IV. CUSTOMS CONTROLS AGAINST GOODS INFRINGING INTELLECTUAL PROPERTY RIGHTS

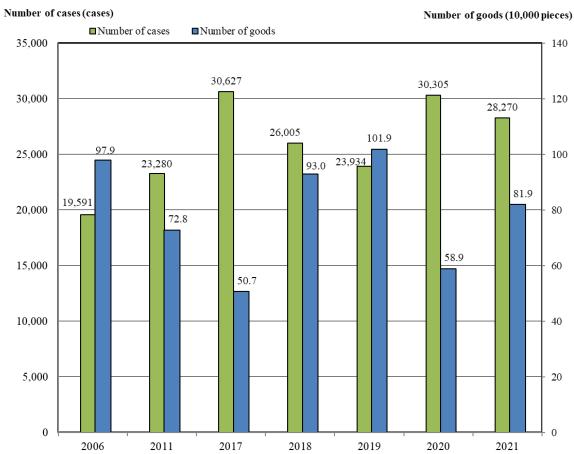
Goods infringing intellectual property rights are specified as articles prohibited from import or export under Article 69-2 and Article 69-11 of the Customs Act and are regulated by Customs at the border. When the goods are verified as infringing intellectual property rights, they are confiscated by Customs and in some cases, the relevant person may be punished under Article 109 or other provisions of the Customs Act.

1. Import Suspensions Regarding Goods Infringing Intellectual Property Rights

(1) Transition in import suspensions (2021*)

The number of import suspensions by Customs regarding goods infringing intellectual property rights was 28,270 cases (down by 6.7% from the previous year). Although the number decreased from the previous year, it remains at a high level. The number of articles suspended from import was 819,411 (up by 39.1% (id.)).

Transition in import suspensions regarding goods infringing intellectual property rights

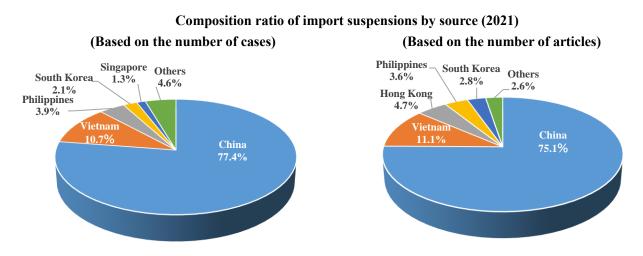


(Note) The "number of cases" refers to the number of import declarations or postal items that included goods infringing intellectual property rights whose import was prohibited by Customs. The "number of goods" means the number of goods infringing intellectual property rights whose import was prohibited by Customs.

^{*} Japan Customs' Website: https://www.customs.go.jp/mizugiwa/chiteki/pages/g 001.htm

(2) Import suspensions by source

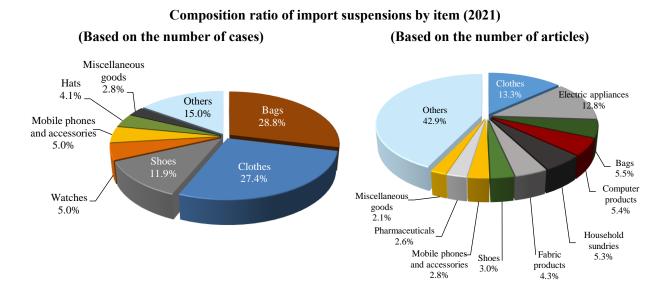
The number of import suspensions remains at a high level, with imports from China being the largest (21,885 cases; composition ratio: 77.4%; down by 15.3% from the previous year). The number of goods suspended from import was also the largest for those from China (615,539 pieces; composition ratio: 75.1%; up by 50.0% (id.)). China's composition ratios remain to be high both in terms of the number of cases and the number of articles.



(Note) The total of composition ratios may not be 100% due to rounding.

(3) Import suspensions by item

The number of import suspensions was the largest for bags, such as wallets and handbags, at 9,570 cases (composition ratio: 28.8%; down by 3.6% from the previous year), and the number of articles suspended from import was the largest for clothes at 108,684 pieces (composition ratio: 13.3%; up by 60.8% (id.)).



(Note) The total of composition ratios may not be 100% due to rounding.

(4) Major import suspensions regarding goods infringing intellectual property rights

♦ Goods often subject to import suspensions

Smartphone cases (Trademark right)



Earphones (Design right)



♦ Goods for which import suspensions increased in 2021

Chopsticks (Trademark right)



Training equipment (Design right)



♦ Goods posing a risk to people's health and safety

Masks (Trademark right)



Aerosol generator cartridges (Patent right)



2. Accusation Case Related to Goods Infringing Intellectual Property Rights

During the one-year period from January to December of 2021, Customs made accusations in a total of 11 smuggling cases.

[Case 1] Smuggling of goods infringing copyrights

Customs accused three Japanese nationals who attempted to smuggle <u>a total of 175 sets (525 pieces) of DVDs infringing copyrights</u> by the use of express small-lot air cargo from Malaysia of violating the Customs Act.

(Feb. and Mar. 2021; Tokyo Customs)



[Case 2] Smuggling of goods infringing copyrights

Customs accused a Japanese national who attempted to smuggle <u>252 metal charms infringing copyrights</u> by the use of international express mail from Singapore of violating the Customs Act.

(Jan. 2021; Kobe Customs)



[Case 3] Smuggling of goods infringing trademark rights

Customs accused a Filipino and a corporation that attempted to smuggle 29 pairs of pants and one hoodie infringing trademark rights by the use of international home delivery services from the Philippines of violating the Customs.

(Feb. 2021; Nagoya Customs)



