

**“Anti-Counterfeiting Measures”**  
**Chapter 2. Anti-Counterfeiting Measures in Japan**

**Introduction of Chapter 2**



## **Main measures available in Japan**

- Civil litigation
- Applying criminal penalties
- Requesting suspension of imports from customs

**Civil action**



**If they intend to negotiate a settlement, the right holder first sends a warning letter**

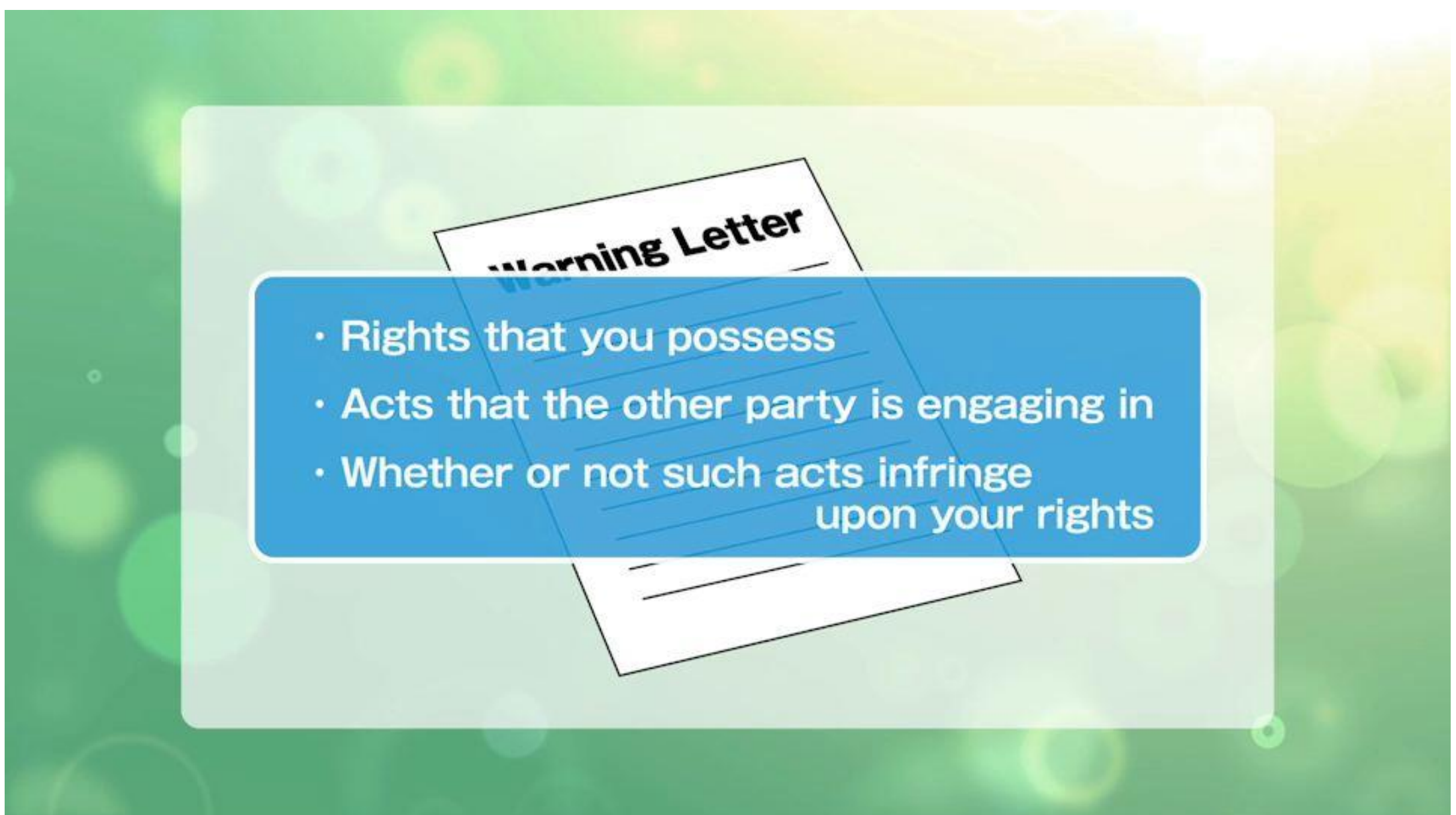


#### Japanese Laws Related to Counterfeiting

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- Patent Law
- Utility Model Law
- Design Law
- Trademark Law
- Copyright Law
- Unfair Competition Prevention Law
- Civil Code
- Code of Civil Procedure
- Penal Code
- Customs Law
- Provider Liability Limitation Law, etc.

## Settlement negotiated between concerned parties (warning letter sent)





## Reasons for first sending a warning letter

The infringing party is not always deliberately committing an infringement

## Cases where an infringing party is not deliberately committing an infringement

- Selling counterfeits under the belief that they are parallel imports
- Being unaware that another person has rights (infringement by omission)

Send warning letter

Being made aware, some infringers will stop

## Start with a warning letter

If the offending party stops the infringing act, there is no need to waste money and time on legal or other measures



## Possible responses to a warning letter

- Admit fault and stop infringing
- Deny fault and continue sales
- Agree to negotiate
- Ignore the warning





Recipient of warning letter agrees to stop  
Damages are paid

Right holder



Infringer

Ignores warning letter  
Denies infringement




Move to litigation or other measures



## Using the Courts



## Bringing Civil Action



Court having jurisdiction  
Tokyo District Court  
Osaka District Court

In addition to the original court having jurisdiction, the court of first instance for an IP infringement action may also be the Tokyo District Court or the Osaka District Court.



