

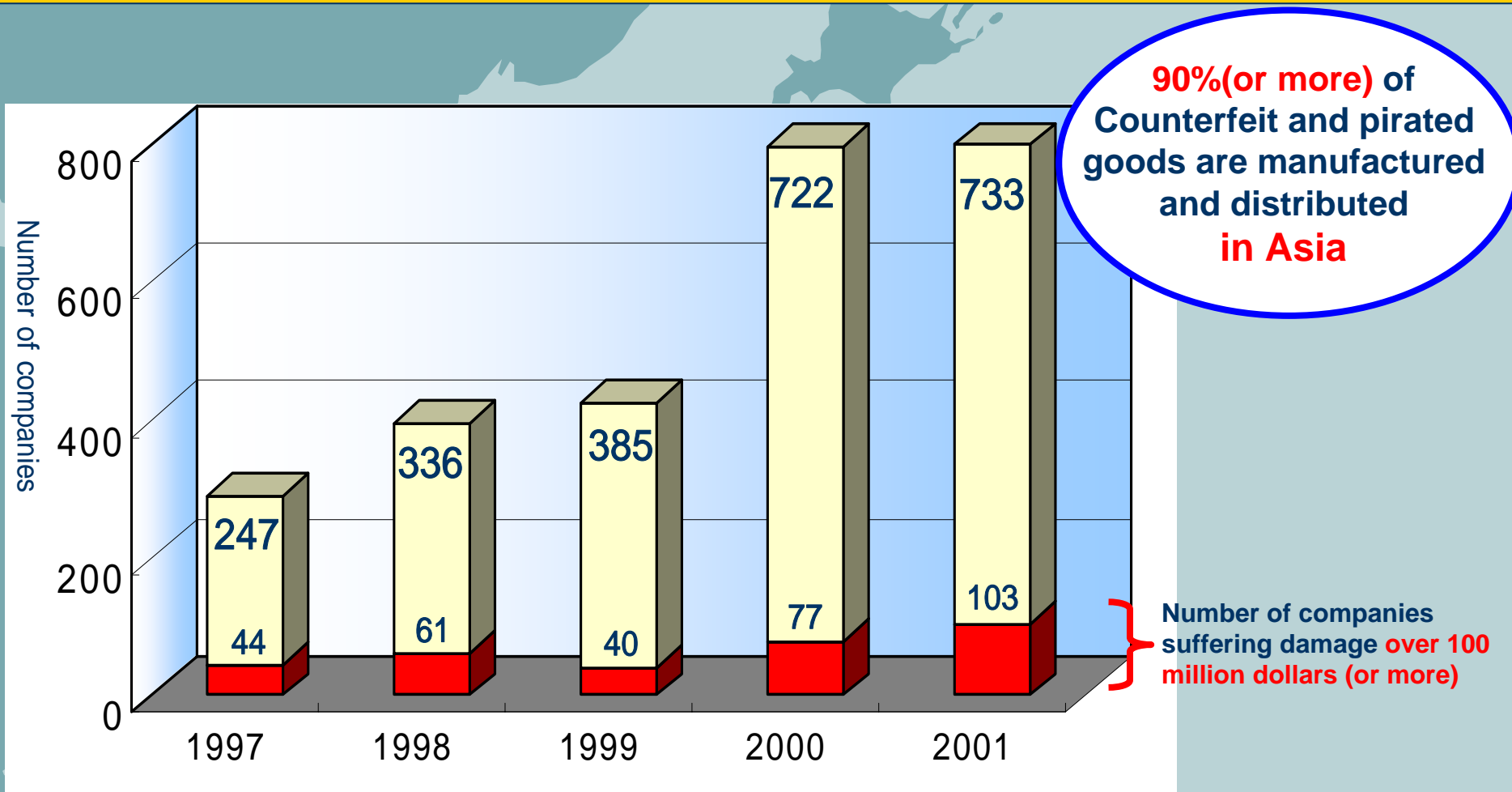
A light blue background map of East Asia, showing the Korean Peninsula, Japan, and the Philippines. A yellow horizontal band is positioned across the middle of the map.

