

**The Council for Intellectual Property
Protection on the Internet (CIPP)
Report for Fiscal Year 2023**

June 2024

Council for Intellectual Property Protection on the Internet (CIPP)

[Overview]

1. A Report from the Effectiveness Verification Committee

● For this fiscal year (fiscal 2023), we have continued to verify the effectiveness of the measures against infringement in the Internet auction services (from here on referred to as the “Auction”) as well as in the flea market apps (from here on referred to as “Flea-Ma”). At the same time, we have catalogued and organized the verification results based on grouping by the occurrence rate of infringing goods to show clearly the effectiveness of voluntary efforts by Rights Holders as well as C2C (customer-to-customer) marketplace operators (from here on referred to as “Platformers”).

In both groups (Group 1 and Group 2), overall, the infringement occurrence rate has been kept low. Considering the recent trends of the expansion of goods distributed on the Internet, we believe that this is a result of continued efforts made by both Rights Holders (Organizations) and Platformers based on discussions at the CIPP.

We believe that maintaining this level of infringement is worth commending. It was achieved after Rights Holders (Organizations) and Platformers cooperated with each other while keeping convenience of C2C marketplaces, which brings profits to users. And Japan is a neighboring area to China, the largest exporter of rights-infringing goods, and Vietnam and Philippines, the two nations which are rapidly expanding in this field.

● For Group 1, we confirmed that the occurrence rate of infringing goods has continued to be kept at a low level as a result of Platformers’ voluntary patrols and removals of infringing goods by alerts from Rights Holders.

● As for Group 2, as in the case of the previous fiscal year, the occurrence rate of infringing goods has been kept low. We hope that the Platformers will continue to work on necessary self-patrols so that the infringement occurrence rates will remain to be low and Group 2 will move up to Group 1.

2. A Report from the Guidelines Committee

- The committee discussed how the “Guidelines for the Prevention of Distribution of Intellectual Property Rights-Infringing Goods on the Internet” (from here referred to as the “Guidelines”) were being implemented and what the current situations were.

As a result, the participants found that it would be difficult to reflect the then-new information, proposed in fiscal 2022, in the Guidelines due to the nature of the information. However, the participants decided that they will monitor the future distribution of goods in question and use the provisional version of the Guidelines’ accompanying document as in the previous fiscal year. As a result, the expected outcome was achieved in effectiveness verification in fiscal 2023.

3. The Third Working Group

- The group decided to continue to monitor the current situation about measures to combat infringing goods in the BtoC (business-to-consumers) Platforms. It also exchanged opinions regarding measures taken by the Platforms.

[Report]

1. A Report from the Effectiveness Verification Committee

(1) The Effectiveness Verification Method

This fiscal year, as in the previous year, the committee consisted of operational staff at Rights Holders and their counterparts at Platformers and set out their implementation procedures (please see the separate document 1: “Effectiveness Verification Implementation Method”). The effectiveness verification has been conducted based on these procedures.

① The scope of effectiveness verification

This fiscal year, we examined six services, including Auction and Flea-Ma services.

② Types of exhibits for effectiveness verification

For this fiscal year, as in the previous year, we divided exhibits of goods into two categories.

(i) “Exhibits of Infringing Goods”

Exhibits of the goods that could be judged as an infringement of a copyright or a trademark, based on on-screen texts or images, which would allow (Rights Holders) to request Platformers to suspend the acceptance of such goods.

(ii) “Exhibits of Goods With a Probability of Infringement”

These are the exhibits of goods that do not directly offer visible evidence of infringement using the information provided (when checked against the Guidelines, etc.) that would allow Platformers to remove them as infringing goods but have characteristics as in the following:

① Exhibits of goods which are deemed to have infringed a copyright or trademark as a result of appraisal of on-screen texts and images by Rights Holders and, if the Rights Holders make a request for their removal, Platformers can take action for removal (“Exhibits of Infringing Goods Without Notice”), or ② exhibits of goods which are deemed as, without doubt, being infringing goods if the Rights Holders purchase and appraise the goods based on various pieces of information (“Exhibits of Goods With a High Probability of

Infringement”).