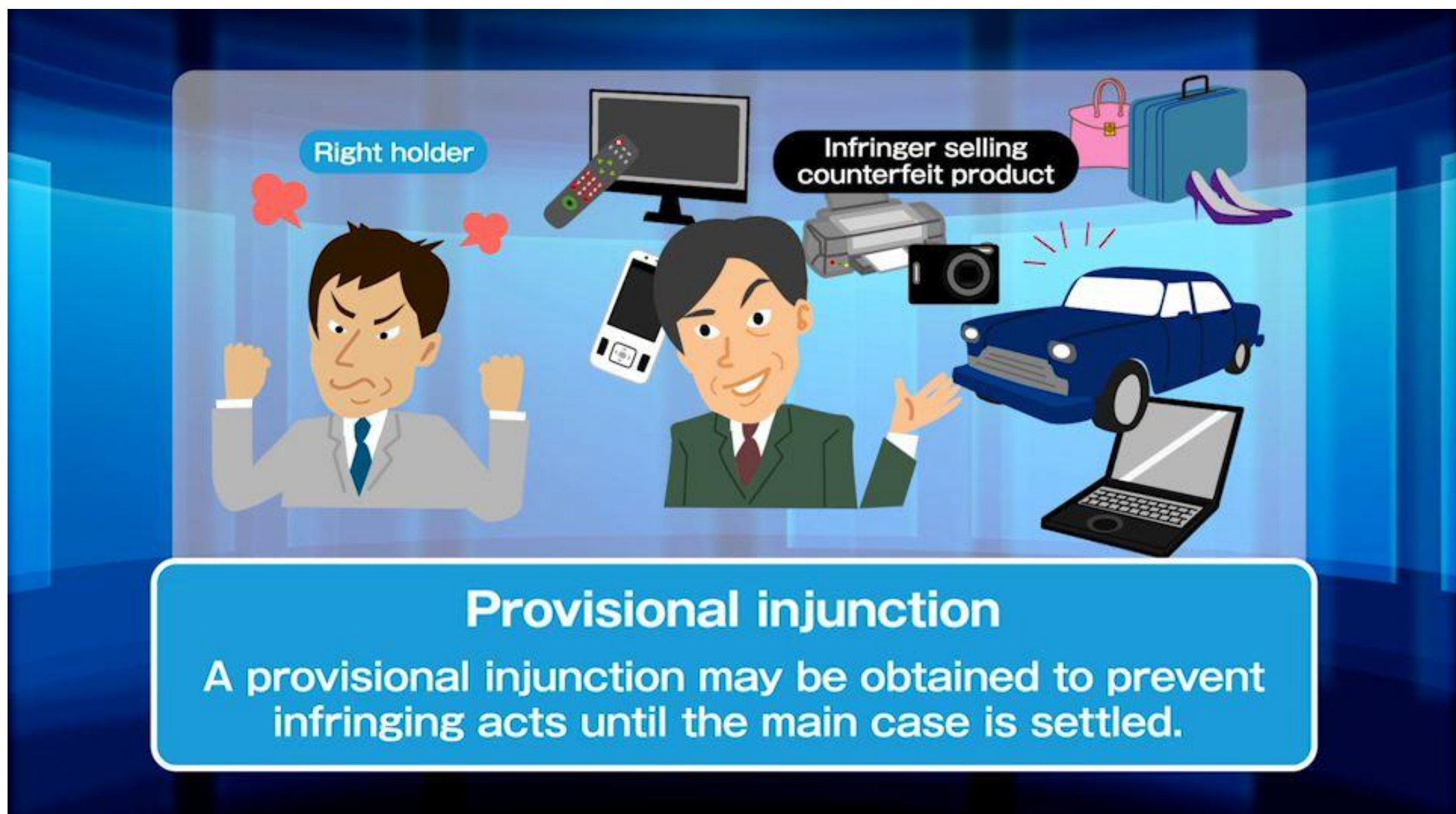
**Right holders who can bring an infringement suit**

- IP right holder  
(patent holder, trademark holder, etc.)
- Exclusive license holder
- Exclusive use holder

## Using the Unfair Competition Prevention Law

A person who has suffered or is in danger of suffering damages to business profits through unfair competition has the right to bring an action under this law.

### Provisional Injunction



The illustration depicts a legal scenario involving a provisional injunction. On the left, a man in a grey suit, labeled 'Right holder', is shown with a determined expression and clenched fists. In the center, a man in a green suit, labeled 'Infringer selling counterfeit product', is smiling and gesturing towards a collection of counterfeit goods. These goods include a television, a remote control, a smartphone, a printer, a camera, a laptop, a blue car, a pink handbag, a blue suitcase, and a pair of purple high-heeled shoes. The background is a dark blue, stylized cityscape at night.

### Provisional injunction

A provisional injunction may be obtained to prevent infringing acts until the main case is settled.





