

## **“Anti-Counterfeiting Measures”**

### **Chapter 1. The reality of counterfeit goods**

#### **Status of Damage**

(Eddy)

Counterfeit goods cause significant damage, right?

(Sakura)

Yes. So the Japanese government has set up an office to help control the damage caused by counterfeit and pirated products.

(Narrator)

The Office of Intellectual Property Protection was established in 2004, in response to requests from corporations. In addition to providing advice on anti-counterfeiting measures, the Office also acts as an information clearing house. It handles an ever-growing number of cases.

(Narrator)

According to the JPO Counterfeit Damage Survey Report for Japan’s fiscal 2013, over 20% of Japanese companies reported damage from counterfeit goods in recent years.

(Narrator)

The great majority of this damage is caused by trademark rights infringements.

(Narrator)

The four types of products most often counterfeited are general goods, machinery, electronic and electrical goods, and foodstuffs.

(Narrator)

We tend to think that counterfeits cause damage because they suppress sales of genuine goods, but that’s not all. Reduced sales caused by an influx of counterfeit goods is just the short term damage. A far greater concern is the adverse effect on corporate and brand image from a market filled with low quality counterfeit goods.

(Sakura)

I imagine you think counterfeits only damage corporations?

(Eddy)

Well, yes...

(Sakura)

It's not just corporations. Consumers who buy these counterfeits are also victims. For example, counterfeit food products can harm your health, and fake parts fitted to your car could cause an accident.

(Eddy)

So consumers can also be victims if they buy unsafe counterfeit goods?

(Sakura)

That's right. And when consumers buy counterfeits thinking they are genuine, they complain to the real manufacturer. Counterfeits can damage the brand image even of companies that make and sell high quality products.

(Narrator)

When the market contains both genuine and counterfeit goods, consumers wanting genuine goods often buy low quality counterfeits by mistake. Because of this consumers become less motivated to purchase.

(Narrator)

In the long term, this can affect the sales and market share of genuine goods. It can be a major blow to a company that has invested time and effort in making and selling fine products. That's why it's very important to take appropriate measures.