③ Grouping of Platformers

We divided Platformers’ services into Groups 1 to 3 by the occurrence rate of infringing goods’ exhibits. This aims to clarify further the achievements of voluntary action by Rights Holders and Platformers.

(i) Group 1 (The average occurrence rate of infringing goods’ exhibits in the last three years is less than 2 percent): 5 services belonged to this group

(ii) Group 2 (The average occurrence rate of infringing goods’ exhibits in the last three years is more than 2 percent but less than 10 percent): 1 service belonged to this group.

(iii) Group 3 (The average occurrence rate of infringing goods’ exhibits in the last three years is more than 10 percent): No service belonged to this group.

(2) Verification Results

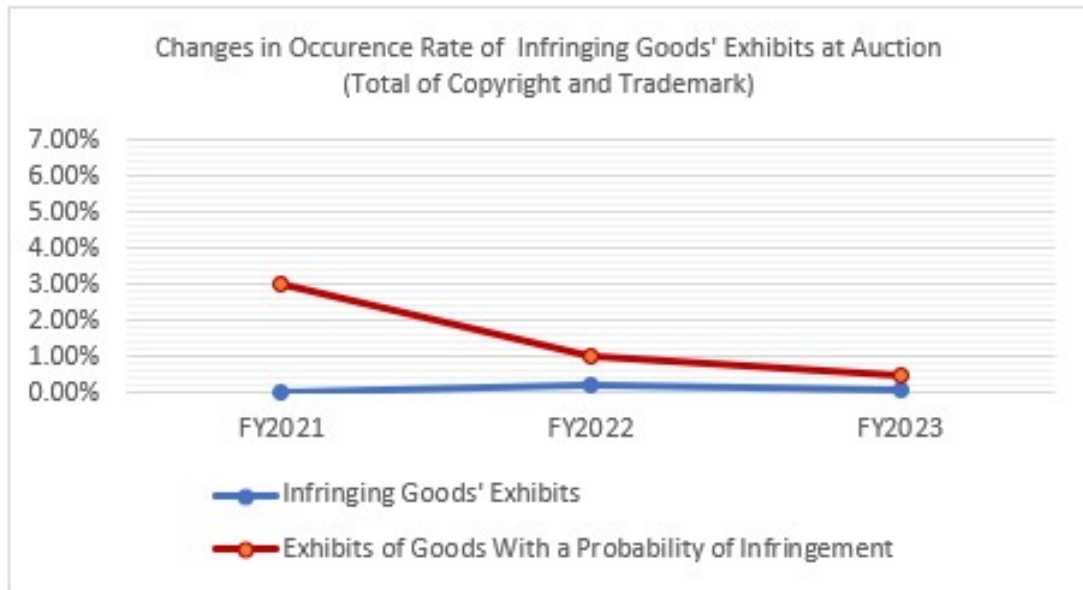
① Auction

(i) Occurrence Rate of “Exhibits of Infringing Goods”

		FY2021		FY2022		FY2023	
		# of Verified items	% of Occurrence Rate	# of Verified items	% of Occurrence Rate	# of Verified items	% of Occurrence Rate
Copyright	Group 1	1,247	0.08%	1,187	0.08%	1,118	0.00%
	Group 2	—	—	—	—	—	—
	Group 3	—	—	—	—	—	—
Trademark	Group 1	4,127	0.02%	2,480	0.28%	2,671	0.11%
	Group 2	—	—	—	—	—	—
	Group 3	—	—	—	—	—	—
Total	Group 1	5,374	0.04%	3,667	0.22%	3,789	0.08%
	Group 2	—	—	—	—	—	—
	Group 3	—	—	—	—	—	—

(ii) Occurrence Rate of “Exhibits of Goods with a Probability of Infringement”

