



International IP Management [No. 11]

IPR issues in Asian (and Latin American) Regions

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Working History

1987 Graduated from Hitotsubashi Univ.

Joined Ajinomoto Co., Inc. (Ajinomoto Co.)

Worked for Legal Sec. General Affairs Dept.

1996 Moved to Overseas Business Dept.

→Occurred Japanese Embassy Hostage Crisis in Peru

1998 Moved to Ajinomoto del Peru S.A.

→Worked as Marketing Manager or Sales Manger.

2002 Came back to Ajinomoto Co.

Working for Marketing & Trademarks Sec., IP Dept.

(2007~2008 Studied at Graduate School,

Southern California Univ. Became NY Attorney)

Purpose of today's lecture

1. IP is mere a component of more important property.
2. Thoughts and activities beyond the IP are required in Business.


Outline

- I. What Ajinomoto Co. is doing
- II. Property called “confidence”
- III. Intellectual Property on technology.
- IV. Intellectual Property on the name of product.
- V. Struggle to protect consumer (My experience at Peru)
- VI. Conclusion

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I. What Ajinomoto Co. is doing

1. Manufacturing “AJI-NO-MOTO®” (MSG; Umami Seasoning), which is made from , with fermentation process (technology patented).

Manufacturing Plant is in 9 countries (Thailand, Malaysia, Indonesia, Singapore, Vietnam, US, Peru, Brazil, France).



I. What Ajinomoto Co. is doing

“AJI-NO-MOTO®” or Umami material is historically found in the extract of , and it enhances the taste of foods. It is used for various plates, such as stir-fried vegetables, soup, egg dish and so on.

In Peru, it is used in marinated fish also.

Stir fried vegetables

<http://park.ajinomoto.co.jp/recipe/card/705707>

Fried egg

<http://park.ajinomoto.co.jp/recipe/card/706096>

Peruvian marinated fish (Ceviche)

<https://www.ajinomoto.co.jp/foodservice/recipepro/detail.aspx?recipe=27671>

I. What Ajinomoto Co. is doing

2. Manufacturing flavor seasoning which fits to each country's taste, with mixing and/or granulation process (technology is Know-How).
In Japan, we sell “Hondashi®”, which has dried taste (traditional Japanese soup base).



I. What Ajinomoto Co. is doing

<Flavor seasonings in various countries>

Thailand “Ros Dee®”



Vietnam “Aji-ngon®”



Philippines

“Ginisa®” flavor mix



Indonesia “Masako®”



Brazil “Sazon®”



Peru “Dona Gusta®”



I. What Ajinomoto Co. is doing

3. Manufacturing other processed food products, amino acid, feed additives, pharmaceuticals, and so on.

Genuine Chinese dish sauce “Cook Do®”



Amino acid mix to recover from muscle Damage “Amino Vital®”



Feed additive lysine for cow, “AjiPro-L®”



I. What Ajinomoto Co. is doing

France

- **AJI-NO-MOTO®** (umami seasoning)
- **L-Lysine** (food-use amino acid)
- **L-Threonine** (food-use amino acid)
- **L-Tryptophan** (food-use amino acid)
- **Aspartame** (artificial sweetener)
- **ACTIVA®** (enzyme AC/D/A)

Belgium

- **Pharmaceutical fine chemicals**
- **Amino acids**

Poland

- **SAMSMAK®** (instant noodle)
- **Yam Yam®** (instant noodle)

Nigeria

- **AJI-NO-MOTO®** (umami seasoning)

India

- **AJI-NO-MOTO®** (umami seasoning)

Thailand

- **AJI-NO-MOTO®** (umami seasoning)
- **ROSDEE®** (flavor seasoning)
- **Takumi-Aji** (sauce)
- **VONO®** (sauce)
- **Birdy®** (instant coffee)
- **Yam Yam®** (instant noodle)
- **Frozen Foods**
- **Lite Sugar** (low-calorie sweetener)
- **L-Lysine** (food-use amino acid)
- **CALPIS-LACT** (milk serum beverage)

Malaysia

- **AJI-NO-MOTO®** (umami seasoning)
- **TUMIX®** (flavor seasoning)
- **SERAJI®** (sauce)
- **VONO®** (sauce)
- **PAL SWEET®** (artificial sweetener)
- **TENCHO M-SERIES** (sauce)
- **ACTIVA®** (enzyme AC/D/A)

