

June 22, 2018

Koichi Tamura
Chief Manager
Liquor Tax and Industry Division, Taxation Department
National Tax Agency

Koichi Matsuzawa
Chairman
Japan Wines and Spirits Importers' Association

Petition

We ask that you enact a National Tax Agency Notice based on the provisions of Article 86-6 of the Act on Securing of Liquor Tax and on Liquor Business Associations and introduce legal restrictions towards the eradication of the distribution of imported liquor products from which the lot code has been deleted, etc.

This association is a group whose constituent members are importers of imported liquor products, etc., and all of our member companies are striving for the maintenance of the quality of imported liquor products and their safety from the perspectives of the promotion of sales of imported liquor products, the prevention of accidents, and consumer protections such as post tracking, etc.

If an accident, etc., occurred, in association with the distribution of an imported liquor product from which the lot code had been deleted, etc., there is a danger that the timing and place of manufacture of the product could not be specified and if quality deterioration occurred because of no quality management in the distribution process, it could detract from the trust of consumers, damage the brand image of the exporting liquor product manufacturer and also lead to existential problems for the importer.

The National Tax Agency issued Liquor Tax Notice 5-24 headed "Imported liquor products from which the lot codes have been deleted, etc. (request)" on September 19, 2014, indicating an official opinion to the effect that "The distribution of liquor products from which the lot codes have been deleted, etc., may cause doubts over

consumer trust in liquor products and is undesirable.” Also, from April last year, imported liquor products from which the lot codes have been deleted, etc., has been taken up as an example problem in the educational materials for liquor sales management training and efforts are also being made to remind distributors.

However, I feel keenly aware that the distribution of liquor products from which the lot codes have been deleted, etc., will remain unending and that this problem cannot be solved by administrative guidance alone.

According to the opinion of Professor Katsuya Tamai of Tokyo University, an authority on intellectual property rights, products from which the lot codes have been deleted, etc., are considered to fall under infringements of trademark rights as they impair their quality assurance function, one of the main functions of trademark rights, because they are not covered by quality control. Also, he has made assertions to the effect that Japan should restrict products with such defects from floating around the market to maintain and improve the order of distribution of imported liquor products in conformance with international standards.

Article 86-6(1) of the Act on Securing of Liquor Tax and on Liquor Business Associations (hereinafter referred to as “Act on Liquor Business Associations”) provides that “The Minister of Finance … may establish the required standards that liquor sellers should observe … when it is recognized that the adjustment of labelling is required to contribute to the smooth operation of liquor business and the interests of consumers.”

Consequently, this is not to request that you make lot codes themselves obligatory, but we do ask strongly as an association that you enact a National Tax Agency Notice based on the provisions of Article 86-6 of the Act on Securing of Liquor Tax and on Liquor Business Associations and introduce legal restrictions towards the eradication of the distribution of imported liquor products from which the lot code has been deleted, etc., because the act of deleting, etc., of a lot code and the act of causing the distribution of products from which the lot code has been deleted, etc., fall under trademark infringements.

I attach the opinion from Professor Katsuya of Tokyo University and submit this petition.

End