		FY2021		FY2022		FY2023	
		# of Verified items	% of Occurrence Rate	# of Verified items	% of Occurrence Rate	# of Verified items	% of Occurrence Rate
Copyright	Group 1	1,247	3.53%	1,187	0.17%	1,118	0.27%
	Group 2	—	—	—	—	—	—
	Group 3	—	—	—	—	—	—
Trademark	Group 1	4,127	2.86%	2,480	1.45%	2,671	0.60%
	Group 2	—	—	—	—	—	—
	Group 3	—	—	—	—	—	—
Total	Group 1	5,374	3.01%	3,667	1.04%	3,789	0.50%
	Group 2	—	—	—	—	—	—
	Group 3	—	—	—	—	—	—



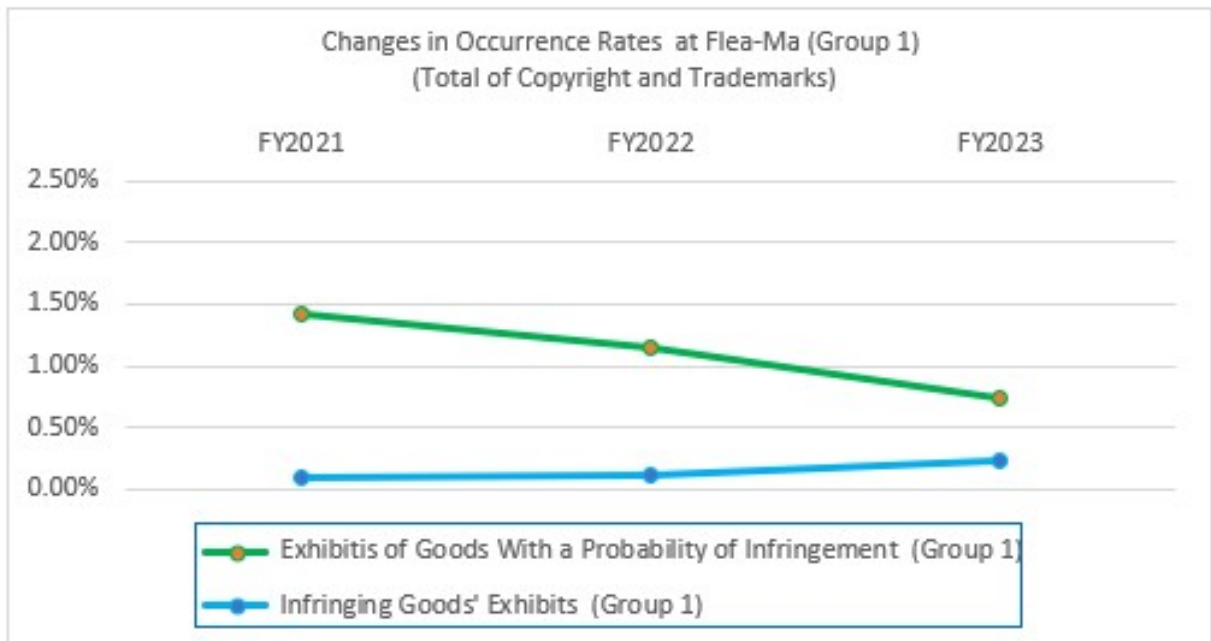
② Flea-Ma

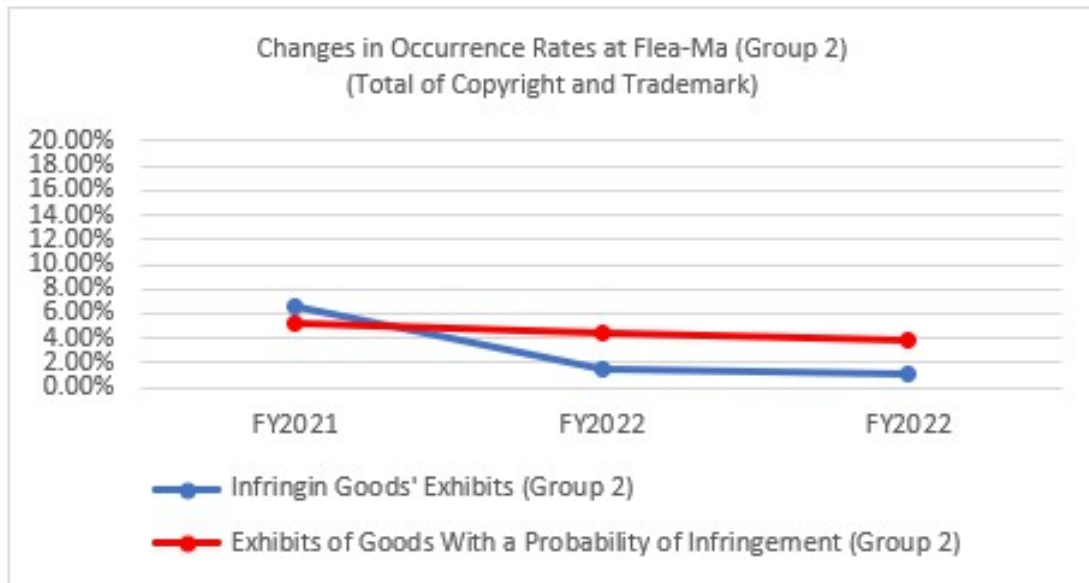
(i) Occurrence Rate of “Exhibits of Infringing Goods”

		FY2021		FY2022		FY2023	
		# of Verified items	% of Occurrence Rate	# of Verified items	% of Occurrence Rate	# of Verified items	% of Occurrence Rate
Copyright	Group 1	2,813	0.18%	2,611	0.08%	2,664	0.23%
	Group 2	112	0.00%	26	0.00%	453	0.00%
	Group 3						
Trademark	Group 1	7,069	0.07%	4,802	0.12%	4,575	0.24%
	Group 2	1,171	7.17%	731	1.50%	813	1.72%
	Group 3						
Total	Group 1	9,882	0.10%	7,413	0.11%	7,239	0.23%
	Group 2	1,283	6.55%	757	1.45%	1,266	1.11%
	Group 3						

(ii) Occurrence Rate of “Exhibits of Goods With a Probability of Infringement”

		FY2021		FY2022		FY2023	
		# of Verified items	% of Occurrence Rate	# of Verified items	% of Occurrence Rate	# of Verified items	% of Occurrence Rate
Copyright	Group 1	2,813	2.17%	2,611	0.31%	2,664	0.15%
	Group 2	112	0.00%	26	0.00%	453	0.00%
	Group 3						
Trademark	Group 1	7,069	0.98%	4,802	1.42%	4,575	0.70%
	Group 2	1,171	5.64%	731	4.51%	813	5.90%
	Group 3						
Total	Group 1	9,882	1.32%	7,413	1.03%	7,239	0.50%
	Group 2	1,283	5.14%	757	4.36%	1,266	3.79%
	Group 3						