Strengthening Measures against Counterfeiting and Piracy In Japan

December, 2004

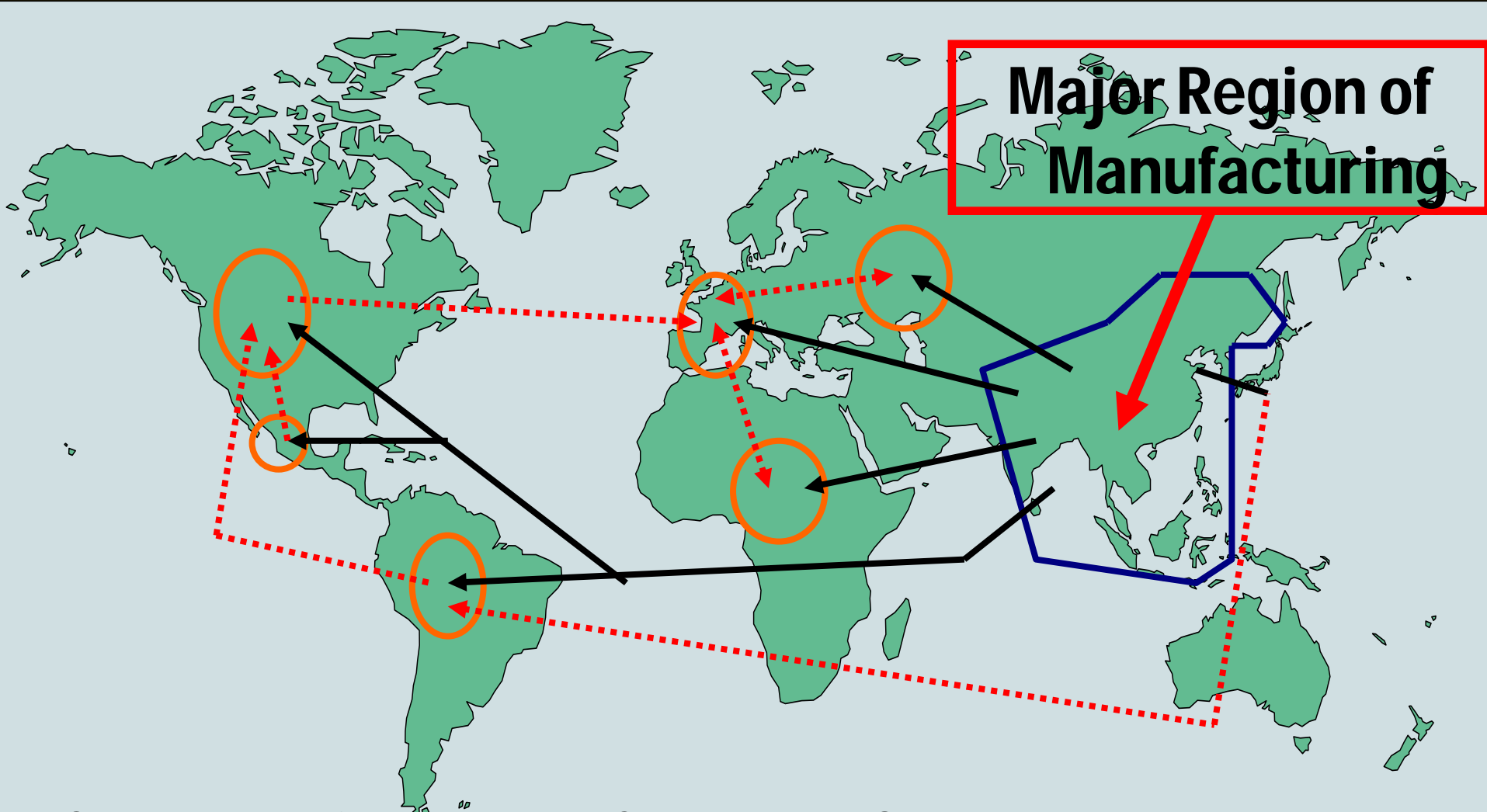
**Intellectual Property Strategy Headquarters
Cabinet Secretariat
JAPAN**

Increasing Number of Japanese Companies Suffering from Counterfeiting Overseas



Source: Japan Institute of Invention and Innovation -- "the investigation into the damages from counterfeits in 2002 fiscal year"

