THE SUPREME COMMANDER:

A J Rehe
for R. M. LEVY,
Colonel, AGD,
Adjutant General.



UNITED STATES POLITICAL ADVISER
FOR JAPAN

No. 53 Tokyo, January 24, 1948.

UNCLASSIFIED

Recd.
Feb. 3

ACTION
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The Honorable
The Secretary of State,
Washington.

Sir:

I have the honor to refer to the Department's unnumbered airmail instruction of October 29, 1947 concerning a reported infringement by a Japanese company of the trademark "Permutit" of the Permutit Company of New York.

Subject: Japanese Trademark "Permutit"

This instruction was referred to the Civil Property Custodian, General Headquarters, Supreme Commander for the Allied Powers, who has made the following report:

"1. The Japanese Covernment reports as follows:

a. The trademarks were cancelled 16 September 1942 in accordance with the Wartime Law of Industrial Property.

b. None of these trademarks are used by a Japanese firm.

c. The Permutit Co., Ltd., had been ordered to submit a report on its use of the firm name.

2. Permutit Co., Ltd., has reported that it decided to change its name to the Soft Water Industrial Co., Ltd., at a meeting scheduled to be held in December 1947.

3. The policy for the treatment of United Nations-owned Japanese trademarks has not been formulated. Upon formulation and approval of such a policy, ample publicity and time will be

given

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given in order that all persons interested may take such steps as may be necessary to protect the rights which may be provided for therein."

Respectfully yours,

W. J. Sebald
Acting Political Adviser

Original and ozalid to the Department.

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RBFinn:cs

ADDRESS OFFICIAL COMMUNICATIONS TO
THE SECRETARY OF STATE
WASHINGTON 25, D. C.

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DEPARTMENT OF STATE
WASHINGTON

MEMORANDUM FOR THE UNITED STATES MEMBER, FAR EASTERN COMMISSION

Subject: Trade Marks and Marking of Merchandise in Japan

It is requested that you instruct the appropriate members of the United States Delegation to the Far Eastern Commission to approve paragraphs 1, 2, 3, 4, 5 and 9 of C1-332/2, "Trade Marks and Marking of Merchandise in Japan", now before Committee 1 of the FEC. You are further requested to instruct the U.S. Delegation to take the position and attempt to persuade other FEC delegations to take the position that paragraphs 6, 7 and 8 should be deleted on the following grounds:

(a) Paragraph 6 is not necessary since no special provision is needed to assure appropriate action by the Supreme Commander if applications filed in accordance with paragraph 5 are not promptly and satisfactorily treated by the Japanese Bureau of Patents.

(b) Paragraphs 7 and 8, which deal with marking of merchandise in Japan, are not appropriate to a paper intended primarily to establish policy for the restoration and revalidation of foreign-owned trade-mark rights in Japan.

In proposing the deletion of paragraphs 7 and 8, the U.S. Delegation should not indicate U.S. opposition to separate consideration of the substance of these paragraphs, if the FEC decides that a separate policy on fair trade practices in Japan is desirable. While the U.S. Delegation should not sponsor such separate policy treatment of this matter, it is authorized to approve such a policy in principle, subject to subsequent clearance by this Department of its precise terms.

W. Walton Butterworth
Director for Far Eastern Affairs

Draft approved by OFD FR & NA (Mr Bishop, Hemmendinger)

RESTRICTED

WWB
4/25

RESTRICTED

MEMORANDUM FOR THE UNITED STATES MEMBER, FAR EASTERN COMMISSION

Subject: Trade Marks and Marking of Merchandise in Japan

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W. Walton Butterworth
Director for Far Eastern Affairs

RESTRICTED

JJA

SCAP orders Jap. Govt. to take corrective measures against the further infringement of the Elizabeth Arden trademark by the Arden Beauty Salon of Tokyo.

STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

TO : NA - Mr. Max W. Bishop

DATE: March 30, 1949

FROM : IR - Mr. Roger C. Dixon

SUBJECT: FEC C1-332, "Trade-marks and Marking of Merchandise in Japan."

As explained in the covering memorandum from you to Mr. Voorhees, the attached draft cable to SCAP requests SCAP's views on an amendment to FEC C1-332. It is recommended that you transmit the draft cable and covering memorandum to the Department of the Army.

Withdrawn by agreement
Roger Dixon
file.

ITP:IR:JAGreenwald:sl

Not April 11

Mr. Tracy S. Voorhees, Assistant
Secretary of the Army

March 30, 1949

Mr. Max W. Bishop, Department of State (NA)

FEC C1-332, "Trade-marks and Marking of Merchandise in Japan."