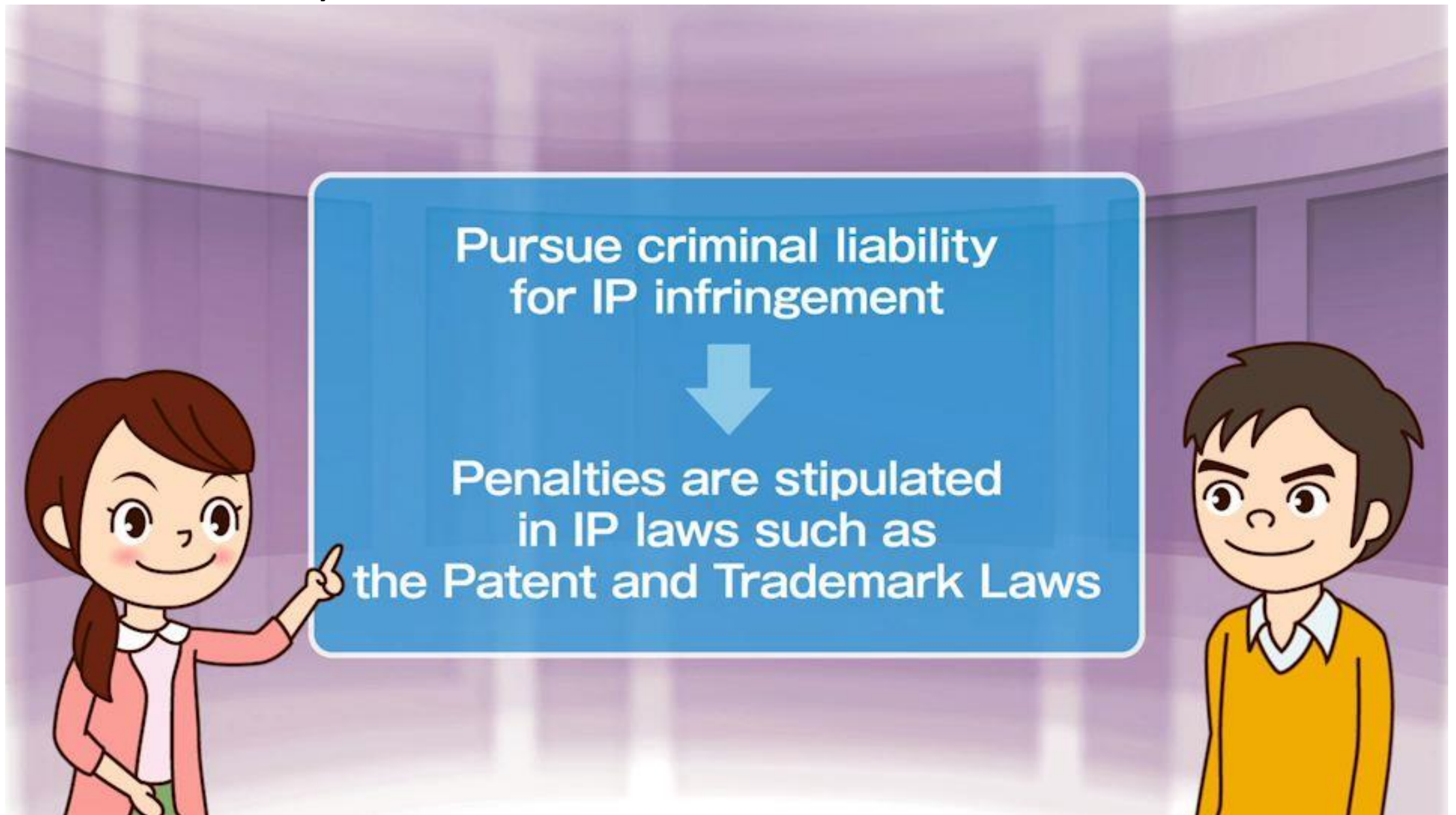


**In a trademark infringement action, points of contention include the following:**

- Whether or not the plaintiff owns the right
- Whether or not the defendant's act constitutes trademark use
- Determination of similarity between the trademark(s) and product(s)



Amount of damages is estimated using the provisions of Article 38 of the Trademark Law, Article 102 of the Patent Law, etc.



## Request to Customs



The illustration shows a customs officer in a dark suit, white shirt, black tie, and a peaked cap with a white emblem. He is holding a large orange hand with the word "STOP" in red capital letters. To his left is a blue and red cargo ship. A black speech bubble from the ship says "Imported cargo infringes on your rights." To the officer's right is a green stylized building with a sign that says "Customs". The background is a light blue sky with a faint globe.

**Customs suspension system**

IP right holder applies to the Chief Customs Inspector to authorize the suspension of imports of the infringing products



The illustration is identical to the one above, showing a customs officer holding a "STOP" hand, a cargo ship with an infringing message, and a customs building.

**In addition to trademarks, this application can be made in Japan on the basis of patents, utility models, designs, copyrights and plant breeder rights.**

