

# **“The Industrial Property Rights System in Japan”**

## **Chapter 1. The Role of the Industrial Property Rights System**

### **Intellectual Creation Cycle**

So far, we’ve looked at industrial property rights in Japan. This “Intellectual Creation Cycle” clearly indicates the workings of the Industrial Property Rights System.

If we consider the workings of the Industrial Property Rights System in Japan together with it, we can gain an understanding of the Intellectual Creation Cycle’s concrete flow.

At the stage of “Creation”, companies carry out creative R&D activities related to inventions, devices, designs, and trademarks.

If the created product for which an application is filed satisfies the registration terms of the examination, it obtains industrial property rights. This is the stage of “Protection”, at which the rights are now protected.

When a right is granted based on a proper examination under the established Industrial Property Rights System, the applicant acquires stable patent rights which clearly explain the scope of use and the owner of the rights.

Using the patent rights or design rights to commercialize company products, or to enter into a licensee agreement, makes it possible to recoup the money spent on R&D. In addition, by utilizing the trademark rights for a company emblem to add extra value to company products or the corporate image, it’s possible to differentiate the product from those of other companies. This is the stage of “Utilization”.

The profits gained by using this intellectual creation can be reinvested in further R&D, so this links back to the “Creation” stage.

This cycle generates company vitality, which leads to the development of the national economy and society in general.

Next, we’d like to explain aspects of the Intellectual Property Rights System other than industrial property rights.