

# 縁

ENISHI

No 13

July 2016

# IP Friends Connections

This Magazine is published as part of the Intellectual Property Cooperation in Human Resource Development Program of the Japan Patent Office. The aim of this Magazine is to follow up on training programs through the dissemination of information to IP Friends, those who have completed training courses of the above program.

We very much hope that the information in this publication related to intellectual property, and the comments from either IP Friends or lectures, will prove beneficial to you in your work.



JAPAN PATENT OFFICE

**[The meaning of 縁 (Enishi)]**

“Enishi” refers to the bond created between people when encountering someone they were destined to meet. We have chosen this term as the title for our publication because we are all members of the Intellectual Property community, and the bonds created between us extend beyond national borders. We hope that you will use this informative publication to deepen the “Enishi” you have created with your IP Friends.

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## FY 2016 Training Courses List

### Outline of the 2016 JPO/IPR Training Courses

No.	Term of Course		Title
1	June 15-29, 2016	(15 days)	JPO/IPR Training Course for IP Trainers
2	June 24-30, 2016	(7 days)	JPO/IPR Training Course on Trademark Examinations under the Madrid System for Thailand
3	July 12-21, 2016	(10 days)	JPO/IPR Training Course on Patent Examinations (Basic Program)
4	July 22-28, 2016	(7 days)	JPO/IPR Training Course on Trademark Examinations under the Madrid System for Indonesia
5	August 2-8, 2016	(7 days)	JPO/IPR Training Course on Patent Examination Practices for Indonesia
6	August 22-September 7, 2016	(17 days)	JPR/IPR Training Course for Practitioners Specializing in Patents
7	August 25-September 1, 2016	(8 days)	JPR/IPR Workshop on Establishing an IP Office in Myanmar
8	September 2-November 1, 2016	(61 days)	JPO/IPR Operational Patent Examination Training Program
9	September 8-15, 2016	(8 days)	JPO/IPR Training Course on Establishing Patent Examination Guidelines
10	October 13-20, 2016	(8 days)	JPO/IPR Training Course on Patent Examination Management
11	October 21-27, 2016	(7 days)	JPO/IPR Training Course on Substantive Examination of Trademark for Vietnam
12	November 8-21, 2016	(14 days)	JPO/IPR Training Course on Substantive Examination of Design
13	November 17-30, 2016	(14 days)	JPO/IPR Training Course on Substantive Examination of Trademark
14	November 24-December 7, 2016	(14 days)	JPO/IPR Training Course on Patent Examination in Specific Technical Fields for Latin American Countries
15	December 5-14, 2016	(10 days)	JPO/IPR Training Course on Managing IP
16	December 8-21, 2016	(14 days)	JPO/IPR Training Course for Practitioners Specializing in Trademarks
17	January 10-19, 2017	(10 days)	JPO/IPR Training Course on Trademark Examination Practices (Basic Program)

No.	Term of Course		Title
18	January 13-20, 2017	(8 days)	JPO/IPR Training Course on Anti-Counterfeiting Measures for Practitioners
19	January 20-February 2, 2017	(14 days)	JPO/IPR Training Course on Patent Examination Practices for South Africa
20	February 6-22, 2017	(17 days)	JPO/IPR Training Course for IP Protection Lawyers
21	February 9-15, 2017	(7 days)	JPO/IPR Training Course on Trademark Examinations under the Madrid System for Cambodia
22	February 17-23, 2017	(7 days)	JPO/IPR Training Course on Patent Examination Practices for Thailand



## Introduction of FY 2016 Long Term Fellowship Researchers



Ms. Antonia Rojo Sandoval (Mexico)  
Ms. Antonia Rojo Sandoval

Hola! My name is Antonia Rojo Sandoval, I am a patent examiner at the Mexican Institute of Industrial Property (IMPI) in Mexico, with almost 6 years of experience and I am a specialist on issues related to Information technologies. The Mexican Institute of industrial property is the patent and trademark administration body of Mexico, is a public Organism decentralized with juridical personality and own heritage and with the legal authority to administer the system of industrial property in my country.

Nowadays Mexico is a developing country, in a zeal for continuing growing and to be competitive worldwide, it is necessary to stimulate the innovation and technological development that allows to have a strong and sustainable economy, to achieve this aim the Intellectual Property system is an essential tool.

The Trans-Pacific Partnership (TPP) being a multilateral agreement covering 40% of the global economy and has as principal aim to “promote economic growth; enhance innovation, productivity, competitiveness; promote transparency, enhanced labor and environmental protections.”, is one of the most important step for intellectual property because the TPP opens the door to a free trade area of the Asia Pacific.

With this approach, I chose the research theme “The Trans-Pacific Partnership trade and

the process of Harmonization of Patent System". Although the TPP covers a wide range of issues, this study only focuses on the TPP's intellectual property (IP) chapter, especially concerning patents, the challenges that have arisen and proposals for solving them. The TPP will impose some obligations related to IP, on the basis of the above that many of its provisions go beyond what is required under the rules of the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), so the main issue is evaluate the individual provisions. The purpose of harmonizing patent system is to provide to the contracting countries standards that allow an appropriate balance between regulating and pre-existing treaties with regard to the TPP, to assure the competitiveness of each country on intellectual property. What is relevant is whether and to what extent the TPP is going to impact national IP laws.

Mexico, like the others contracting states, will have to make some changes to its IP laws to implement TPP. As a result of the follow-up and constant study of the different actions and processes, taken by each one of the countries adhering to the TPP especially Japan, with respect to the resolution of differences in legislation of intellectual property, it is possible to make a comparative study with Mexico.

Finally but not least, I want to thanks to all the involved parts that make possible this research program starting with the JPO, APIC-JIPII and IMPI for allow me to take this once in a lifetime opportunity to be in Japan and acquire invaluable knowledge, also I want to extend special thanks to my advisers, Prof. Junji Nakagawa, University of Tokyo, and Assoc. Prof. Yeyoung Chang, Dokkyo University, the supervisor of my study in APIC, Dr. Yorimasa Suwa, and other APIC staffs for all theirs kindness, patience and guide.