The attached draft cable is designed to elicit SCAP's views concerning an amendment of the FEC paper on trade-marks (attached). As you will note from the cable, the amendment was passed in Committee No. 1 with seven voting for the amendment, one opposed, and three abstaining. Before the amendment was adopted, paragraph 7 of the trade-mark paper read as follows:

> "Steps should be taken to assure that merchandise manufactured in Japan should not be marked so as to suggest that it is made elsewhere than in Japan. Goods of Japanese manufacture exported from Japan should preferably be clearly marked 'Made in Japan'."

The State-Army "Paper on the Treatment of Japanese Trade-marks" did not contain any provisions similar to those found in the last sentence of the above paragraph or in the amended paragraph No. 7. Therefore, it is the feeling of the Department that SCAP's views on this amendment would be desirable before developing a United States position in the Far Eastern Commission.

ITP:IR:JAGreenwald:sl

STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

TO : Mr. Tracy S. Voorhees, Assistant Secretary of the Army

DATE: March 30, 1949

FROM : Mr. Max W. Bishop, Department of State (NA)

SUBJECT: FEC C1-332, "Trade-marks and Marking of Merchandise in Japan."

The attached draft cable is designed to elicit SCAP's views concerning an amendment of the FEC paper on trade-marks (attached). As you will note from the cable, the amendment was passed in Committee No. 1 with seven voting for the amendment, one opposed, and three abstaining. Before the amendment was adopted, paragraph 7 of the trade-mark paper read as follows:

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ITP:IR:JAGreenwald:sl

DRAFT CABLE TO SCAP

Fol amendment C1-332, "Trade-marks and Marking of Merchandise in Japan", passed in Committee No. 1 with seven for, three abstentions (including US) and one opposed (Netherlands):

"Steps should be taken to assure that merchandise manufactured in Japan should not be marked or advertised so a s to suggest that it is made elsewhere than in Japan. Steps should also be taken to assure that wherever it is practicable to do so goods which are produced in Japan and exported are clearly marked to show their Japanese origin."

Above para substituted for para 7 FEC C1-332. Ur views re this amendment would be appreciated.

RD

ITP:IR:JAGreenwald:sl OFD FE
3-28-49

~~NA~~
DC/R

APR 5 1949

In reply refer to
IR

~~CONFIDENTIAL~~

My dear General Eberle:

On December 29, 1948, this Department requested the Office of Alien Property to review that part of the State-Army policy paper on the Treatment of Japanese Trade-marks dealing with Japanese owned trade-marks in foreign countries to determine whether it was consistent with the policy of that Office.

On March 7, 1949, the Office of Alien Property replied in part as follows: "Generally, there seems to be no fundamental conflict between the proposed policy and the trade-mark policy of this Office ..."

"There are some qualifications in connection with procedure which I feel it advisable to bring to your attention:

"(1) This Office has no power under the present laws and Executive Orders to prohibit the use of trade-marks. We can oppose, and may possibly be able to prevent, the type of use intended to be prohibited by availing ourselves of existing legislation to protect our interest in vested trademarks. It is our understanding, however, that use of the term 'prohibit' is desirable for tactical reasons, and that the Department of State and the Army will expect this Office to cooperate in enforcing the provisions of the agreement only to the extent possible, and by the methods available under our present powers.

"(2) This

Brigadier General George L. Eberle,
Chief, Civil Affairs Division,
Department of the Army.

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"(2) This Office can make no commitment at this time as to the issuance of royalty-free licenses on trademarks. In addition to doubts as to the propriety of issuing such licenses, there is serious question as to our authority to do so. Furthermore, we wish to call to your attention that trademark licenses issued by this Office have been non-exclusive and revocable. It is our understanding that the contemplated policy would not require a change in this respect. It is our understanding that proposed licenses will be considered on a case-by-case basis, and that the Army, upon request, will provide this Office with written representations that the issuance of licenses is desirable in particular cases.

"(3) The provisions of Paragraph 9(a) (Page 6) of the proposed agreement are interpreted to permit some flexibility in dealing with trademarks of United States corporations the majority stock of which, formerly Japanese owned, is vested. While we do not know of any instance where a trademark used on goods manufactured in Japan was also used on goods manufactured in the United States, we do have instances where goods produced in Japan were marked for sale in this country with trademarks registered to United States corporations, the majority of whose stock was owned by Japanese nationals. It may be necessary to permit the continued use of these trademarks on imports from Japan by the American corporations, or to sell the vested Japanese interest in the corporation without interfering with the corporate ownership of the trademarks.