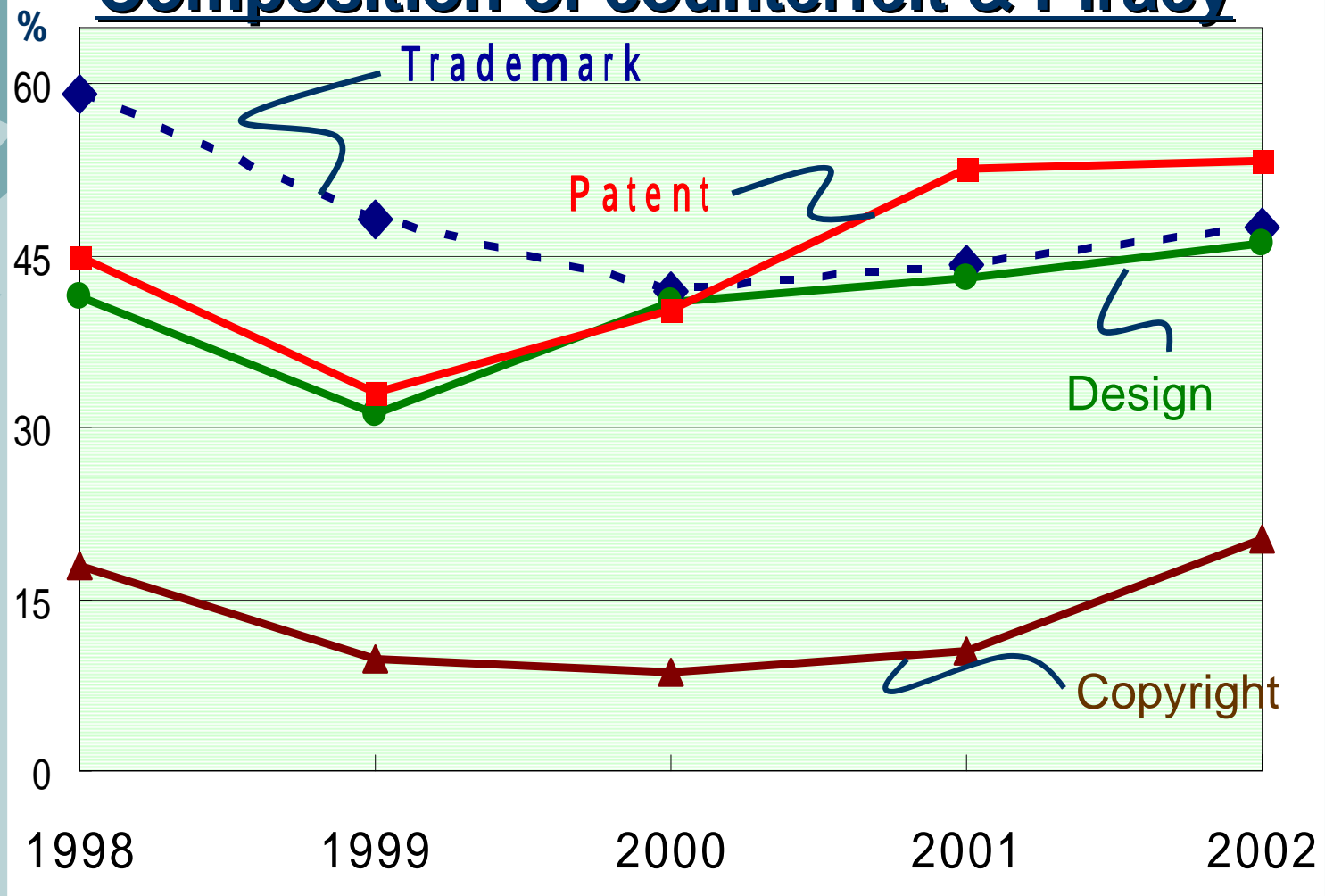
Proliferation of Counterfeits and pirated copies



Source: Website of E U Taxation and Customs Union DG
(http://europa.eu.int/comm/taxation_customs/customs/counterfeit_piracy/counterfeit3_en.htm)

Not Only Trademark Counterfeits But Also Design and Patent Infringements have been increasing

Composition of counterfeit & Piracy



Note: Based on the number of companies, responded to the question of which right was infringed (multiple answers).

Source: Japan Patent Office -- "the Investigation into the damages from counterfeits in 2003 fiscal year"

Advanced Technology and Large Scale Distribution of Counterfeit and Pirated Goods

Examples of Infringement Overseas

Traditional Counterfeit

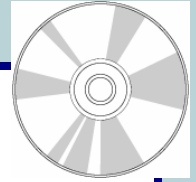


Toy, Daily necessities

Counterfeiters advertise their goods **in international trade fairs, etc.**

Underground markets exist in which counterfeit goods are distributed in large quantities

Piracy



Video, DVD

Before the public presentation of a new movie, numerous pirated videos and DVDs of the movie are distributed in the market.

