

# Overview of IP rights border measures

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## Introduction

In Japan, Customs can seize goods during export or import where they infringe various IP rights, including:

- patents;
- utility models;
- industrial designs;
- trademarks;
- copyright; and
- neighbouring rights.

In addition, Customs can seize goods which will result in unfair competition with regard to a well-known indication or configuration of goods.

## Suspension application

IP rights holders can submit a suspension application in advance to enable Customs to detect whether certain goods infringe their IP rights.

To file a suspension application, the rights holder must:

- prove its ownership of the allegedly infringed IP rights;
- prove the validity of the IP rights;
- submit the written opinion of the minister of economy, trade and industry (in the case of unfair competition);
- prove that the IP rights have been or are likely to be infringed;
- prove that there has been a *prima facie* infringement of the IP rights; and
- provide the information necessary to identify the infringing goods.

If all of the above requirements are fulfilled, the application will be approved for a maximum of four years. Existing applications may be renewable.

A suspension application may be filed with any regional Customs headquarters. The following documents should be submitted with the application:

- a certified copy of the relevant entry in the IP rights register and the publication of the IP right in the *Official Gazette*;
- *prima facie* evidence of the infringement;
- documents to enable infringing goods to be distinguished from genuine goods;
- documents providing the basis for calculating the security against damages caused by the

AUTHOR

[Noboru Taniguchi](#)



- release of suspended goods (only for patent utility models or industrial design rights); and
- a power of attorney.

The following documents should also be submitted where required:

- court judgments, preliminary injunction decisions and advisory opinions prepared by the Japan Patent Office;
- expert opinions prepared by an attorney at law or patent attorney;
- documents concerning the IP rights dispute;
- documents concerning parallel imports; and
- any other documents concerning the infringing goods.

### **Identification procedure**

If Customs suspects that certain goods infringe IP rights, it will initiate an identification procedure and notify both the importer and the IP rights holder.

In principle, both the rights holder and the importer may submit their opinions and evidence to Customs within 10 working days from the date of the notification of initiation letter's issuance.

In cases of approved suspension applications, both parties can inspect suspected goods during the identification procedure. The applicant may also conduct a sample exam.

Importers may take so-called 'voluntary disposal' measures (eg, they may destroy, abandon or reship the goods, obtain consent from the rights holder for their import or remove infringing parts).

Based on opinions and evidence from both parties, Customs will determine whether the suspected goods infringe IP rights. If an importer submits no objections, Customs will determine whether the suspected goods infringe the IP rights (excluding patent, utility model and industrial rights) without receiving opinions and evidence from the importer and the rights holder.

Customs will notify both parties of the identification procedure's result through a notification of decision letter.

If the goods are found to infringe IP rights and no voluntary disposal measures were taken during the protest period, Customs may confiscate and destroy the infringing goods. The cost of doing so will be incurred by Customs.

### **Small consignment issues**

With the rise of e-commerce, the importation of small consignments of goods into Japan has increased.

In case of small consignments, if importers argue that allegedly infringing goods will be used for personal use, their import should not constitute an IP rights infringement in Japan and Customs should release the products, even where they are infringing.

At present, Customs is considering how it should control the import of small consignments with:

- the Japan Patent Office;
- the minister of economy, trade and industry; and
- non-governmental organisations, such as the Japan Patent Attorneys Association.

### **Statistics**

There were 30,627 import seizure cases in 2017 – a 17.6% increase compared with 2016. The number of seized items in 2017 was 506,750 – a 18.6% decrease compared with 2016.

As shown in the table below, the number of import seizure cases involving goods entering Japan from China in 2017 was 28,250, which was 92.2% of the total number of cases (in other words,

almost all goods seized in Japan came from China). This trend has been the same for the past five years.

#### Number of Japanese import seizure cases per exporting country

	2013	2014	2015	2016	2017	Component ratio
China	25,844	29,553	26,670	23,916	28,250	92.2%
Hong Kong	1,053	1,369	1,227	717	828	2.7%
Philippines	214	281	392	270	430	1.4%
Korea	328	422	494	427	322	1.1%
Singapore	346	121	58	203	165	0.5%
Thailand	84	105	123	155	163	0.5%
Vietnam	16	27	22	30	95	0.3%
United States	119	30	65	68	69	0.2%
France	1	0	0	20	63	0.2%
Taiwan	62	60	70	58	55	0.2%
Others	69	92	141	160	187	0.6%
Total	28,135	32,060	29,274	26,034	30,627	100%

For further information on this topic please contact [Noboru Taniguchi](#) at Nishimura & Asahi by telephone (+81 3 6250 6200) or email ([n\\_taniguchi@jurists.co.jp](mailto:n_taniguchi@jurists.co.jp)). The Nishimura & Asahi website can be accessed at [www.jurists.co.jp](http://www.jurists.co.jp).

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