(3) An Analysis of Verification Results

① Auction

All Auction services are categorized in Group 1. The occurrence rate of “Exhibits of Infringing Goods” has been kept much lower than in the previous fiscal year. The occurrence rate of “Exhibits of Goods With a Probability of Infringement” also further went down from the previous fiscal year.

Also, in one of the services categorized in Group 2, its occurrence rate of “Exhibits of Infringing Goods” rose in fiscal 201 because removals measures to some of the goods fell behind. However, as this problem was solved in fiscal 2022, the rate dropped. During the fiscal 2023, we successfully managed to maintain the decline of the rate as well as in the case of “Exhibits of Goods With a Probability of Infringement.” That said, in our current situation, those who try to sell infringing goods rack their brains to find ways to exhibit goods which will be hard to remove. There are repeated battles of this kind. Therefore, we hope to continuously focus on implementation of measures to protect intellectual property.

② Flea-Ma

Although we verified six services in the last fiscal year, two of them have closed down. Therefore, for this fiscal year, we verified four services.

In three services categorized in Group 1, the occurrence rates of infringement have been very low for “Exhibits of Infringing Goods” as well as “Exhibits of Goods With a Probability of Infringement.” The rates have been in decline every year. We believe that this is the result of CIPP’s work. We hope that we will continue our efforts to keep this falling trend including finding new ways to tackle counterfeit issues.

