

▶ Agricultural, Forestry and Fisheries Law Practice Team Newsletter

Atsumi & Sakai's Agricultural, Forestry and Fisheries Law Practice Team (AFFL Team) consists of four lawyers and one advisor, each of whom has different strengths and provides a wide variety of high quality legal services in the areas of agriculture, forestry, and fisheries ("AFF") ranging from support for overseas transactions and overseas expansion (or closure), drafting and reviewing agreements for complex purchase and sale transactions, licensing and other intellectual property rights, communications with authorities (such as the Fair Trade Commission), and dispute resolution.



Geographical Indication Protection System (Part I of 2)

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Introduction

Four years have passed since the Geographical Indication Protection System ("GI System") was adopted pursuant to the Act on Protection of the Names of Specific Agricultural, Forestry and Fishery Products and Foodstuffs (Act No. 84 of June 25, 2014). During this four-year period, following the development of domestic laws in conjunction with the conclusion of the TPP^[1] and the effectuation of the Japan-EU EPA, the GI system has moved forward from the time of its introduction and entered a new phase. In this newsletter, we will provide an overview of the GI System, the amendments to the GI Act, and the mutual protections under the Japan-EU EPA.

Please note that, due to space constraints, we are dividing this article into two parts.

The Geographical Indication System

I. What is "geographical indication" ?

A geographical indication is a name of a product — such as an agricultural, forestry or fishery product, or a food — which can identify the place of origin of such product, and that place of origin is linked to the established characteristics of the product, such as quality and reputation.^[2]

For example, when one hears "Yubari Melon"^[3] it brings to mind the characteristics of the fruit being produced in Yubari, Hokkaido, and the flesh of the melon, which is orange and sweet (having a high sugar content), and a characteristic rich aroma. In this way, when the origin and characteristics of a product can be identified from the name of the product, the name of the product associated with the origin is referred to as a "geographical indication".

A geographically indicated product is differentiated from other products, and has a certain brand value, so it is essential that they be protected from counterfeit products. Under the WTO's TRIPS Agreement^[4], geographical indications are designated as an intellectual property right, and more than 100 countries worldwide protect geographical indications.^[5]

Japan, too, has a large number of products derived from various regional characteristics, and there has been high demand for the maintenance and improvement of brand value. In addition, as economic partnerships with foreign countries have progressed, there has been growing demand for the protection of local products

from counterfeits imported into Japan from overseas. In response, the GI system was introduced in our country in 2015 to protect GIs as intellectual property rights.

2. Overview of the GI system^[6]

(1) Registration

A GI registration for a product is made by a regional producers' association based on the product's name, origin, characteristics, production methods and quality standards, etc.

GI registration is possible for (1) agricultural, forestry and fishery food products, (2) food products and beverages, (3) ornamental plants, industrial crops and other non-food agricultural, forestry and fishery products, and (4) animal feed, essential oils and other non-consumable processed goods. Alcoholic beverages, pharmaceuticals, quasi-pharmaceuticals, cosmetics and regenerative medical products are excluded.

[1] Act on Development of Relevant Acts Accompanying the Conclusion of the Trans-Pacific Partnership Agreement (the title was revised by Act No. 108 of 2016 and Act No. 70 of 2018.)

[2] Ministry of Agriculture, Forestry, and Fisheries, Food Industry Affairs Bureau, "Regarding the Geographical Indications Act: Act on Protection of the Names of Specific Agricultural, Forestry and Fishery Products and Foodstuffs," (https://www.maff.go.jp/e/policies/intel/gi_act/) (Revised edition, December 10, 2019) p. 1

[3] Information Website on Japan's Geographical Indications (<https://gi-act.maff.go.jp/en/register/entry/4.html>) Yubari Melon (Registration Number: 4)

[4] Its official name is "Agreement on Trade-Related Aspects of Intellectual Property Rights" (the Agreement on Trade-Related Aspects of Intellectual Property Rights in Annex 1C to the Marrakesh Agreement Establishing the World Trade Organization (Convention No. 15 of 1994)). Geographical indications are provided in Section 3 of the Agreement and are defined as "indications which identify a product as originating in the territory of a Member, or a region or locality in that territory, where a given quality, reputation or other characteristic of the product is essentially attributable to its geographical origin." (Article 22 (1) of the TRIPS Agreement).

[5] Ministry of Agriculture, Forestry, and Fisheries, Food Industry Affairs Bureau, referred to in footnote 2 above, page 5

[6] Ministry of Agriculture, Forestry, and Fisheries, Food Industry Affairs Bureau, referred to in footnote 2 above, page 2

The application must be made by a group of producers, meaning a single producer cannot apply for registration. The applying entity does not need to have a legal personality, but it must be a group and provide in its articles of incorporation, bylaws or a similar document to allow free admission of new members.