Ms. Nguyen Thi Huyen Trang (Vietnam)

Ms. Nguyen Thi Huyen Trang

Hello from Vietnam! My full name is Nguyen Thi Huyen Trang, which is one of the longest in my home country, so people just call me “Trang”. I have been working for the National Office of Intellectual Property of Vietnam (NOIP) since 2011, as an official of Representative Office in Ho Chi Minh City.

NOIP is an agency under the Ministry of Science and Technology, assuming the functions of exercising the State management and providing services in the field of intellectual property (IP), specialized in industrial property rights.

My Representative Office, established on 22 December 2004, has the duties that closely coordinates with provincial Departments of Science and Technology to implement IP policies and laws in Southern Vietnam; directly receives applications for industrial property rights; carries out necessary services, consultancy; provides organizations, individuals, businesses IP information. Ho Chi Minh City in particular and Southern Vietnam in general, is a significant economic area where IP activities are widely carried out for the benefits of enterprises.

My tasks include providing counsel for the establishment of industrial property rights, advising on legal implications and concerning procedures of IP issues, organizing IP events, and so on. In near future, assigned by NOIP, we will have to run the projects promoting creative and innovative activities in Southern Vietnam. The projects will focus on boosting manufacturing capacity and technology absorption of local businesses, for contributing significantly to Vietnam’s production and export of high-tech products. Besides, it mentions in national strategy of Science and Technology for the period of 2016-2020 that results of such projects or

researches should be much engaged in commercialization activities. These kinds of activities, I think, will mostly be undertaken by small and medium size enterprises (SMEs), which represent over 90% of the total number of businesses, employ approximately 70% of the workforce and produce more than 50% of GDP. It is therefore vital to understand both constraints and potentials facing SMEs.

Things change quickly when the Trans-Pacific Partnership Agreement (TPP) is considered as one of the most important trade agreement of Vietnam. It now includes in not only traditional issues like market opening for goods and services, but also ones like IP aspects. We need long-term strategies plus deeper understanding of modern IP issues, so I pick a research theme on IP portfolio evaluation and management in Japanese SMEs. I wish, by the research, first open my mind, and then contribute to our IP development by suggesting an IP strategy for Vietnamese SMEs in hard days ahead.

This is a special chance to meet up with and learn from experienced IP professionals. In addition, Japanese working culture has given me a favorable impression, which I hope to give the same through my staying here.

Finally, sincerely, I would like to thank Japan Patent Office, Asia-Pacific Industrial Property Center of Japan Institute of Promoting Invention and Innovation and NOIP for this valuable opportunity.



# Contributions from FY 2015 Long Term Fellowship Researchers

## My Unforgettable Experiences in Japan



Ms. Indra Rathakrisnan

Ms. Indra Rathakrisnan (Malaysia),  
Intellectual Property Officer,  
Malaysian Intellectual Property Corporation of Malaysia (MyIPO)

*(The JPO Study-cum-Research Fellowship Program for FY 2015)*

### My first solo outing

I am a person with an “excellent” sense of direction. You can leave me anywhere, and I will successfully get lost there.<sup>1</sup> Having this kind of skill, and going far from my country alone, worries my mother. Still, she believes that her daughter can survive somehow. Thanks, mom. (T\_T)

It didn't take much time for my co-participant researcher, Ramil-san from the Philippines, to realize my skill. Automatically, he became my personal navigator. The first time we left separately from office was also my first time getting lost in the city of Tokyo. It took me an extra 40 minutes (and burning of a few hundred calories) before I found my way back to my apartment.<sup>2</sup> Thus, it became an untold rule that I would always follow Ramil-san. He also took his “babysitting” job quite seriously. Thanks, *Kuya*<sup>3</sup> Ramil =)

Still, deep in my heart, I wanted to overcome this problem and reduce my reliance on Ramil-san. Thus, I decided that my first venture alone would be to Shibuya. Why Shibuya? Well, I eagerly wanted to meet the famous dog statue, Hachiko! I managed to reach Shibuya without hassle, and successfully located Hachiko's statue (of course with the help of a subway attendant). I was overwhelmed with the crowd, and I had to stand in a corner for a while to take a breath before swimming into that sea of people. I successfully reached the statue and took a few pictures of Hachiko. Unfortunately, Hachiko is too popular and has too many fans, so it took me ages before I could get a solo picture with the dog statue. I was too shy to ask anyone to snap a picture of me together with Hachiko... (T\_T)... I should have brought along Ramil-san.<sup>4</sup>

Next, I took a walk across the famous Shibuya Crossing. Based on my Google research, the best spot to enjoy the “scramble crossing” view is on the second floor of the Starbucks in the Tsutaya building. Thus, I got myself a cup of coffee from Starbucks and managed to get a

<sup>1</sup> It is quite embarrassing to admit here that I got lost in my own university in my final year, and how my friends tend to keep a protective eyes over me whenever we go out. I also might be the only person who still uses GPS to go back home. (==)

<sup>2</sup> Lesson learned, and I have put extra effort and time in memorizing the route.

<sup>3</sup> A term meaning “brother” in the Filipino language.

<sup>4</sup> Fortunately, I was able to take a picture with Hachiko when my colleague from Malaysia came for a training at JPO.

seat where I could enjoy the view. It was really an interesting experience for me.

Before I went back to the apartment, I bought my dinner at the Tokyu Food Show, located in the basement of the Tokyu Toyoko Department Store. At first, I thought the Tokyo Food Show was literally a food or cooking show! In fact, however, it was a food court. I was dazzled by the variety of food such as cakes, bread, chocolates, and local and other Asian cuisines. Unfortunately, the coffee that I drank earlier made my stomach quite full, and I couldn't buy much food even though my heart wished otherwise. Making myself a promise to return (for the sake of the food!), I said goodbye to Hachiko and returned to the apartment.

The next day, on our way to the office, Ramil-san asked how I spent the weekend. He even guessed: "hibernating?"<sup>5</sup> I proudly told him that I went out ALONE to Shibuya. He was shocked and asked, "You didn't get lost?!".....(-\_\_-)

## Me at the *konbini* (convenience store)

One of the things that never ceases to amaze me in Tokyo is the *konbini*. Yes, it is indeed a one-stop center where you can purchase a variety of food and even pay your bills. Among the popular *konbini* are Family Mart, Lawson, and 7-eleven.