One service in Group 2 saw a higher occurrence rate of “Exhibits of Infringing Goods” last fiscal year because it could not cope with the removals of some of the goods due to an increase in infringing goods. However, this issue has been solved this year and the rate has fallen. This service shows commitment to act proactively in removing the goods and other measures. We hope they will continue their efforts.

③ Summary

To sum up, we can confirm that the measures to combat rights-infringing goods through the CIPP are working as Rights Holders and Platformers accumulate and share knowledge about these goods and exchange opinions about how to deal with them.

Also, in this fiscal year, the occurrence rates of “Exhibits of Infringing Goods” as well as “Exhibits of Goods With a Probability of Infringement” were kept low. We believe that this deserves a nod of acknowledgement.

We will continue to implement effective measures further such as revising the Guidelines when and if needed, by sharing information, analysis and review among Rights Holders and Platformers.

(4) Others

Verifying the effectiveness of the implementation is an indicator that shows how proactively both Rights Holders and Platformers at the CIPP have dealt with infringement eradication. Therefore, it needs to be conducted by a suitable and effective method which reflects reality accurately. In this context, we will continue to review and renew the existing methods to find

new ways which are more suitable to Platformers' characteristics and to understand what's happening.

Also, using the results of a voluntary survey, we should make a detailed analysis of various issues at the time and find a way to implement countermeasures. We believe it is important to continue to make suggestions that will lead to revising the CIPP's Guidelines and mapping out various measures to stop the distribution of infringing goods.

We should not hesitate to try out recently developed technology, such as AI, equipment and methods. We hope to continue to exchange information to discover the most economical and less time-consuming measures to combat infringing goods.

2. A Summary of Activities of the Guidelines Committee

(1) Revision of the Guidelines

As there have been good results in implementing the countermeasures based on the current Guidelines, we agreed that it is desirable that effective verification be conducted this fiscal year using the current Guidelines.

(2) Revision of the accompanying document to the Guidelines

Regarding adding the information to the Guidelines' accompanying document, proposed in around August 2022 by Rights Holders, the full members agreed to do so at a meeting of the Guidelines Subcommittee in October 2022. The provisional version was made in November 2022. After the effectiveness verification for fiscal 2022 as well as fiscal 2023 (conducted in January to February 2022 and January to February 2024), this version was used.

Meanwhile, in fiscal 2023, we continued our discussion on issues related to this matter. The new information was not about "expressions" which was covered by the current Guidelines but of the kind that needs to be checked by seeing their images. Some participants pointed out that there may be a possibility that judgement may vary depending on the quality of the images such as misprints on the goods.

As a result, the participants agreed that it would be difficult to add new information of this kind to be added to the Guidelines. Instead, we will take necessary measures and have discussions while monitoring illegal goods which have characteristics of the information in question.

We will discuss more whether to upgrade the proposed version into the revised version, depending on the issue's trends and new factors.

(3) Agendas

The first meeting (held on Wednesday, May 31, 2023)

--The participants discussed what should be on the agenda at the Guidelines Committee for this fiscal year.

--They listened to opinions on the suggested information from Rights Holders which proposed the issue and Platformers. The participants decided not to adopt it.

--The participants brought other suggestions for revising the accompanying document for the next fiscal year and discussed whether it will be used.

3. A Report of the Third Working Group

(1) Measures to combat infringing goods at BtoC Platformers

The appearance of infringing goods at BtoC Platformers has been an issue. The participants decided to gather information to map out the framework of countermeasures. For this purpose, the participants agreed to monitor exhibitors in the BtoC Platforms and how the Platformers deal with infringing goods such as how they were patrolling their markets after the goods were on their sites. This information was brought to us from the Platformers and the attendants exchanged their opinions. For the next fiscal year, the participants will continue to hear how Platformers deal with the situation and what kind of information from Rights Holders will be effective.

4. A Summary of Activities for This Fiscal Year

For this fiscal year, the Guidelines Committee reviewed the Guidelines' accompanying document. At the same time, through the Effectiveness Verification Committee the

effectiveness of the measures was verified.