## Course of Application for Customs Suspension

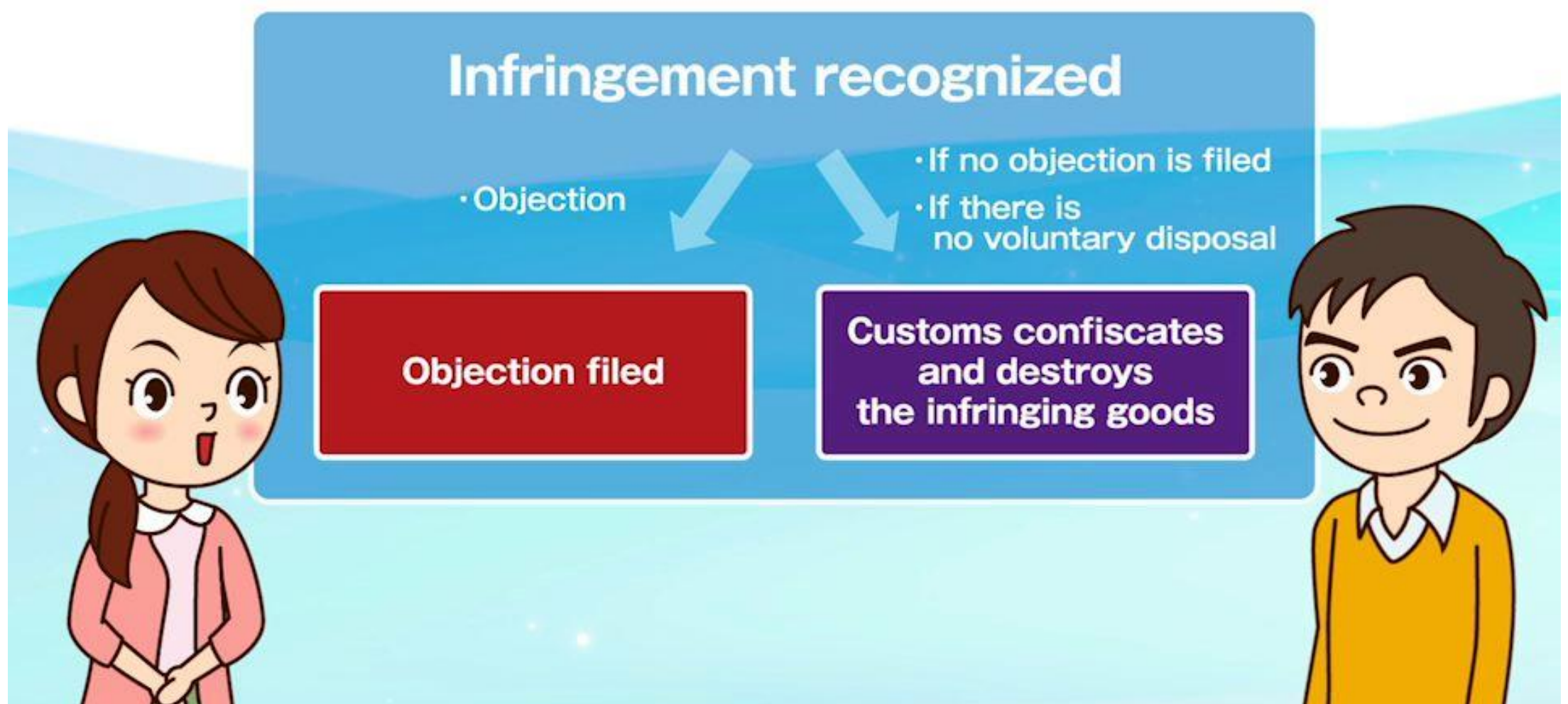
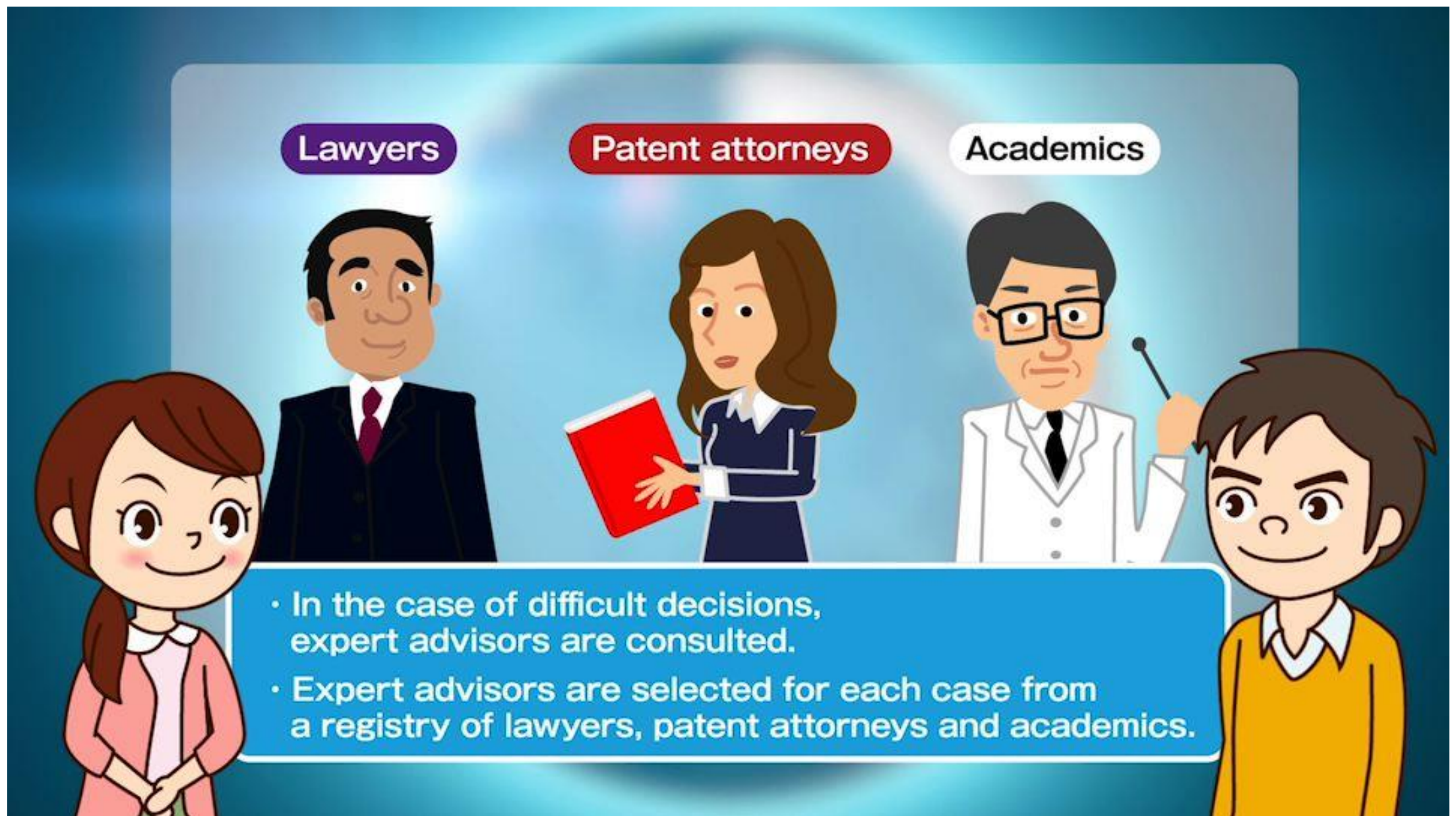


