IV. CUSTOMS CONTROLS AGAINST GOODS INFRINGING INTELLECTUAL PROPERTY RIGHTS

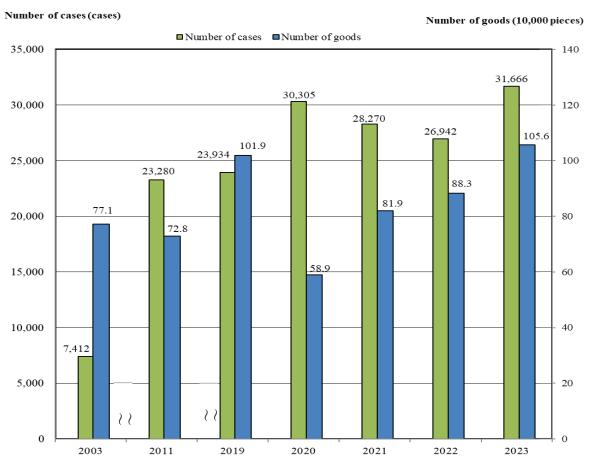
Goods infringing intellectual property rights are specified as articles prohibited from import or export under Article 69-2 and Article 69-11 of the Customs Act and are regulated by Customs at the border. When the goods are found to be infringing intellectual property rights, they are confiscated by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

1. Import Suspensions Regarding Goods Infringing Intellectual Property Rights

(1) Transition in import suspensions (2023*)

The number of import suspensions by Customs regarding goods infringing intellectual property rights was 31,666 cases (up by 17.5% from the previous year), exceeding 30,000 cases for the first time in three years and thus remaining at a high level. The number of articles suspended from import was 1,056,245 (up by 19.7% (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.

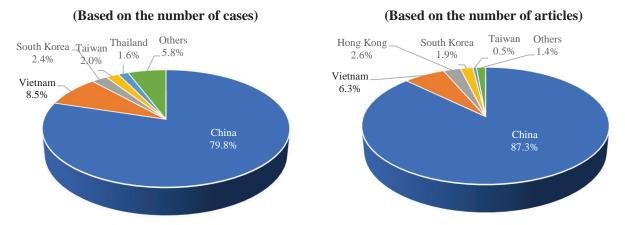
http://www.mof.go.jp/policy/customs_tariff/trade/safe_society/chiteki/cy2023/index.html (Available in Japanese)

^{*} Website of the Ministry of Finance:

(2) Import suspensions by source

The number of import suspensions remains at a high level, with imports from China being the largest (25,271 cases; composition ratio: 79.8%; up by 23.5% from the previous year). The number of goods suspended from import was also the largest for those from China (921,579 pieces; composition ratio: 87.3%; up by 37.3% (id.)). China's composition ratios remain to be high both in terms of the number of cases and the number of articles.

Composition ratio of import suspensions by source (2023)

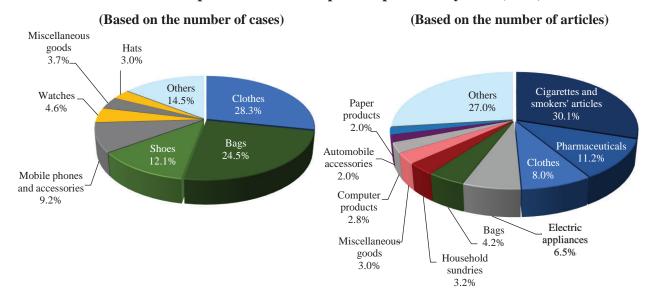


(Note) The total of composition ratios may not be 100% due to rounding.

(3) Import suspensions by item

The number of import suspensions was the largest for clothes at 10,401 cases (composition ratio: 28.3%; up by 49.4% from the previous year), and the number of articles suspended from import was the largest for cigarettes and smokers' articles at 317,764 pieces (composition ratio: 30.1%; up by approx. 5 times (id.)).

Composition ratio of import suspensions by item (2023)



(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

Hoodies (Trademark right)





Handbags (Trademark right)

◆ Goods for which import suspensions increased in 2023

Seat belt cancellers (Trademark right)



Hot eye masks (Design right)



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

Heated tobacco cartridges (Design right)



Water purifier cartridges (Trademark right)



2. Accusation Case Related to Goods Infringing Intellectual Property Rights

During the one-year period from January to December of 2023, Customs made accusations in a total of nine smuggling cases.

[Case 1] Smuggling of goods infringing trademark rights

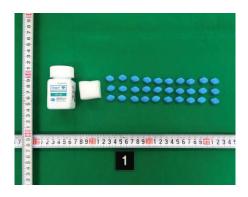
Customs accused four Pakistani nationals who attempted to smuggle 12 airbags infringing trademark rights by the use of air cargo to the United States of violating the Customs Act. (Mar. 2023; Tokyo Customs)



[Case 2] Smuggling of goods infringing trademark rights

Customs accused three Japanese nationals who attempted to smuggle <u>1,560 tablets in bottles infringing trademark</u> <u>rights</u> by the use of international mail from South Korea of violating the Customs Act.

(Mar. 2023; Moji Customs)



[Case 3] Smuggling of goods infringing trademark rights

Customs accused two Japanese nationals who attempted to smuggle <u>a total of 100 oil cap seals</u>, <u>etc. infringing trademark rights</u> by the use of air cargo from China of violating the Customs Act.

(Jun. 2023; Hakodate Customs)