It was confirmed that we continued to bring down the occurrence rate of infringed goods to a low rate by promoting a “Japanese approach” in which both Rights Holders and Platformers respect each other’s positions and collaboratively stand up to infringers.

On the issue of how to deal with infringing goods at BtoC Platformers, which was referred to in last fiscal year, during this fiscal year, we exchanged opinions at the CIPP about how the Platformers were dealing with the situation. In the next fiscal years, we will take consideration of the situation on the ground and continue to find out what measures would be the best.

The CIPP has been promoting proactive efforts to prevent distribution of intellectual property infringing goods through dialogue and discussion between Rights Holders and Platformers.

For example, Rights Holders and Platformers cooperate and discuss issues about each type of intellectual property infringing goods. This will be reflected in the Guidelines when necessary and proactive patrols based on the Guidelines by Platformers is being improved. The effectiveness verification results support this cooperation, which has a very important meaning as a scheme amongst private companies to protect consumers.

In the future, when the relevant government ministries and agencies consider policies to protect consumers, we hope that the CIPP’s efforts by private organizations will be used as a reference to build an environment for consumer protection.

We will continue to make public the results of the CIPP’s efforts and discuss measures for a new type of infringement.

Various Statistical Data

■ Number of goods exhibited (Unit: 10,000)

	2021	2022	2023
Total no. of goods exhibited	12,989	11,442	13,577

- ▷ Total figures for fiscal 2021 were from seven out of nine official members of the CIPP.
- ▷ Total figures for fiscal 2022 were from six out of nine official members of the CIPP.
- ▷ Total figures for fiscal 2023 were from five out of eight official members of the CIPP.
- ▷ To calculate, we measured the number of items on offer at a certain time on a certain day in December of the relevant year and then calculated the daily average as “the total number of goods exhibited.”
- ▷ It is difficult to compare figures year-by-year and see a trend because of the variation of the number of Platformers investigated differs at the time when the data was collected.

■ Number of self-deletions

	2021	2022	2023
Copyrights	232,284	137,317	122,866
Trademark rights	1,988,637	1,454,671	1,520,088
Total	2,220,921	1,591,988	1,642,954

- ▷ Total figures for fiscal 2021 were from seven out of nine official members of the CIPP.
- ▷ Total figures for fiscal 2022 were from six out of nine official members of the CIPP.
- ▷ Total figures for fiscal 2023 were from five out of eight official members of the CIPP.
- ▷ As in the case of the table about the number of goods exhibited, it is difficult to compare figures year-by-year and discover a trend.

■ Number of deletion requests from Rights Holders

	2021	2022	2023
Copyrights	121,778	199,644	83,708
Trademark rights	587,144	718,856	556,264
Total	708,922	918,500	639,972

- ▷ Total figures for fiscal 2021 were from eight out of nine official members of the CIPP.

- ▷ Total figures for fiscal 2022 were from six out of nine official members of the CIPP.
- ▷ Total figures for fiscal 2023 were from five out of eight official members of the CIPP.
- ▷ The figures include the deletions of individual items as well as deletions made after removals of sellers from the service.
- ▷ Some Rights Holders change services and goods that they focus on during their surveillance in order to effectively combat the infringement of intellectual property rights. Therefore, it is difficult to compare figures year-by-year and demonstrate a trend.

Principles of the Japanese Approach

1. Both parties (Rights Holders and Platformers) must be aware that they should fully respect each other's positions and then make collaborative efforts in standing up against their common enemies, that is, infringers, to protect not only their own interests but also the interests of consumers among others.
2. Rights Holders must be made aware that they should enforce their own rights, which are not automatically protected.
3. Platformers should be aware that they should make active efforts to protect intellectual property rights for the development of a sound Internet.
4. Both parties must be made aware during the promotion of countermeasures that they should agree on the equal importance of the protection of intellectual property rights and the securement of users' freedom for business and the secrecy of communication, and that they should take actions not to undermine the value of either aspect of business.