With the registration, the product name is added to the register of specific agricultural, forestry and fishery products and foodstuffs and eligible to receive protection under the Geographical Indication Act as a GI.^[7]

(2) Geographical indication and use of the GI Mark

Products that meet the registration criteria may use the geographical indication and the GI Mark (a registered symbol). The GI Mark certifies that a product is a true GI product registered under the GI Act and differentiates it from other similar items.^[8]



The large red disk of the GI Mark symbolizes the rising sun above Mt. Fuji and a water surface. The design expresses "Japanese style" with red and gold, the color of the rising sun (Hinomaru) of the Japanese national flag and a formal and traditional Japanese color, as the main colors.

(Adapted from Ministry of Agriculture, Forestry and Fisheries website https://www.maff.go.jp/j/shokusan/gi_act/gi_mark/)

(3) Illicit use of GI

The government supervises illicit use of GI and the GI Mark, which means that the producers are able to protect the brand value of their products without incurring legal expenses related to filing suit or other measures. For example, if a GI is used for products that do not match the registration, by a person who is not a constituent member of the association that made the registration, or by a person who is a constituent member of the association but does not meet the registered criteria, the Minister of Agriculture, Forestry and Fisheries (the "MAFF") can issue an injunction to the party making illicit use of the GI to delete or remove such indications. Failure to comply with such order is subject to imprisonment with work for no more than five years or a fine of no more than JPY 5 million in the case of a natural person or a fine of no more than JPY 300 million in the case of a juridical person. Our team provides assistance to domestic and foreign organizations for appealing to the MAFF for the issuance of such injunctions.



(Created by editing images from Ministry of Agriculture, Forestry and Fisheries website <https://gi-act.maff.go.jp/en/register/>)

(4) GI is a shared regional asset

As was stated in (1) above, the registering group of producers must allow free admission of new members, meaning any producers in the region will gain access to the GI by joining the group that registered the GI. On the other hand, the registration of production methods and quality standards in addition to the name ensures that the products are of uniform quality. This system allows GIs to be protected as shared regional assets.

3. Current GI registrations

As of December 17, 2019, 88 products from 39 prefectures and one Italian product (Prosciutto di Parma) for a total of 89 products have been registered as GIs.^[9]

4. Effect of registration^[10]

- (1) Persons who transfer or deliver GI registered products and persons who display or import or export them for the purpose of transfer or delivery may use the GI on the registered product and its packaging, container, advertisements, price list, and transaction documents (including such information provided in an electronic format).
- (2) Meanwhile, use of the GI and similar indications by persons other than the registering party is restricted with the following exceptions:
 - (i) Use of geographical indication on processed goods made using GI registered products; For example, indicating juice made with Yubari Melon as "Yubari Melon Juice."
 - (ii) Use of a registered trademark for which the application was submitted prior to the day of the GI registration (excluding for fraudulent purposes); and
 - (iii) Those who have used a name identical to a GI product without fraudulent purpose from before the day of the GI registration may, in principle, continue using the name for the same product for a period of seven years from the day of registration. If the origin of such earlier product is identical to a domestic GI product, the same name can be used even after the period of seven years has passed provided that an appropriate indication to avoid confusion with the GI product is used.

[7] A registration and license tax of JPY 90,000 is required for registration. However, unlike trademarks or patents, no renewal procedures are necessary after a given period of time.

[8] http://www.maff.go.jp/j/shokusan/gi_act/gi_mark/

[9] Ministry of Agriculture, Forestry, and Fisheries, Food Industry Affairs Bureau, referred to in footnote 2 above, page 4

[10] Ministry of Agriculture, Forestry, and Fisheries, Food Industry Affairs Bureau, as referred to in footnote 2, page 12

5. Regional Collective Trademarks as a parallel system

The Regional Collective Trademarks system allows a group from a specific region to protect the brand of agricultural, forestry and fishery food products, etc. by registering the origin and product name, etc. as a trademark.

The system is similar to the GI system in that it shields regional brands by protecting the product and its name, but differs in that it does not require the registration of production methods or quality standards, although the regional groups have the right to freely establish such standards. Another difference is that to protect the brand from violations, the holder of the trademark rights has to exercise its right to file a claim for damage compensation, unlike with a GI.

As the need for brand protection differs between products, it is recommended to consult with an attorney or other expert when deciding which registration, if not both, to apply for.

(To be continued in No. AFFL_005)

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Please see notice 2. below regarding any subsequent Japanese law advice.

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Atsumi & Sakai Legal Professional Corporation also wholly-owns a subsidiary, Atsumi & Sakai Europe Limited (a company incorporated in England and Wales (No: 09389892); sole director Naoki Kanehisa, a lawyer admitted in Japan), as its London Office. It also has an affiliate office in Frankfurt, Atsumi Sakai Janssen Rechtsanwalts-gesellschaft mbH, a German legal professional corporation (local managing director: Frank Becker, a lawyer admitted in the Federal Republic of Germany).

2. Legal Advice

Unless stated otherwise by A&S, any legal advice given by A&S is given under the supervision and authority of (i) in respect of Japanese law or any laws other than foreign laws on which our foreign lawyers are registered in Japan to advise, a specified lawyer admitted in Japan at A&S, or (ii) in respect of any foreign law on which our foreign lawyer is registered in Japan to advise, such registered foreign lawyer.