During my initial visits to the *konbini*, I was always flabbergasted when making a payment. After happily strolling the aisles and getting all of my necessary stuff (well, mostly junk food!) I joined the long queue in order to pay. Another thing that amazed me here is that even though the queue is long, it will be dispersed in the blink of an eye.<sup>6</sup> The staff are super-efficient, and at the same time so respectful and helpful.

Finally, when my turn came to make the payment, the staff asked/said something in super fast speed. I just stared back at her with a look that said "huh?" Then she repeated in even super faster speed, and waited for my answer. All I could do was smile at her sheepishly, and I could sense the worriedness in her eyes as the queue was getting longer. As a last attempt, she took a plastic bag and gestured to me whether I needed one. I quickly responded to her with "hai," and I could see the tears of joy in her eyes.<sup>7</sup>

Eventually,<sup>8</sup> I came to know that she actually asked whether I had a point card and whether I needed a plastic bag and the wet tissue. After that incident, I managed to give a quick response to the *konbini* staff and leave the place with a proud face. Good job, Indra!

## Milk vs. yogurt

As I got tired of my usual bread + Milo,<sup>9</sup> I wanted to have cereal for my breakfast for a

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<sup>5</sup> I usually spend most of the weekend hibernating in my apartment. Well, it's winter in Japan! Can you get any better place than the warm cozy apartment?!

<sup>6</sup> Initially, I worried seeing the long queue during the lunch hour, and almost gave up my intention to buy my lunch there. However, I was amazed that I successfully walked away with my lunch in less than 10 minutes! Kudos to them!

<sup>7</sup> Okay, I'm just exaggerating.

<sup>8</sup> After asking an APIC staff member.

change. After getting my cereal, I went to the milk section to get a carton of milk. There was an array of milk to choose from, but unfortunately, nothing was described in English (==""). To be safe, I took one with a cow picture on the label, believing it could not go wrong.

The next morning, I was excited to start the day with the new menu for my breakfast. As I poured the milk in the bowl, however, I sensed that the texture of the milk was somehow different. I tasted it a little bit, and it was sour. Was the milk spoiled? But the expiration date was still a long way off. Or does milk taste different in Japan? (Yes, I can think absurdly sometimes, please kindly ignore me.) Then, I realized that it must be a yogurt drink! I wrongly purchased a yogurt drink instead of milk! It was a face palm moment. With teary eyes, I somehow tried to eat the cereal with the yogurt drink. Halfway through, I just gave up. That was the first and the last time I had cereal for breakfast!

Moral of the story: Cereal and yogurt drink is not a good combination!

## Finding the way to the aquarium

One day, Ramil-san and I planned to go to the aquarium and to watch a dolphin show. After getting ready with the direction and map (which was of course handled by Ramil-san), we started our journey. After we disembarked from the train, we followed the map and somehow found ourselves lost.

We decided to ask for directions. At that moment, an elementary school student was walking near us. So, I approached him and said slowly, "Sumimasen, do-you-know-the-way-to-the-aquarium?" and I even showed some hand movement of fish to that kid to make sure he understood what I was saying. What happened next really left me speechless. The small boy coolly replied to me with an American accent, "Please go straight and turn right. Then after you cross the road, turn left." Yes, I felt like an idiot in front of that small kid. After properly thanking him, I turned to Ramil-san and he was having a hard time holding in his laughter (-\_-).

## My First *Hatsumode* in Japan

This was my first time to spend New Years away from home. While in Japan this year, I intended to follow the Japanese culture and perform my *Hatsumode*—the first shrine visit of the New Year.

On New Years eve, I planned to visit the Atago-Jinja Shrine, which is located near our apartment. Around 11.30 p.m. I left my apartment and estimated that I would be back in half an hour. However, I was shocked to see the long queue. I seriously didn't expect that, or else I would have left the apartment earlier. After the cleansing procedure,<sup>10</sup> I joined the queue—and it took almost 40 minutes before I reached the altar. Luckily, there was some drum music going on, and I enjoyed it while waiting in the line. Upon reaching the altar, I throw some

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<sup>9</sup> I took bread and Milo for my breakfast almost every day for those four months.

<sup>10</sup> Where we are required to wash our hands and mouth at the water basin.



coins into a box, rang the bell, and prayed according to the procedure.<sup>11</sup>

Next was *omikuji* time! An *omikuji* is a random fortune written on a strip of paper that predicts the fortune for that particular year. After paying 100 yen, I drew an *omikuji* and I got the “excellent” result! I was so happy, and hopeful that the year 2016 would be excellent, as stated in that paper. =)

I came back to my apartment around 1 a.m.<sup>12</sup> The next morning, I woke up early and wanted to go for another shrine visit at Sensoji Temple, which is situated in Asakusa and is another popular place for *Hatsumode* in addition to the Meiji Jingu shrine. I reached the Asakusa Sensoji Temple around 11 a.m., and realized that another big crowd awaited in front of me. It was a really long queue. I spent almost one and half hours before reaching the altar, and less than a minute to pray before I was pushed away by the crowd! Scary..... (T\_T)

There were many stalls outside the shrine selling a variety of foods, and again I was dazzled and had difficulty controlling myself from not buying too much food. I settled myself with *takoyaki* and *taiyaki*. I am not a huge fan of octopus, but *takoyaki* is an exception. The octopus balls are covered with brown sauce, bonito flakes, mayonnaise, and seaweed powder. It tastes like heaven. I happily popped a *takoyaki* ball in my mouth, and.....ouch! ...it's piping hot! But still, it's so *oishii!*<sup>13</sup>

## A sweet start to my experience in Japan

It was already late evening by the time I finished unpacking my belongings in the apartment. After that, I went out to the nearest mini mart with the map provided to me by Satoko-san. I really had a hard time reading the map. At some point, I was just standing there looking lost, holding the map in my hand. At that time, a group of guys that I assumed were just coming back from office passed by me. One of them approached me and asked, “Do you need any help?” I felt like some angel had come to assist me! I explained my situation and the destination that I was heading to. He checked the map and quickly pointed out the way. I properly thanked him and continued to walk.