Electronics



Counterfeits of **liquid crystal televisions** and **DVD players** have already been distributed.

Counterfeiters opened **homepages** and **sold** counterfeit goods **by mail order**.

Motorbikes, Automobiles



Counterfeits of not only **motorbikes** but also **automobiles** are beginning to be sold.

Infringement of trademark and design rights occurs very often.

Seizures at the Border Increase Rapidly

Most cases are trademark counterfeit

Number of seizures of products infringing IP rights

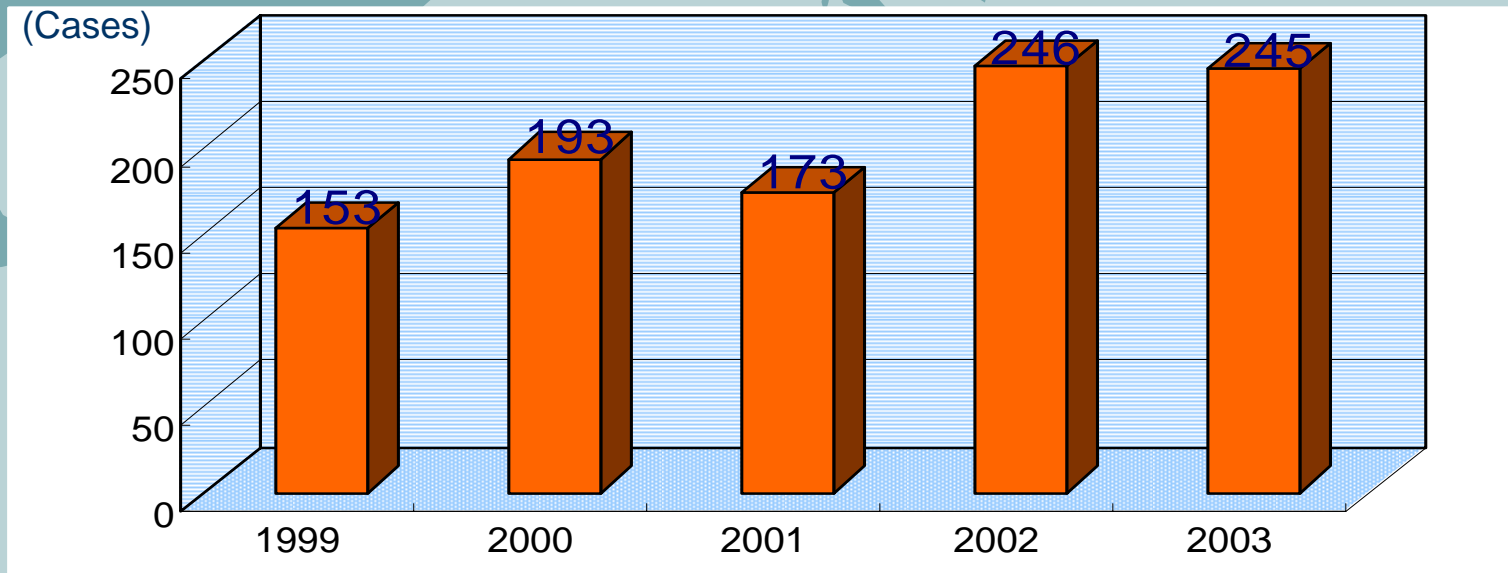


(Cases)	
Infringed IP right	
Trademark	7332
Copyright	80
Design	12
Patent	1
“Country of origin” of counterfeiting	
Korea	4504
China	1630
HongKong	625
Thailand	299

Source: The Customs and Tariff Bureau, “Situation of Import Prohibition of Products Infringing Intellectual Property Rights in 2002”

Criminal Cases of Counterfeiting and Piracy

Number of arrests for the infringement of intellectual property rights for the recent five years



Total number of arrests
(2003)

245 cases

Violation of the Trademark Law **166**
(Fake brand)

Violation of the Copyright Law **70**
(Pirated copies, Piracy in cyberspace)

Others **9**

Measures Against Counterfeiting and Piracy in IP Strategic Program 2004

< Main measures >

1. Measures in overseas markets

Enhancing diplomatic function to support private sectors' activities
FTA negotiation and bilateral talks
Closer collaboration with the U.S. and Europe
Proposition to set international norms

2. Border Measures

More quick and effective procedure to stop
Control on counterfeit goods imported by individuals

3. Domestic Measures

Stricter measures against counterfeit transaction via internet auction

4. Support to Small and Medium-sized enterprises [SMEs]

5. Collaboration among Government Organs

One-stop service for private sector
Policy coordination mechanism

Measures Against Counterfeiting and Piracy

1 . Measures in Overseas Markets

Enhancing diplomatic function to support private sectors' activities

- MOFA established an office dealing with counterfeiting & piracy July, 2004.
- Japanese embassies & JETRO will actively support companies.