Singapore

- **AJI-NO-MOTO®** (umami seasoning)

Indonesia

- **AJI-NO-MOTO®** (umami seasoning)
- **Masako®** (flavor seasoning)
- **Sajiku®** (sauce)
- **CALPICO®** (milk beverage)
- **Birdy®** (instant coffee)

Philippines

- **AJI-NO-MOTO®** (umami seasoning)
- **Ajinomoto Ginisa Flavor Mix** (flavor seasoning)
- **CRISPY FRY®** (sauce)
- **FRES-C®** (powdered drink mix)

China

- **AJI-NO-MOTO®** (umami seasoning)
- **Yanlong®** (sauce)
- **MOR CHU GAOTANG®** (flavor seasoning)
- **WEIDUDU®** (sauce)
- **Frozen Foods**
- **AMOY®** (Chinese ethnic sauce)
- **PAL SWEET Calorie Zero** (artificial sweetener)
- **L-Lysine** (food-use amino acid)
- **Amino Acids** (amino acids for pharmaceuticals and foods)

South Korea

- **HON-DASHI®** (flavor seasoning)
- **VONO®** (sauce)

Taiwan

- **AJI-NO-MOTO®** (umami seasoning)
- **HON-DASHI®** (flavor seasoning)
- **VONO®** (sauce)
- **CALPIS®** (condensed milk serum beverage)

U.S.A.

- **AJI-NO-MOTO®** (umami seasoning)
- **Frozen Foods**
- **amino VITAL®** (amino acid supplement)
- **L-Lysine** (food-use amino acid)
- **L-Threonine** (food-use amino acid)
- **Amino Acids** (amino acids for pharmaceuticals and foods)

Mexico

- **AJI-NO-MOTO®** (umami seasoning)
- **HON-DASHI®** (flavor seasoning)

Peru

- **AJI-NO-MOTO®** (umami seasoning)
- **Dona-Ginisa®** (flavor seasoning)
- **AJI-NO-SILLAO®** (sauce)
- **Ajinomoto®** (instant noodle)

Brazil

- **AJI-NO-MOTO®** (umami seasoning)
- **Sazon®** (flavor seasoning)
- **Sabor a mi** (flavor seasoning)
- **VONO®** (sauce)
- **Instant Noodles**
- **Refresco MID®** (powdered drink mix)
- **FIT®** (large size powdered drink mix)
- **L-Lysine** (food-use amino acid)
- **L-Threonine** (food-use amino acid)
- **Amino Acids** (amino acids for pharmaceuticals and foods)

A Local Presence in Markets Around the World

The Ajinomoto Group has established a presence in 22 countries and regions throughout the world in order to expand its business operations in food products, amino acids, pharmaceuticals, and other fields. At present our products are sold in over 130 countries and regions, and we have plans to both expand to new markets and further broaden our product lineups. Following is an introduction to the Ajinomoto Group's major production bases and target markets worldwide, as well as a description of our products.

I. What Ajinomoto Co. is doing

<For the advanced study>

1. Please study about Umami widely used in Japanese food, which is one of five basic taste, (i.e. sweet, sour, salty, bitter and umami), through the following document (“Umami: why the fifth taste is so important”).

<http://www.theguardian.com/lifeandstyle/wordofmouth/2013/apr/09/umami-fifth-taste>

2. Please study what kind of science based social business Ajinomoto Co. is trying to start in Ghana through the following document (“The Ghana Nutrition Improvement Project”).

[The Ghana Nutrition Improvement Project | Initiatives for Sustainability | Sustainability | Ajinomoto Group](#)

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II. Property called confidence

(Vietnam Case)

1. Vietnam background

- Do you know Vietnam is a country whose economic growth is 5-6% for these years.
- Do you know GDP of Vietnamese is very low although they are diligent and work hard.