After I reached the mini mart, I quickly looked for the things that I wanted to buy. Before that, I already did the necessary research beforehand. I googled the images of things that I wanted to buy, and all I had to do was show the images to the shop assistant. I managed to get everything on my list except for the kitchen knife.

In my challenge to look for the knife, I found nobody nearby except for an *obaa-chan*<sup>14</sup> pushing her cart in that aisle. I just gave it a try and asked her about knife by showing the image in my smartphone. She quickly brought me to the store room area and called out to the staff, who were busy arranging some goods. She explained something to a staff person, who quickly brought me various sizes of the knives. I properly thanked both of them and continued to look around.

<sup>11</sup> Bow twice, clap twice, say your prayer and bow once more.

<sup>12</sup> Back home, I would definitely be lectured by my parents if I came back this late.

<sup>13</sup> Delicious or tasty.

<sup>14</sup> Granny.

Soon, I come across the same helpful *obaa-chan*. She had the sweetest smile. She started to talk to me, and posed me some questions in the Japanese language. I felt baffled, and try to catch any word that I was familiar with. With my knowledge that I gained from manga and anime, I somehow assumed that she was asking whether I was a student and where I was staying, and I tried my best to answer her. Both of us did a lot of hand gymnastics before we managed to understand each other. Before we departed, she did a sweet thing. She held my hand and patted my shoulder and said “*Ganbatte!*”<sup>15</sup> I was so touched, and if there was any feeling of loneliness for being away from family, those feelings just vanished at that time. I was smiling all the way to my apartment, thanking God for being surrounded by nice and kind people. At that time, I was confident that my stay in Japan would be a wonderful one.



<sup>15</sup> Wishing good luck.



## Training course report

### My training course experience in Japan

Ms. Cristiane Fernandes Gorgulho (Brazil),  
Industrial Property Researcher,  
National Institute of Industrial Property (INPI)



Ms. Cristiane Fernandes Gorgulho

*(JPO/IPR Training Course for IP Trainers, Jun. 17-Jul. 1, 2015)*

I participated in the JPO/IPR Training Course for IP Trainers last year from June 17 to July 1 in Tokyo, and my experience was wonderful in many aspects—technically, legally and culturally.

Considering the legal and technical aspects, the training course was very significant to me because I had the opportunity to learn about the Japanese IP system in general, in terms of its philosophy and structure. I was also able to know about Japan's laws, economy and educational system, as well as about the programs related to intellectual property (IP) dissemination in Japan, including methods, materials, teaching tools, investment in human resources, and the various curricula that render this dissemination more efficient, according to the JPO (Japan Patent Office).

Also presented during the course were future projects, as well as potential investments on the part of the Japanese government and companies. I appreciated the opportunity to learn about the structure of JPO, as well as the importance given to IP information dissemination in Japan not only in industries and universities, but also the basic Japanese educational system from kindergarten through high school. Some of these lectures were very inspiring for me.

I learned too that in order to achieve this objective of efficiently disseminating IP culture throughout the whole country, it is necessary to have a synergy between the different public and private institutions. It is also very important that the government has public politics and specific laws about IP that support and enforce the dissemination activities. This training course is particularly useful to persons who are involved with IP dissemination and seek more effective instruments and new techniques to be used in their respective countries.

Our class also held a technical visit to a high school in Tokyo. This allowed us to see IP dissemination driven to this target public in a close-up and practical way, and it enriched my experience as an IP disseminator at the National Institute of Industrial Property (INPI) in Brazil, in addition to expanding my understanding about IP dissemination problems and challenges.

The Japanese lecturers showed us during this training that the teaching of IP must start early, in childhood, so as to be more effective and efficient in the future. However, IP dis-



semination to children must be addressed in a playful and simplified way, focusing on more basic and general concepts, in order to promote their curiosity and awareness about IP and innovation. The pedagogical project must stimulate creativity and entrepreneurship in young students, awakening their respect toward the environment and others, and eventually leading to their own creations. In this sense, exercises and tasks proposed and undertaken during the JPO training course allowed us to experience the inherent difficulties and challenges with regard to IP dissemination, showing us how to prepare didactic material to reach the very specific target audience of high school and junior high school students.

The JPO, APIC, HIDA and JIPII provided an efficient teaching infrastructure to support this training course. At the beginning of the course, many instructions, general rules, maps and other useful material were distributed to help us study and get around in Tokyo. Every detail was planned to help us reach the objectives proposed in this training.

Another important advantage of this kind of training is the possibility to break cultural barriers. My classmates were 28 persons from 11 countries—many of them from Asia—with only 6 from the Americas, including Brazil. The participants had very good knowledge about the IP system in general, which produced a good level of discussion in the classroom. There was also great empathy and respect between all participants, which greatly facilitated the good progress of the training and the construction of a promising network. It was also possible to build a network with lecturers and staff from the JPO, APIC and JIPII, which will be a valuable resource to obtain a future exchange of information related to the IP system—particularly regarding best dissemination practices.

During the course, it became evident that the participants had some similar difficulties and challenges. Some similarities were the difficulty in disseminating the IP culture in countries with a great territorial extension and internal cultural diversities, as Brazil or India, for instance; as well as how to deal with piracy, or even how to increase the quantity of patent applications by domicile (almost all countries).

The interesting discussions that occurred in the classroom enabled a rich exchange of experience between the Japanese lecturers and the foreign training course participants. The course allowed us not only to learn the best practices for IP dissemination in other countries, but also to analyze the problems from different points of view. After this course, I noticed that I had a more globalized vision of the global IP situation, and I was able to identify some differences and similarities between the IP systems of different countries.

On the other hand, during my free time at night or on the weekends, I had the chance to taste the rich Japanese cuisine, as well as visit some temples, museums, parks and public spaces. Since we only had the time after classes to visit some places or buy something, we walked around the city almost every night. But even so, we were not afraid of anything because Tokyo is an extremely safe city.