## If a customs investigation finds suspected goods

Customs notifies both the importer and the right holder that identification procedures have been initiated, and that they should submit their opinions and evidence.



**Customs decides whether suspected goods infringe upon IP rights or not.**

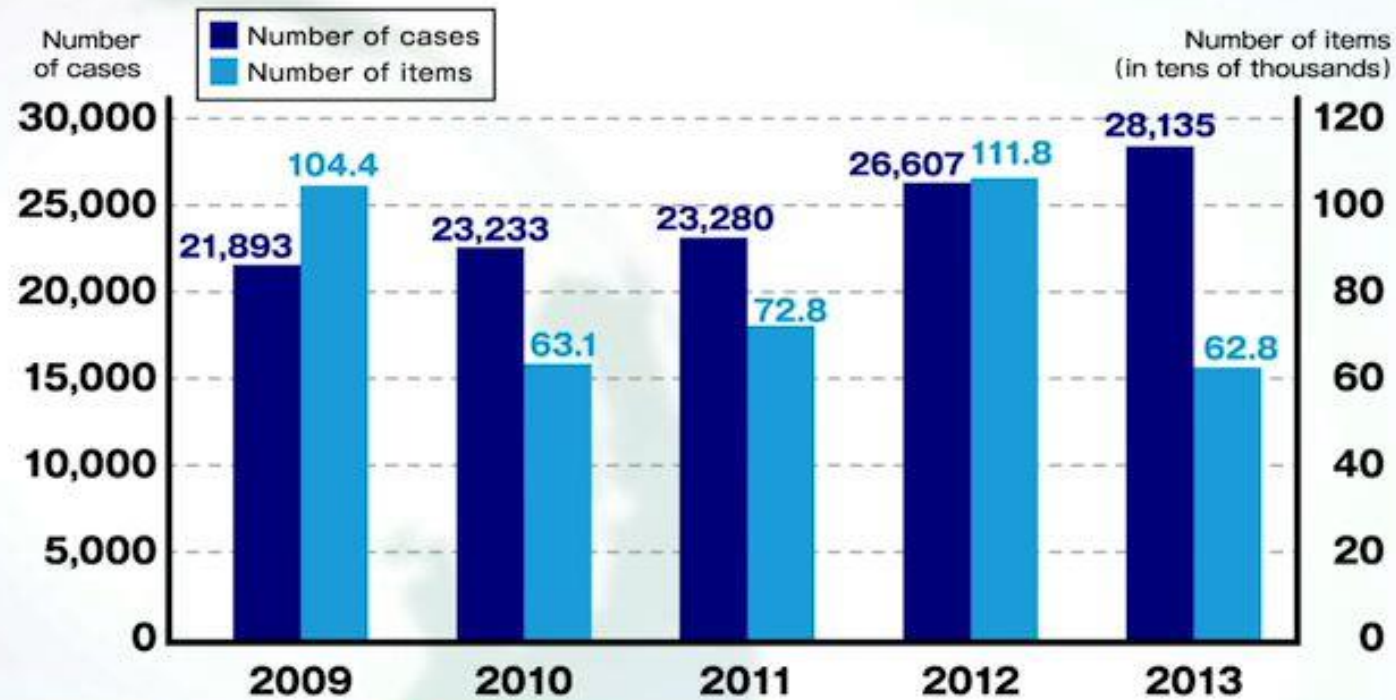


## Dual liability of Import companies

Penalty for importing counterfeit goods



## Number of Import Seizures of IPR Infringing Goods



Source: 2013 Seizure Statistics of Japan Customs IPR Border Enforcement (Ministry of Finance)

Over 85% of cases involve trademarks

## Number of Import Seizures by Source Country

—	2012	2013	Change from previous year	% of total
China	25,007	25,844	103.3 %	91.9 %
Hong Kong	720	1,053	146.3 %	3.7 %
Singapore	21	346	1647.6 %	1.2 %
South Korea	274	328	119.7 %	1.2 %
Philippines	326	214	65.6 %	0.8 %
USA	68	119	175.0 %	0.4 %
Thailand	85	84	98.8 %	0.3 %
Taiwan	21	62	295.2 %	0.2 %
Vietnam	11	16	145.5 %	0.1 %
Indonesia	11	56	118.2 %	0.0 %
Other countries	63	63	88.9 %	0.2 %
Total	26,607	28,135	105.7 %	100 %

Source : 2013 Seizure Statistics of Japan Customs IPR Border Enforcement (Ministry of Finance)