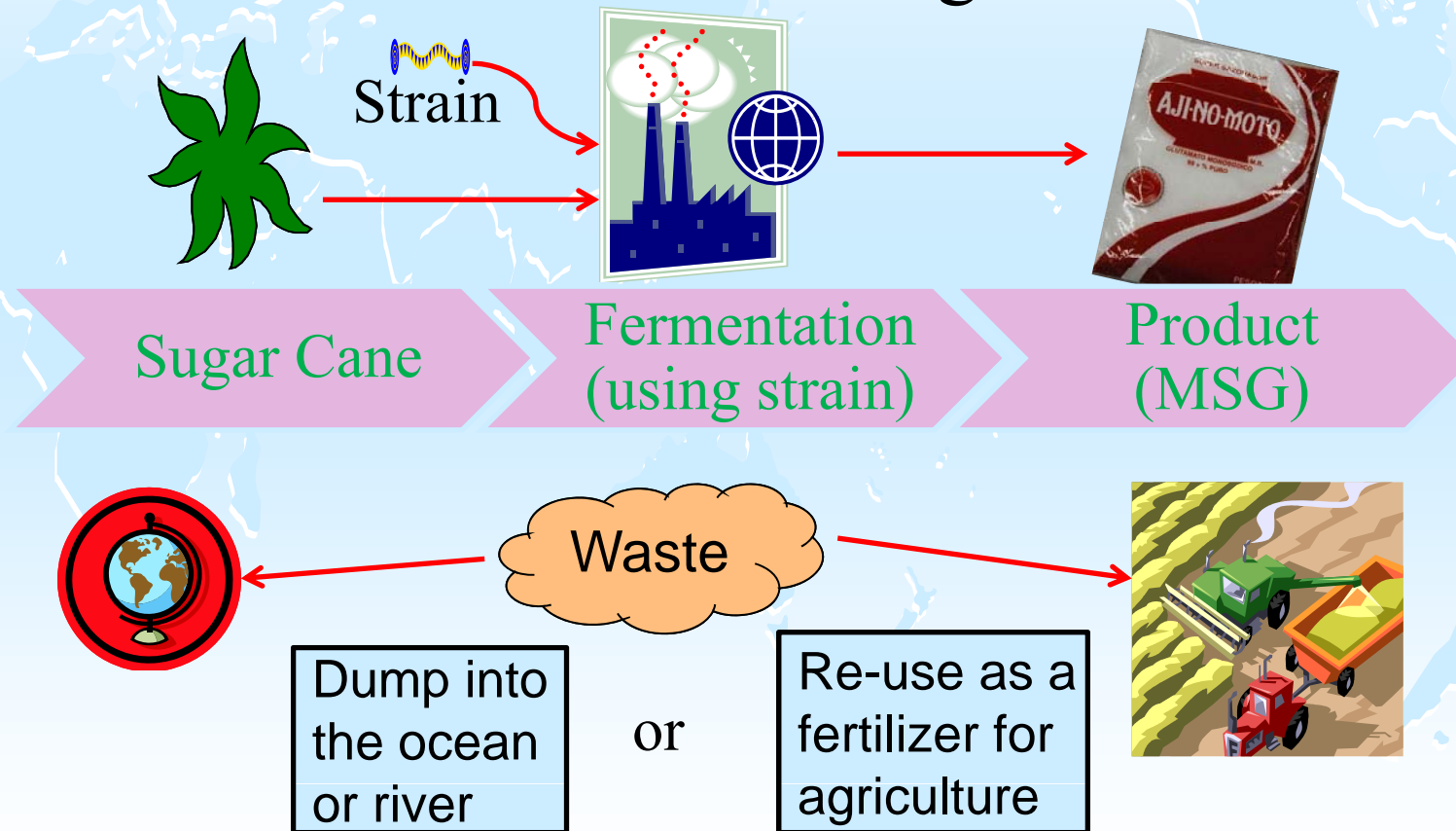
Vietnam	USA	Thailand	China	Peru
2052	54,343	5,445	7,589	6,458

(GDP US\$/Y/capita, JETRO 2014)

- Do you know Vietnamese strongly dislike his country is polluted?

II. Property called confidence (Vietnam Case)

2. Process of manufacturing MSG



II. Property called confidence (Vietnam Case)

3. Strategies of treatment of waste

Company	Treatment	Advantage	Disadvantage
Ajinomoto Co.	Produces fertilizers	As for the country where a manufacturing plant is located, good for the <input type="text"/> . Also good for <input type="text"/> people.	Need another cost to manufacturing the fertilizer. <input type="text"/> cost to develop the fertilizer also rise the cost.
A Giant Competitor	used to dump into river	Possible to reduce the manufacturing cost of the product.	Not good for the environment. (But may not relatively be so bad because raw material is agricultural product)

II. Property called confidence

(Vietnam Case)

4. Reaction by Vietnamese

- Vietnamese people prefers more the strategy of Ajinomoto Co.
 - Now, we are easier to launch new products.
- According to the interview of Vietnamese people, they now seems to dislike the brand of our competitor.