Tokyo is, at the same time, a modern and organized city that also respects tradition. I was really impressed with Japan's public transport system, which is smart and on time. It is easy to get around, because Tokyo has an efficient subway and train grid with many lines that cover the whole city. During our journey by subway from TKC to the APIC building, it was

possible to know a bit the way of life of Japanese people in Tokyo—the way they dress, their attitude, etc.

One of the best things about Japan is that the people are polite, friendly and helpful. Many persons in Tokyo speak English, which facilitates communication. However, even when someone did not speak English, they strived to help foreigners find a specific store or tourist place. In this training I learned a little about this traditional oriental culture that focuses on collective well-being. It was a privilege to know this advanced society in your country.

Taking into account the unique opportunity of learning about Japan's IP system and the rich cultural experience, and concerning the efficient financial and structural support given to the participants by the different Japanese institutions (JPO, APIC, HIDA and JIPII), I recommend this training course to others. It will certainly be an unforgettable experience, as was mine.

## Japan Navigation

Ms. Disha Jeswani (India),  
Senior Engineer-IP,  
Johnson & Johnson Pvt. Limited



Ms. Disha Jeswani

*(JPO/IPR Training Course on Managing IP, Jun. 29-Jul. 10, 2015)*

I had the privilege of attending the training on Managing IP from June 29-July 10, 2015. For me, it was a dream come true to visit Japan, the land of the rising sun.

I, along with participants from various countries, reached Narita airport on 28<sup>th</sup> June, a day prior to the training. We were welcomed at the airport with a sign board and guided to the Tokyo Kenshu Center (TKC) HIDA through Keisei Sekiya Station via Aoto station.

After settling down in my room, I met other participants and we decided to visit Asakusa in the evening. I took this time to observe the markets and nearby places. I found some products innovative and smart e.g. the umbrella which changes print on becoming wet (image below). The various train lines- Chiyoda, Hibiya, Asakusa, Ginza etc. baffled me but the organized train structure and the punctuality of the trains startled me. We came back to have our first dinner at HIDA. It surprised me to see that the HIDA staff were so accommodative of everybody's food preferences. There was a separate counter for Halal food for our Islamic friends, non-Halal food for others, vegetarians were given vegetarian food and Indians had the option of having Indian bread along with vegetables and meat. The staff even took heed of special requests by participants during Ramadan, when they were fasting all day and ate at around 2:45 am in the morning. All their food packets were specially packed and kept safely for the next day.



Tokyo Tower at night, an intercity train, smart umbrellas and the Tokyo Skytree



A KJ method example being solved by my group under Mr. Izumi's guidance



The first day of the training started with introductions and a session on Industrial Property management by Prof. Sata. We were divided into five different groups-Education and Awareness, Researcher support, internal examination and application, Technology transfer and promotion of academic-industrial alliance. An important take away from this session was the difference between the purposes of patent activities at universities and at companies. We also learnt about how research is sponsored at universities through examples of New Product Development (NPD) using research at the university. The evening saw us relaxing at the river front and jogging park nearby.

The second day of the training saw us creating and brushing up inventions and becoming a good judge of inventions. This session was taken by Mr. Izumi, a patent attorney. He covered the basic process of creating inventions, improvement methods and management of invention creation projects. We learnt the MECE (mutually exclusive, collectively exhaustive) method of creating inventions and the KJ (Jiro Kawakita) affinity diagram method of brainstorming. We were divided into groups and were allowed to choose any one of the three topics to practically work on a KJ method example. The various ideas that the groups came up with were very enlightening and helped in team-building.

On our third day of the training, we were to visit the JPO and APIC. The day started with pouring rain. Armed with umbrellas, we started our walk towards Kita-Senju station. We were accompanied by Ms. Myodai, our course coordinator who told us about the path which we would be using every day. It would later dawn on me that there were so many different ways of reaching Kita-Senju station that a classmate and I got lost on one of the days while returning to HIDA after class. On this day, almost the entire class decided to visit Tokyo Skytree after class. We also went to the observatory at 350m and got spectacular views of the city.

While at the JPO, we visited the Trial and Appeal division of the JPO and the National Center for Industrial Property Information and Training (INPIT). We were given a talk on the Trial and Appeal system at the JPO. The icing on the cake was that we were allowed to wear the judges' coats and take pictures in the Trial and Appeal court. Being an Indian lawyer, the whole court experience was something I will cherish. We also visited the library at the JPO where we were told about the history of JPO, the IPDL search site of the JPO and about the different types of trademarks that have been allowed by the JPO. I particularly remember the motion trademark and the sound mark. After this session, we went to APIC and were given a brief orientation on the days and the training that lay ahead. One of the initiatives of the JPO which I loved was the Blanket examination to respond to business strategy. Under this initiative, different types of Intellectual property can be examined simultaneously if the business of an applicant so desires. This leads to the granting of trademarks, designs and patents simultaneously.

The fourth day of our training started with rain again. Rain was now an important part of our days in Japan. I saw a few of my classmates forget their umbrellas at public places and pick up the remaining umbrellas. I was told it was completely normal in Japan for umbrellas to get swapped and people didn't mind if their umbrellas were replaced. I don't know if any of this was true or a story that was made up! I would like to believe that it is true.



The poster outside our class for representing the countries of the participants



class picture at the JPO

After our breakfast on the fourth day, we were off for an industrial visit to Toshiba Corporation and the Toshiba Museum. We were told about some IP strategies Toshiba Corporation uses to protect and enforce IP. We later visited the Toshiba Museum, where we witnessed the models of electrical and electronic goods that were the first of their kind in the world i.e. we saw the first heater, oven, perpetual machine, computer, rice cooker, TV, LED etc. We also saw a section on future technologies where we were shown a demonstration of superconductivity and learned how it will be used in the future bullet trains of Japan.