## Filing a Claim against an Internet Site

When counterfeits are spotted being sold by Internet auction

Provider

Has liability

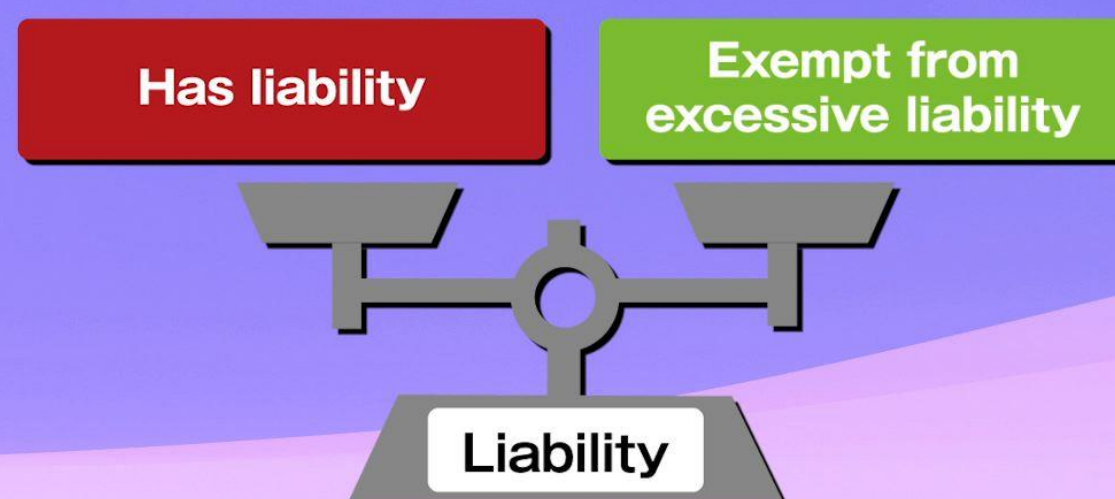
Exempt from excessive liability

Liability

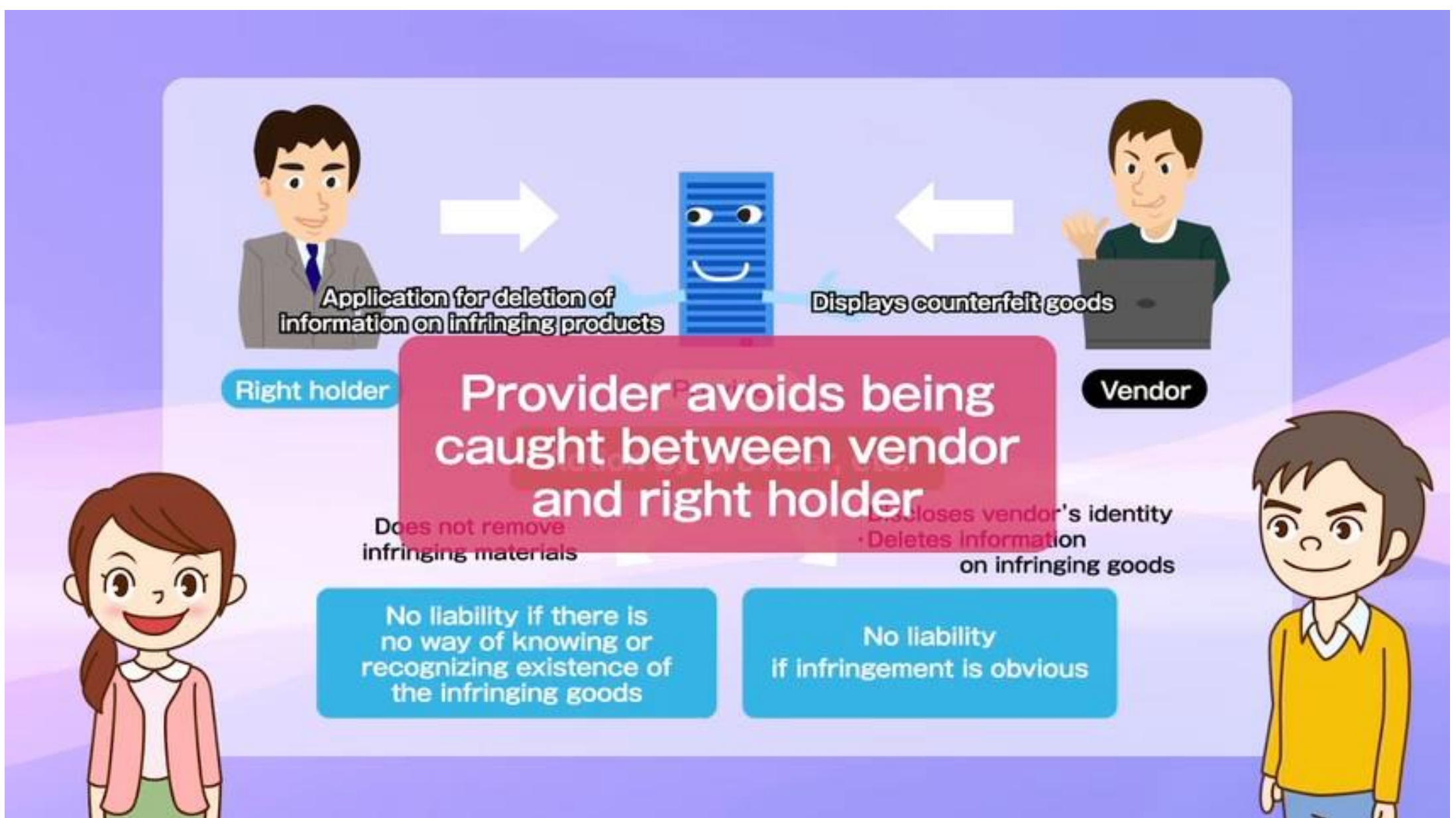
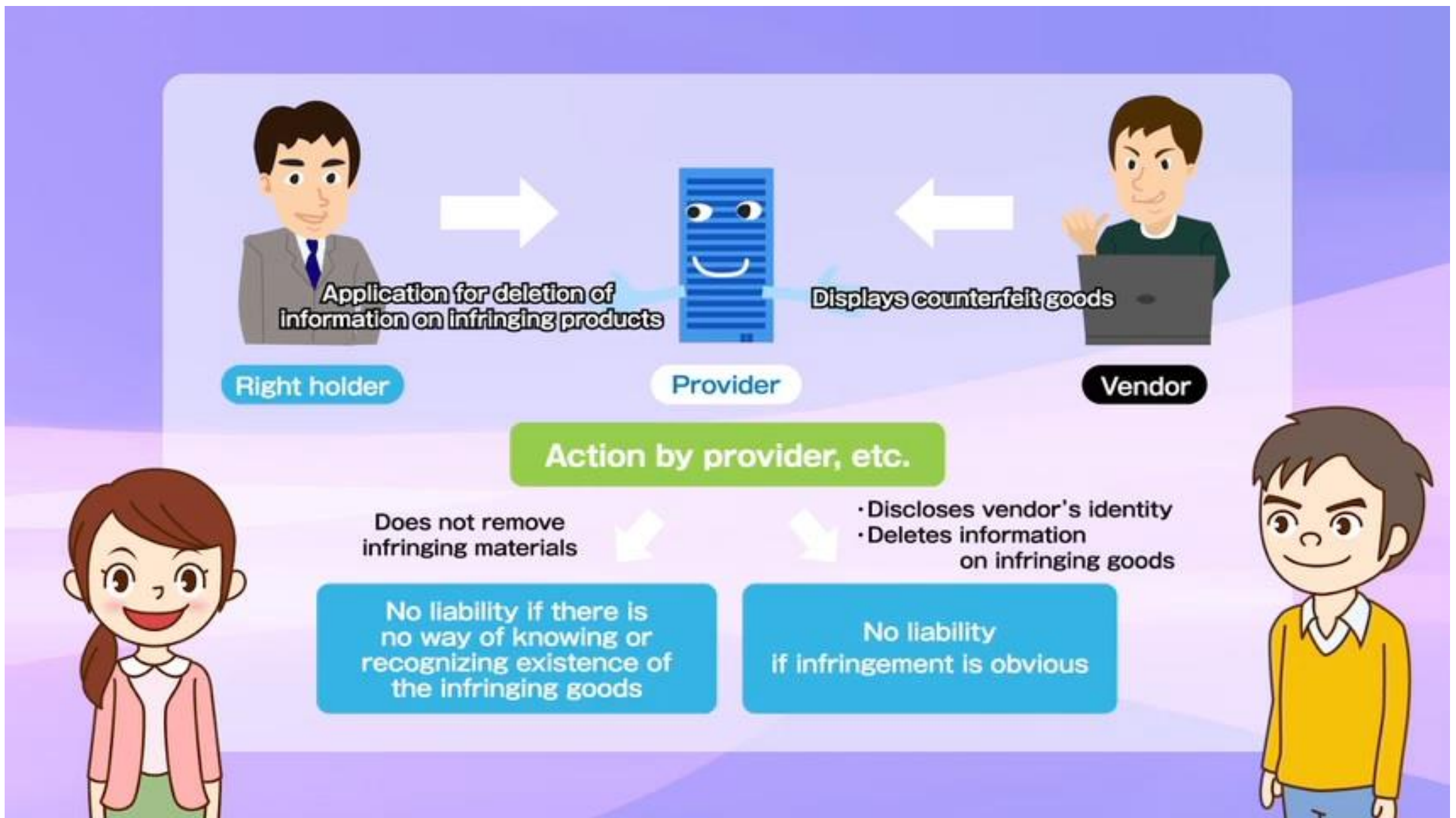
Provider Liability Limitation Law

## The Provider Liability Limitation Law

This Law specifies the limits of liability for damages of providers and others, and the right to request disclosure of identification information of senders (vendors).



- Damages are incurred when the provider is aware that goods are counterfeit.
- In the case of an obvious infringement, the vendor's identity must be disclosed to the right holder to allow a claim for damages



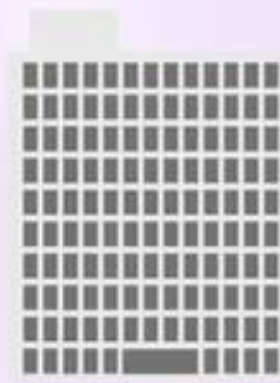
## Past Internet Cases and the Present Situation



When a vendor is deemed to be infringing a trademark, the web site operator will also be liable for damages unless they remove the infringing materials from the web site within a reasonable time