FTA negotiation and bilateral talks

Introducing investigation system on IP infringement in foreign countries

- cf. US: Special 301, EU: TBR, Japan: ?

Closely cooperating with developed countries (US & Europe)

- EU-Japan Joint Initiative for the Enforcement of IPR in Asia

Proposing to set international norms

- G8 Summit

Counterfeiting and Piracy is a serious problem for all of us !

G8 (Sea Island Summit in June, 2004)

Chair's Summary

“We also recognized the need to fight counterfeiting and piracy of intellectual property.”

EU-Japan Joint Initiative (Tokyo in June, 2004)

EU and Japan set-up a Joint Initiative for IPR Enforcement in Asia.

EU-Japan IP Seminar ~IPR in China was held in Beijing on October 18 and 19, 2004

The First Global Congress on Combating Counterfeiting (May, 2004)

(Organized by WCO/Interpol)

The global trade in counterfeit goods : **Over EUR 500 billion**

The Congress recommends:

“Encouraging governments at all levels to place a higher priority against counterfeiting”

Other Forum

G8, APEC, ASEM

Measures Against Counterfeiting and Piracy

2 . Border Measures

Amendment of Customs Tariff Law

in 2003

Applying for an import suspension of goods that infringe the following IPR

(Before amendment): Trademark and Copyright

(After amendment): Patent, Utility model, Industrial design, Plant breeder's right,
Trademark and Copyright

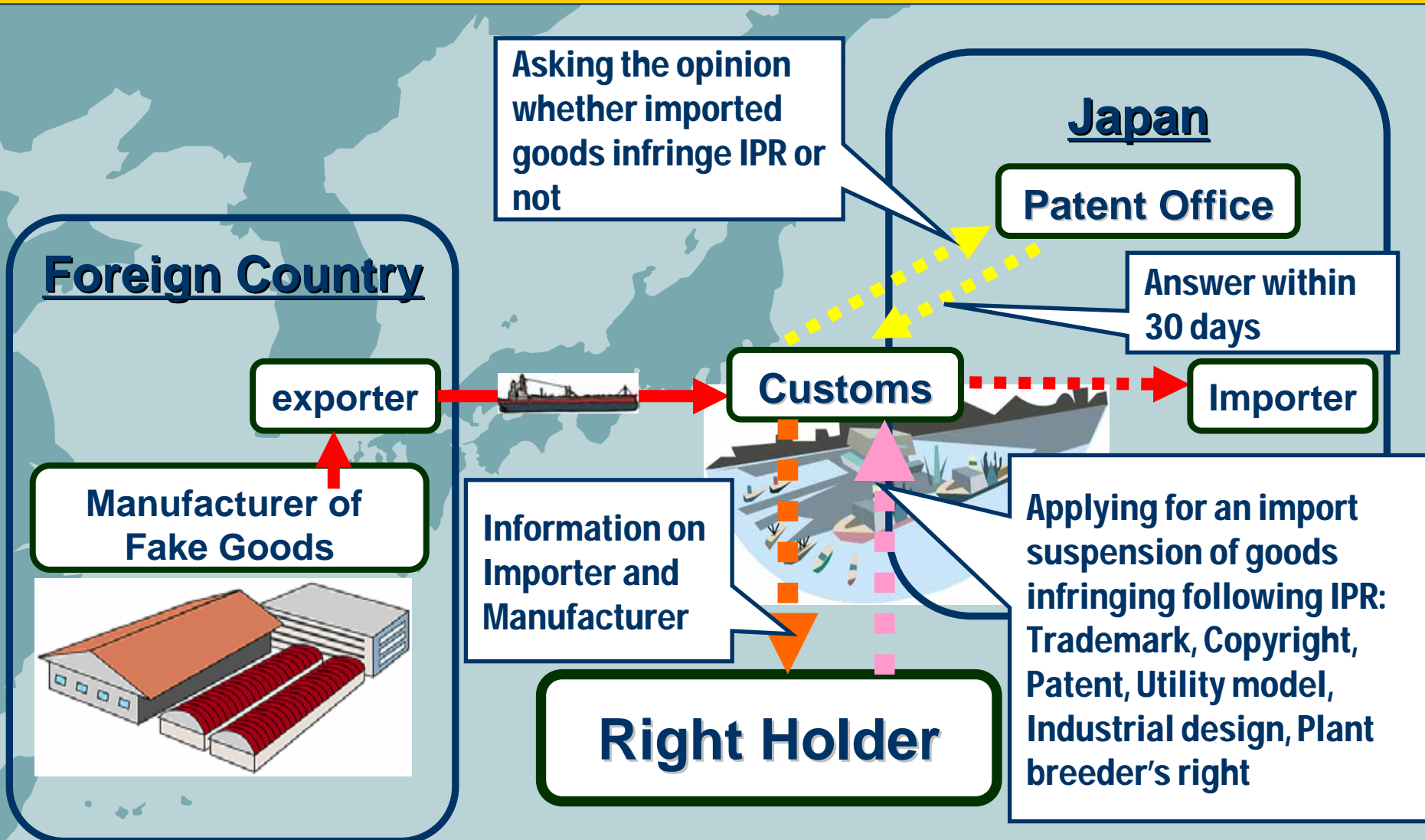
Asking the opinion of Patent Office whether imported goods infringe IPR or not