II. Property called confidence

(Indonesia Case)

1. Indonesia background

- Do you know Majority of Indonesia citizens are Islam?
- Do you know Islam strongly prohibits to consume pork?
- Do you know Islamic do not even consume extract or oil of pork?

II. Property called confidence (Indonesia Case)

2. Mistake by Ajinomoto Co.

- Ajinomoto Co. purchases [redacted] in order to cultivate the strain.
- A supplier of [redacted] mistakenly put pork into it, and Ajinomoto Co. innocently used the same.
- Soon, the fact was discovered.

II. Property called confidence

(Indonesia Case)

3. Actions taken by Ajinomoto Co.

- Fortunately we have direct sales force who always visits every retail shops, and has made good relationship with them.
- Using the sales force, immediately (within a couple of days) all products in the market.
- Also, what had happened with apologies.
- Closed the plant, cleaned-up all facilities, and re-started to produce products without defects.

II. Property called confidence (Indonesia Case)

4. Reactions by Indonesian customer

➤ Not all, but majority of accepted our apologies.

➤ Sales amount had recovered after a while.

[Please compare No. 1 milk brand “Yukijirushi” stopped using its brand due to mere a wrong date-management.

Actually our fault is more serious because it is relevant to their .

II. Property called confidence

(Both Cases)

What are the properties

➤ [Vietnam]

Consumer's for our decision and activities to protect the environment where we have a manufacturing plant.

➤ [Indonesia]

Good made through the day-to-day sales activities, and consumer's for the quick reaction (recollection of products and disclosure).

➤ Those properties cannot make within .

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III. Intellectual Property on technology

1. What are the Intellectual Property on technology in food business?

IP	Example	Function (example)
Patent	Fermentation strain	Produce MSG efficiently
	Enzyme to gelatinize protein	Improve the texture
	New function of amino acid	Various (recover from muscle damage or improve the sleep quality)
Know-How	formulation	Make the taste better
	granulation	Make product easier to dissolve

III. Intellectual Property on technology

2. Creating technologies

- In the case of fermentation strain, headquarter develops patentable invention.
 - Plants in the world have their expert to adapt the strain based on the situation of each location.
- In the case of seasoning, headquarter develops a to develop formulation
 - Affiliates in the world have their own expert to create adequate for each regional culture.

III. Intellectual Property on technology

3. Competitor's Products (Giant companies)

Maggi (Nestle)

Knorr (Unilever)

III. Intellectual Property on technology

4. Using our advantage against global giant seasoning companies
 - Our basic technology is to formulate products especially adequate to Japanese consumer.
 - Then our technological advantage is useful for adjusting formulation adequate to each region's taste.



III. Intellectual Property on technology

4. Using our advantage against global giant seasoning companies
 - Now Ajinomoto Co. is developing seasoning category that giant competitors have not tried, using the framework developed in Japan..

● Flavor seasonings rooted in food cultures worldwide



Japan
HON-DASHI®



Thailand
ROSDEE®



Indonesia
Masako®



Brazil
Sazon®



Vietnam
Aji-ngon®



Philippines
GINISA®



China
MOR CHU GAOTANG®



Peru
Dona Gusta®

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IV. Intellectual Property on the name of product

1. What are the Intellectual Property on the name of product? = Trademarks

Corporate
Logo

Eat Well, Live Well.
AJINOMOTO®

Ajinomoto Group
Communication
Symbol

AJINOMOTO
Eat Well, Live Well.

Product Brands



AJI-NO-MOTO®,
Masako, Dona Gusta (seasoning),
Birdy (Canned coffee)
Vono (Soup)
AJI-NO-MEN, Yum Yum (Noodles)

IV. Intellectual Property on the name of product

2. What meanings each trademark have?

➤ Corporate Logo ()

→ safety, advanced , social activity

➤ Ajinomoto Corporate Symbol ()

→ think global but act regional, care for 

➤ Product Brand

→ fit for your ’s dish, safe and trustworthy

IV. Intellectual Property on the name of product

3. Activities against infringement

- In the case of “AJI-NO-MOTO®” there are various infringing products worldwide.
- There are even a company who manufactures and sells (or exports(!)) imitated packaging materials.
- Legal action (using lawyer’s name) is effective.
- However, we should be cautious that the person who distributes fake products can also be our customer.