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Right holder



Provider

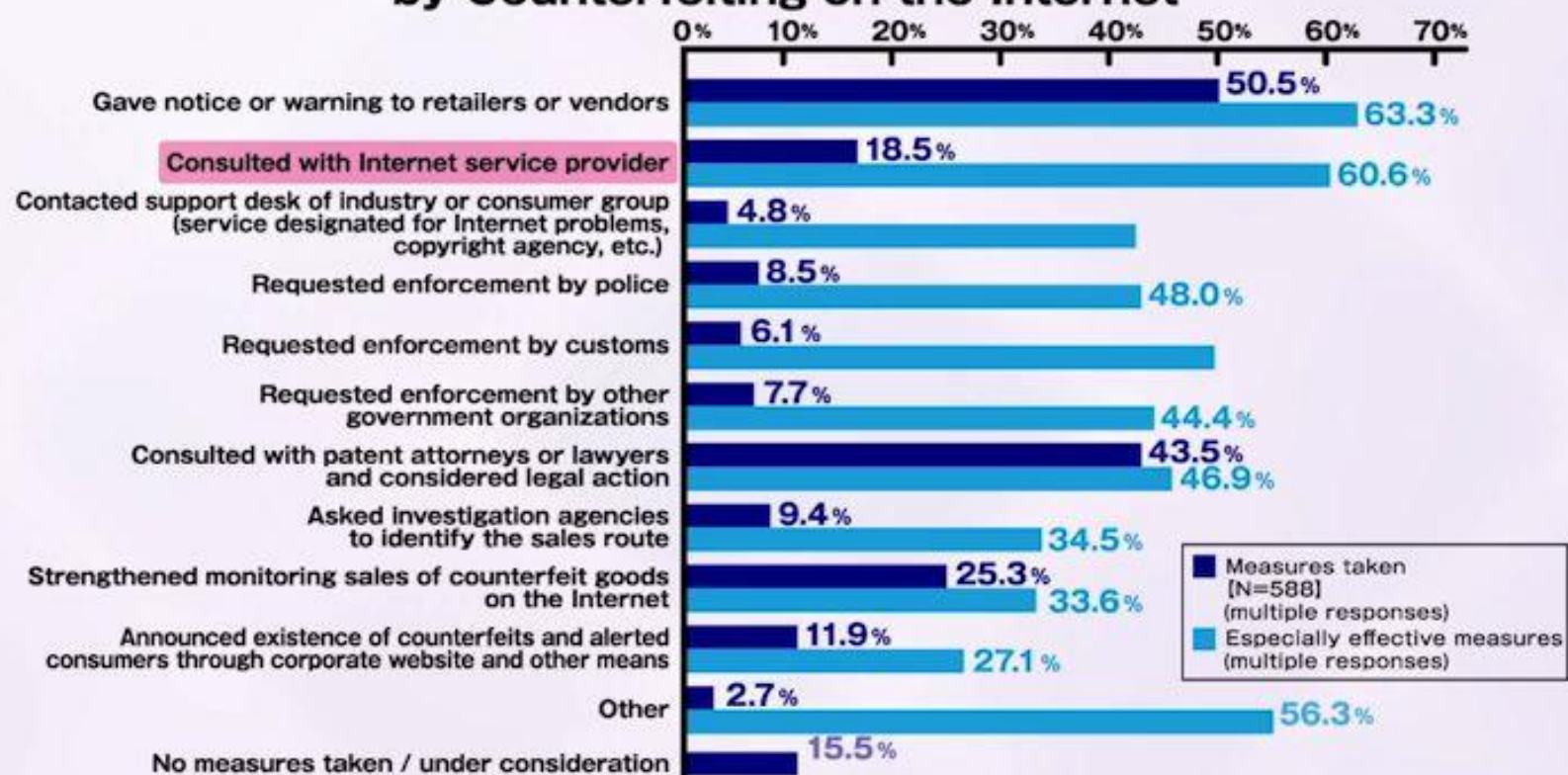


Council for Intellectual  
Property Protection  
on the Internet

Provider Liability Limitation  
Act Guidelines Review Council

## Activities to prevent the distribution of IPR infringing goods over the Internet

### Measures Taken Against Damages Caused by Counterfeiting on the Internet



(Note) Figures for responses about especially effective measures are calculated as a percentage of the total number of companies responding for that measure

Inquiry covered 8,081 companies with the highest total number of patent, utility model, design, and trademarks applications. Total number of responses: 4323  
Source: FY2013 Report on Survey of Counterfeit Damages (Japan Patent Office)

### Intellectual Property Strategy Headquarters



Implements various measures based on the Strategic Program for the Creation, Protection and Utilization of Intellectual Property

### Ministry of Economy, Trade and Industry

- Established Office of Intellectual Property Protection
- Provides financial assistance to small and medium enterprises for rights registration and counterfeit-related investigations



JPO pamphlet on financial support for anti-counterfeiting measures aimed at small and medium-sized enterprises



Source : JPO website (Anti-Counterfeiting Campaign)

Campaign to eradicate counterfeit and pirated goods

Initiatives by Government Ministries and Agencies



**Ministry of Foreign Affairs**

Supports Japanese enterprises expansion abroad  
Conveys requests to countries of destination



**Ministry of Agriculture, Forestry and Fisheries**

Monitors trademark applications as a measure to prevent counterfeits abroad masquerading as Japanese origin food products or agricultural, forestry or fishery products



**Ministry of Internal Affairs and Communications / Agency for Cultural Affairs**

Deals with Internet copyright violations  
Sets up consulting service in Consumer Affairs Agency to control the spread of rights damage



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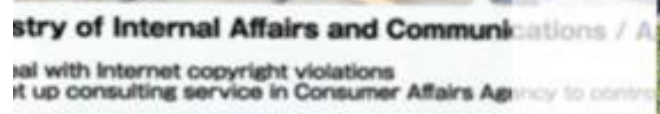


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