As we wound up a little earlier than usual, our group of friends from Brazil, Brunei and India decided to take a one way boat ride from Asakusa to Odaiba island in the evening. The best part about this trip was the spontaneity and the lack of any pre-existing knowledge. We were completely clueless about what Odaiba is famous for and how we would get back to HIDA. We were treated to the sight of many skyscrapers and bridges on the way. As we were about to reach the island, we just couldn't believe our eyes. Right in front of us was a replica of the Statue of Liberty. Our first thought was: Was it for real or had we secretly been transported to the U.S.?! Everything on the island resembled the U.S. The mall, the music, the gaming stores, the robots (even though we missed seeing one in action) were all splendid. On our way back, we traveled by the driverless elevated train which ran on the Rainbow Bridge (similar to the Golden Gate bridge of the U.S.). I vividly remember this day because of Odaiba and also because I forgot my bag containing my phone in a crowded restaurant. What a relief it was to find it where I had left it fifteen minutes later! I'm not sure I could have been that lucky in another country.

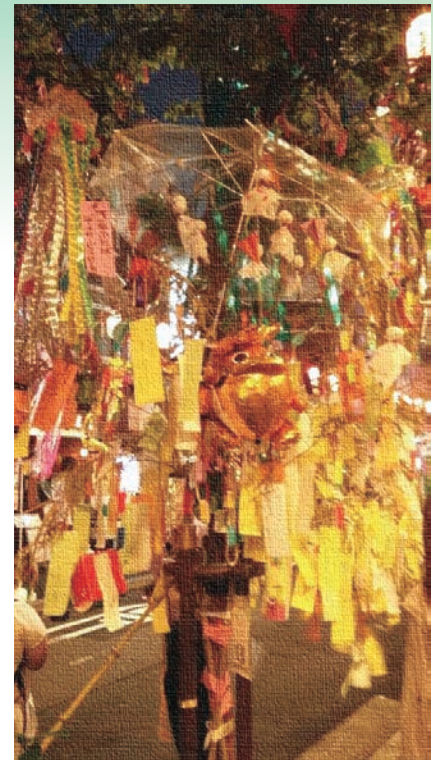
The next day we had long but interesting discussions on regulations on Inventions and the industry-government-academia collaboration by Mr. Hatori of Keio University.

This Friday evening was extra special for me as I was travelling to Sapporo, Hokkaido (north of Japan) to visit my best friend since childhood. By now I had learnt survival level Japanese and was able to find my way to Haneda airport and through Sapporo airport. Over the weekend we visited Hokkaido University, Hokkaido shrine, Maruyama zoo and Park and the Chocolate factory (Shiroi Koibito Park). My friend shared a lot of details about the great culture of Japan which enriched my knowledge about Japan. I enjoyed visiting the lovely city of Sapporo and have beautiful memories of the same etched in my mind.



Monday started with a trip to the University of Tokyo and the Todai TLO. The whole day was insightful as we went through the role of Technology Transfer Offices of Universities and the functioning of incubators. We even visited the incubator building where we saw a lot of offices of successful incubators. We visited the university shop from where we purchased some exclusive products like perfume and textiles which were invented in the University. The evening after the training was well spent at Akihabara, the hub of electronic devices. We bought some nice gifts for family and friends. Our bags were full but our hearts weren't. We were destined to come back to this place at least two more times!

Our learning about Technology Transfer licensing continued on the next day. Specifically, we were told about the R&D support that small and medium scale industries receive. This day happened to be the day of the Tanabata festival (Star Festival). We were told in class that the festival celebrates the meeting of the deities (represented by the stars Vega and Altair). According to a popular legend, the two lovers were separated by the Milky Way and were supposed to meet on July 7 (the dates vary in different parts of Japan). As a part of the festivities, there were trees hung with colorful paper everywhere. One could write their wishes and post them on the tree. We all made wishes and hung them for the deities. We also visited Asakusa and a nearby street which was completely lit up with lanterns as a part of the celebration.



Tanabata festivities

On July 8, we had a very interesting session on Assessing IP values by Mr. Ishi. There was so much to grasp about the different methods of evaluating IP that a day didn't feel like enough. But everything we learnt on that day was quite enlightening and the practical exercise on LED Blue light technology was very useful. The evening saw us visiting the OIOI mall and Tokyo Tower under the beautiful light of the moon.

On the penultimate day, we had sessions on prior art searches using free databases. We were made to perform some interesting searches around the Google glass technology. At our request, Ms. Myodai got a Kimono (the traditional dress of Japan) for us to try. During the breaks, we tried the gorgeous Kimono and got ourselves photographed. The evening saw us visiting Akihabara again for some more electronic shopping and some Japanese cuisine tasting. I found the sushi table where the table rotates and you pick up your sushi quite amusing and intriguing.

With a heavy heart, we came towards the end of the training program with constructive discussions around the best offerings of the course and how the course could be improved. The Policy Planning and Coordination Division of the JPO and the organizers of APIC were quite receptive to everybody as they shared their experience of the course and their recommendations to improve it further. A co-participant gave the vote of thanks on behalf of the class, certificates were distributed and photos taken. After dinner that evening, all partici-

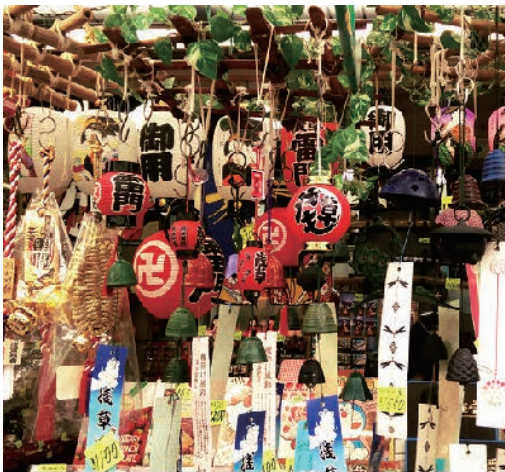


pants from our class and some from other classes gathered for a Karaoke event organized by our classmates in the basement of HIDA. We sang and danced till we dropped. That night I was dead tired but the thought that it would be my last night in Japan with my IP Friends didn't allow me to sleep.

The next day we started our journey back to our home countries. At the airport it was Akihabara all the way- so much was our pleasure to see the Akihabara store at Narita Airport that we immediately snapped some pictures outside the store and sent them to one of our classmates from Brazil who couldn't believe there could be an Akihabara at the airport. If only we could carry Akihabara with us to our countries!