in 2004

Disclosing information on alleged infringers to right holders so that right holders can easily file the lawsuits to the court

Measures Against Counterfeiting and Piracy

2 . Border Measures



Measures Against Counterfeiting and Piracy

2 . Border Measures

Further discussion is necessary;

- **More quick and effective procedures to stop imports of goods infringing patents**

Challenge:

Importers sometimes bring forward counterarguments in terms of legal and /or technical issues...

- **Control on private importation**

Challenge:

Counterfeits come into Japan through private import...
ex. mail order or international postal package

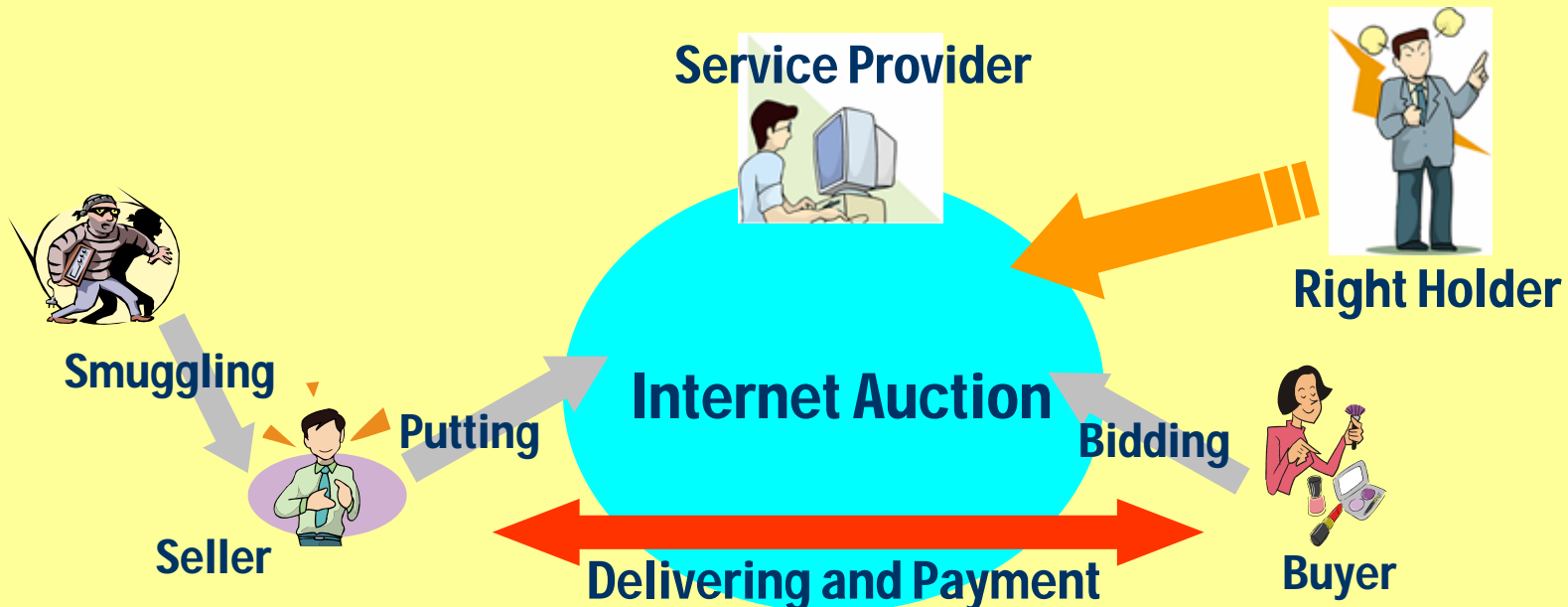


Measures Against Counterfeiting and Piracy

3 . Domestic Measures

Considering wide range of measures, taking into account of massive transactions of counterfeits and pirated copies in the cyberspace

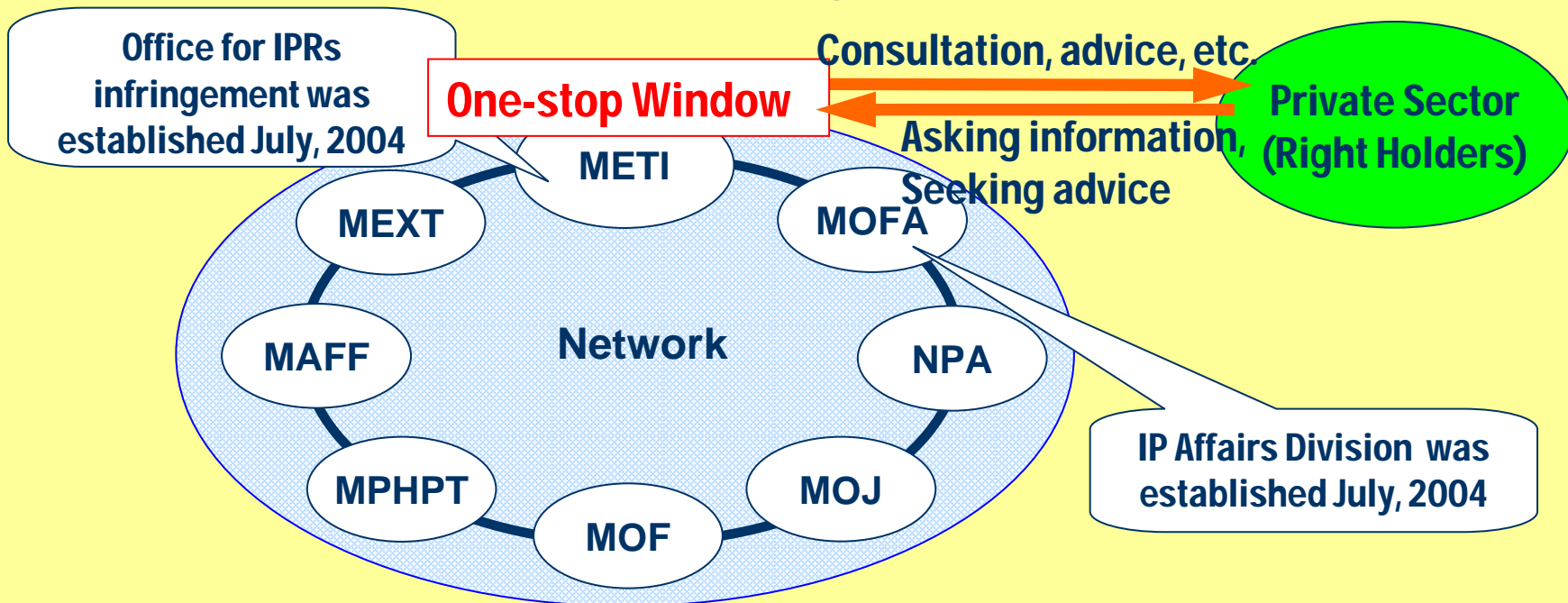
- Transaction of fake brands via internet auction
- Digital piracy in cyberspace



Measures Against Counterfeiting and Piracy

4 . Collaboration among Governmental Organizations

One-stop window opened in August



The Intra-Government Council at DG-level, consisting of 8 ministries as described above, was formed to coordinate policies and exchange information.