"Apart from the qualifications above suggested, the proposed Policy on the Treatment of Japanese Trademarks is in line with the trademark policy of this Office, and with experimental procedure already adopted. Accordingly, the Office of Alien Property joins in agreement upon the subject with the Department of State and the Army."

Qualifications (1) and (3) are directed to conclusion 9a of the paper, which states that "formerly Japanese owned trade-marks now under the control of vesting authorities should be retained by them and their use prohibited for identification of products of local manufacture ..." This Department does not consider qualification (1) to be of any great practical significance, since it is not likely that a manufacturer in the US would risk adopting

the

the use of such a trade-mark without the permission of the Office of Alien Property. Qualification (3) describes situations brought about by the existence of non-enemy minority stockholders in vested concerns. This type of case is in our view already covered by the exception stated in conclusion 9a. Qualification (2) is a purely procedural matter not affecting the policy itself.

It is apparent therefore that, in accordance with recommendation 10a of the paper, the conclusions have been approved by interested agencies as the policy of this Government. Accordingly, this Department will implement recommendation 10b, and requests that, in accordance with recommendation 10c, the Department of the Army transmit the conclusions to SCAP as an expression of US policy on this matter.

Sincerely yours,

Max W. Bishop
Chief
Division of Northeast Asian Affairs

CR
APR 5 1949 P.M.

ITP:IR:RCDixon:bw
FE:NA:NHemmendinger:lk
3/16/4/1/49

ITP OFD L/E NA ~~FE~~
see written concurrences on other blue

the use of such a trade-mark without the permission of the Office of Alien Property. Qualification (3) describes situations brought about by the existence of non-enemy minority stockholders in vested concerns. This type of case is in our view already covered by the exception stated in conclusion 9a. Qualification (2) is a purely procedural matter not affecting the policy itself.

It is apparent therefore that, in accordance with recommendation 10a of the paper, the conclusions have been approved by interested agencies as the policy of this Government. Accordingly, this Department will implement recommendation 10b, and requests that, in accordance with recommendation 10c, the Department of the Army transmit the conclusions to SCAP as an expression of US policy on this matter.

Sincerely yours,

W. Walton Butterworth
Director for Far Eastern Affairs

ITP:IR:RCDixon:bw
3/16/49

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ITP OFD L/E NA

STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

TO : NA - Mr. Bishop

DATE: April 11, 1949

FROM : NA - Mr. Hemmendinger HH

SUBJECT: Trade Marks - Cl - 332/2.

The above paper raises two questions.

The first question is the basic question whether paragraph 4 et seq. of the paper, designed to prevent abuse with respect to confusing trade marks and the false marking of the origin of goods etc., is appropriate in the light of NSC 13/2. These provisions relate to commercial abuses which existed before the war and have little connection with the war or the Terms of Surrender, and it therefore could be said they are inappropriate for decision by the FEC. This does not apply to the first three paragraphs, dealing with the restoration of trade mark rights owned in Japan at the commencement of the war.

There are cogent reasons for going along with the paper in its present scope. The paper is not a U.S. proposal but is based originally upon the U.K. paper, FEC 284, which originally concerned trade marks and copyrights as well as patents. There is a very great interest in the matter of Japanese unfair trade practices on the part of most of the FEC countries. The U.S. is thoroughly in agreement with the principles involved and has given them to SCAP in the trade marks paper just finally approved by this Government. NSC 13/2 contemplates the disposition before a peace treaty of as many property questions as possible. While decision of this matter in the FEC will not remove it from peace treaty consideration, because the real issue is Japan's practice in the future and not under the regime of control, an agreement on these questions at this time in the FEC may eliminate any necessity to go into them extensively in connection with a peace treaty. It is of advantage to this Government to give to the FEC countries as strong assurances as possible with respect to the elimination of these unfair trade practices in order to gain their approval of the expansion of Japanese trade, e.g., most favored nation treatment.

The paper as presently drafted is consistent with the approved U.S. policy (except as indicated below) and no specific instructions to our representatives are required if the scope is approved. I raise the question at this time so that there may be no doubt of U.S. approval when the paper reaches the Steering Committee.

The second question is the precise scope of paragraph 7 which provided, as reported by the Sub-Committee:

> "Steps should be taken to assure that merchandise manufactured in Japan should not be marked so as to suggest that it is made elsewhere than in Japan. Goods of Japanese manufacture exported from Japan should preferably be clearly marked 'Made In Japan'".

The following