Alas, our trip came to an end but not before I had made twenty-eight friends from fifteen different countries. We are still in touch through Whatsapp and Facebook. We message each other on birthdays and important festivals/national holidays. My journey of Japan did come to an end but my learning about different cultures and countries continues through my IP friends.

ARIGATO GOZAIMASU!



## Japan: Perspective from a Malaysian traveller

**Mr. Muhammad Daniel Mohd Yusof (Malaysia),**  
Legal Officer,  
Forest Research Institute Malaysia



Mr. Muhammad Daniel Mohd Yusof

*(FY2015 10th JPO/IPR Summer Training Course, Aug. 27-Sep. 4, 2015)*

Assalamualaikum and Salam Sejahtera. My name is Muhammad Daniel bin Mohd Yusof, 26. I am working as a legal counsel at Forest Research Institute Malaysia. Travelling to Japan has always been my dream. One of the reasons why is because of the four seasons that it has. The moment I received the email about the training conducted in Japan, I was thinking that this could be it. I realized that I am very early in my career and I might not have a chance to be accepted as a participant for the training. Despite that, I still applied for the training. To make it worse, my first application was rejected by the Japan Patent Office. Despite this rejection, I still thought that there is hope. Then I applied for the second time for the Summer Course and praise to god, my application was accepted. I can still remember how speechless I was when I received the call from Malaysian Intellectual Property Office and I immediately called my mom, telling her the good news.

For me, being given the opportunity to visit Japan, not by normal vacation-type trip made it even more meaningful since I got to know Japan from the perspective of its workforce and got in touch personally with the local people and workers, and I was so blessed to make a few Japanese friends that I am still in touch with now. I was happy to be given the opportunity to join JPO/IPR Summer Training Course from August to September 2015. I was able to gain various exposures, especially to information related to patent, patent examination, patent drafting and such. Apart from that, we were also given the opportunity to join Tokyo Summer Intensive Seminar Course 2015 organized by Japan Association of Universities for Intellectual Property Education and Research (JAUIP).

### **My personal experience during my training in Japan**

#### **Transportation**

Being a developed country, Japan's infrastructure is much better than what we have here in Malaysia. Good public transportation is an essential part of safe, clean and affordable transport for the development of the nation. Good public transportation improves the livelihood opportunities for citizens. People are able to get easy access to education, health care, and recreation, and conduct economic activities such as going to work. What is best about Japan's public transportation is that it is not only widely developed in the main cities, but also in the outskirts of town. In Malaysia on the other hand, a good public transportation network is not widely available in rural areas such as non-capital cities, so this is something that we can learn from Japan.

I happened to read a story in which JR Company keeps Kyu-Shirataki station running for





While I was in Hakone

just one passenger on an island in Hokkaido. Despite the declining number of citizens in that particular area, plus its remoteness, the JR Company keeps the train running for a very good reason to ensure that the particular passenger get access to education.<sup>1</sup> I literally wiped my tears reading this news, knowing that the Japanese government makes education a top priority for every citizen and as much as possible will ensure every citizen gets access to education via public transportation. This reflects the good governance of the Japanese government which I believe we cannot see it elsewhere. Hats off! ☺

I was given the opportunity to go to Hakone, Kanagawa prefecture, an area which I consider rural compared to Tokyo. When I was there, I got to experience various types of public transportation that were widely available and accessible from every part of Hakone. From its bus lines to Hakone Tozan Train and cable cars, I could not have been more amazed.

While I was in Hakone I was able to experience the traditional *onsen*, ropeway, and being able to see Mount Fuji from afar. It was a breathtaking experience in Hakone and I will definitely go there again.

The moment I realized that I was accepted to go for training in Japan, I immediately studied its public transportation system. Japan is known for its super complicated railway network and I felt that it is impossible to understand how the people commute day by day using so many different lines every day.

That expectation, however, turned out to be wrong. After a few days in Japan, I actually got used to the railway network despite getting lost on several occasions. The trains come at the exact time as stated on the information screen.

## The wonderful Japanese

Japan is known as having polite citizens. At least, I would love to think that way. They respect their environment, their own people and even their job. Everyone has heard of the traditional Japanese bow used as a greeting during meeting and exchange. Earlier I thought

<sup>1</sup> <http://www.citylab.com/commute/2016/01/japan-keeps-this-defunct-train-station-running-for-just-one-passenger/423273/>



that it was a funny gesture but when I experienced it myself with my Japanese colleagues while I was in Japan, I started to think that such a gesture has positive connotations to show politeness and respect. And then there is how they treat foreigners. On my first week in HIDA, there was one night I got lost. It was the middle of the night and I was alone from Kita Senju station while on my way back to HIDA. The street towards HIDA hostel was dark. I started to panic and I saw one old man walking in the opposite direction. I reached this man and asked him for directions. The funny part was that both of us did not understand each other. I thought it was very hard to communicate but when I showed him a picture of HIDA, he immediately understood that I was lost and looking for directions. Without hesitation, he pulled my hand and walked with me until we reached HIDA after walking for quite some time. I felt guilty as I had troubled him to show me the way late at night. The second occasion was while I was in Ohana-Jaya station, where I met a Japanese girl and she helped me to find a mosque there. Those were the best experiences I had with the Japanese locals.

Apart from my hectic schedule during the summer course, I was able to steal some time and discover Tokyo by myself during the weekend and on a few nights after classes. As I



First time eating raw sushi ;)



With one of our mentor for JAUIP Program, Ms Kay Konishi, Patent Attorney of Konoshi & Nagao



With fellow friends from JAUIP Program

mentioned earlier, I was given the opportunity to go for a short day trip to Hakone and experienced the breathtaking view of the hot-spring area. The weather was cold and fresh.

I was also very lucky to be able to experience many local delicacies and local cultures. I was very excited to join the networking session that was organized by JAUIP on our first day of the seminar. It was such a good experience because we got to connect with so many industry experts from various corporations in Tokyo and exchange ideas about intellectual property framework in Japan. It was also my first time trying original sushi from Japan and it tasted totally different from what we have here in Malaysia.