IV. Intellectual Property on the name of product

3. Activities against infringement

- There are two dangerous situation on infringed products.
- One is completely imitated product with inferior quality.
 - It leads to lower the brand image of “AJI-NO-MOTO®”
- Another is so called “generalization”

Sometimes “AJI-NO-MOTO” is used as a generic term like salt or sugar. It is because they do not know the generic name of MSG.

 - It leads to eliminate all the confidence we have created on the brand.

IV. Intellectual Property on the name of product

3. Activities against infringement

- In order to avoid such infringement, Ajinomoto Co., is taking legal actions as much as possible.
- Also, IP Dept. personnel frequently open educational seminars to let regional staff know the importance to protect the brand.
- Now, consciousness of regional staff to protect our brand is increasing and increasing.
- Headquarters is planning to complete a network system among the regional staff who are struggling to protect the brand against infringement.

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V. Struggle to protect consumer (My experience at Peru)

1. Existence of Imitated Products

- I worked as a Sales Manager of Ajinomoto del Peru S.A. from 2000 to 2002, and one of my important job was to fight against imitated products of “AJI-NO-MOTO®”.
- The majority of consumer of “AJI-NO-MOTO®” is general Peruvian people without great earnings at all (class C or D), but who has fidelity on brand.
- There was a background that imitated product was accepted.
- Imitated product was made of cheap (may be illegally) imported MSG (mixing with sugar or salt), and cheap imitated packaging materials which illegal printing company manufactured.

V. Struggle to protect consumer (My experience at Peru)

2. Countermeasures using police team

- Whenever we detected the place where imitated product was manufactured, we sent police team to make a raid.
 - Initially, every time the raid was unsuccessful.
(Guess why? What kind of solution we may have?)
- We had no choice but to send police team to confiscate imitated products from small retail shops although they are also our client.
 - I used to visit to the market of these small retail shops soon after the confiscation was conducted, despite the danger from the angry shop owners, and despite restraints by my staff.
(Guess the reasons why or for whom I dare to visit the market?)

V. Struggle to protect consumer (My experience at Peru)

3. Countermeasures using technology

- We thought printing technology may be a solution, such as (i) to write the smallest letters or (ii) to paint with complex gradation that amateur printing company cannot realize.
 - Imitators produced poorly imitated packages, and even though the quality of package was inferior, imitated products continued to be predominant. (Guess why?)
- We printed “water mark” in packaging material (just like the bill).
 - Imitators could not imitate the “water mark”. However, consumer did not know or check the existence of the “water mark”.

V. Struggle to protect consumer (My experience at Peru)

4. Countermeasures using our sales team

- We let our proper and educated sales team visit to retail shops always at least once a week. Our sales team educate the retail shops that imitated product badly affect your business.
 - Coupled with the afraid of police's confiscation, retail shops gradually stop selling imitated product.
- We started promotional gifts campaign which gives dish, pens or other gifts in change of empty "AJI-NO-MOTO®" package.
 - We educated consumers about the risk of imitated product, and how to distinguish imitated product from authentic.
(Do you think we gave gifts for imitated packages? Why?)

V. Struggle to protect consumer (My experience at Peru)

5. Effect of countermeasures

- During my duty as a sales manager, which was about 2 years long, the dominating power of imitated product seems not to have been reduced.
 - I missed my chance to be promoted.
- Just two month before I left my duty from Peru, the sales of “AJI-NO-MOTO®” suddenly and greatly increased.
 - My boss, who despise (looked down on) the struggle of our sales team’s activities, asked me
“What did you do for the good sales result, Mr. Katsunuma?”
I responded “You didn’t know what we have done?”

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VI. Conclusion

- I am a lawyer and have a legal background.
- However, I shall keep in mind that laws exist in order to protect more important things.
- I know the mechanism and function of IP regulations.
- However, I need to understand that IP regulations such as patent laws or trademark laws exist in order to protect more important properties.
- That may be the technology itself to make your life better, or the confidence from retail shops or consumer.

VI. Conclusion

- I started today's presentation from the viewpoint of consumer.
- I concluded with the activities in the marketplace.
- Experts like you and myself need to, not only to deepen our knowledge about our specialty, but also continue to understand the mind where the actual property is born or is functioning.
- I hope Ajinomoto Co.'s experience will be beneficial to your future.