During our seminar conducted by JAUIP, I was introduced to the patent framework in Japan and learned many things about the patent system. Among other subjects that were discussed during the seminar were the patent prosecution system in Japan, translation of patents, and also a patent drafting session. I was very lucky to meet with so many experts of intellectual property law during the training such as patent attorneys from Japanese law firms, IP personnel from a few big corporations such as NGB Corp, Sapporo Holdings, and so many more.

Apart from the seminar, we were also exposed to the Japanese legal system in general and visited the Japan Intellectual Property Court in Kasumigaseki. We were able to listen to how civil litigation matters are handled in court from a few High Court Judges who sit in the Intellectual Property Court. It was a good experience as we were given a personal opportunity to communicate with them on issues regarding intellectual property in general.

We also visited Japan Patent Office Building and listened to some briefings about day to day operations of the office. We visited the library and were introduced to J-Plat Pat database, and watched how patent examiners run their examinations. We also visited the hearing room and were given the opportunity to experience how an Intellectual Property objection hearing is conducted.

Apart from intellectual property framework in general, we were also given the opportunity to visit Ministry of Economy, Trade and Industry (METI) and listen to a short briefing about intellectual property enforcement in Japan. We met with several government officers from



With the Chief Judge and High Court Judge of IP Court



While in the JPO building office

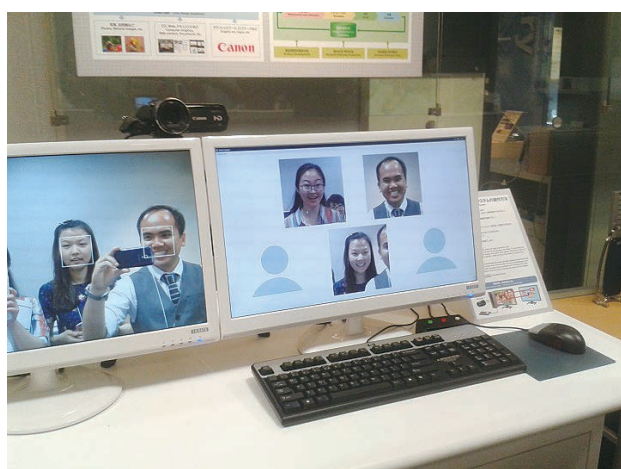




From 44th floor of Tokyo Metropolitan Building



Experiencing Canon 3D technology



Canon Smile detecting camera

METI who shared their experience of enforcement of copyright infringement, piracy, and much more. It was a very surprising visit for me personally because, despite knowing that Japan has a good intellectual property framework and law enforcement, piracy is still one of the major problems faced by the industry. I guess piracy is not an issue that is only faced by the Japanese government but throughout the world.

A few nights after the course, I was able to take personal time to explore Tokyo. One of the attractions that I managed to visit was Tokyo Government Metropolitan Building. Upon walking into the 44<sup>th</sup> floor of the building, I saw a breathtaking view of Tokyo from a very high position which I will never forget. Tokyo is filled with so many lights and I can say that it is truly a metropolis that never sleeps.

On the last few days of our summer course, we were privileged to visit the headquarters of one of the biggest companies in the world, namely Canon. During our visit to Canon, we were briefed about the history of the corporation and how they have built their legacy over several decades. It was such a good visit because we were able to go back in time and see the development of imaging and optical technology.

On the weekend, on the other hand, I took some time to visit several districts of Tokyo. During that period, it was the rainy season and I found it comfortable because at first I





In front of Kaminarimon Gate in Asakusa



In front of Tokyo Camii Mosque, Yoyogi Uehara

thought that summer in Japan was going to be very hot. I went alone to Asakusa district to experience the traditional culture of Japan and visit a few shrines. Asakusa is a place where we can find cheap souvenirs for our family and friends. I did not forget to visit Tokyo Camii in Yoyogi Uehara, the grand mosque in Japan and perform my prayers there.

Those are pretty much all of my experiences in Japan that I am able to share. When I came back to Malaysia and returned to my daily routine, I started to have a new definition of how a developed country should be. My involvement in intellectual property is really not much since I am new to this industry. But what I know is that the awareness of the importance of protecting intellectual property is not widespread among Malaysian people. However in Japan, the role of Japan Patent Office in promoting the importance of intellectual property has had a huge impact on its society and nation. The Japanese realize the importance of patenting their innovations, registering trademarks and activities such as this contribute to the development of the economy and the income of the people.

From my own experience, it is fair to say that the awareness of how important it is to protect intellectual property among Malaysian people has increased compared to several decades ago. But a lot of things need to be done and Malaysian people need to change their attitude in every aspect of life. Personally, I learned so much when I was in Japan. I learned about the value of respecting others, I learned about loving the environment and, most importantly, I learned about life. The world is a much bigger place than the town I live in. When I came home, home may still be the same and I definitely went back to the same job, but something in my mind had changed. I used to travel the world a lot, but this journey will be the one that I will always remember.

Thank you so much to JPO, HIDA and JAUIP for making my dream come true.

## MY TRAINING COURSE EXPERIENCE IN JAPAN

**Mr. Stanley Lim Shang Wei** (Malaysia),  
Assistant Trademark Manager,  
Intellect Trademark Sdn. Bhd.



Mr. Stanley Lim Shang Wei

*(JPO/IPR Training Course for Practitioners Specializing in Trademarks, Jul. 2-15, 2015)*

It was June 5, 2015 when I received an email from HIDA informing me about my acceptance as a participant for the JPO training course. I did not expect to be accepted, and initially, I had mix feelings. The happy feeling was that I could finally travel to Japan for the very first time, but the negative feeling was about going alone to a foreign land for two weeks, which I had never done before. Nevertheless, after much encouragement and support from my family, friends and work colleagues, I decided to accept the challenge.

I arrived at Narita Airport on July 1, 2015 on a gloomy and rainy morning. From the airport departure to the arrival at Tokyo Kenshu Centre, I was pretty impressed about how things were so organized in Japan. I had heard people mentioning that Japanese are rather robotic beings, but I had to strongly disagree with that. I felt, rather, that they are disciplined, organized and humble beings.

Train stations are basically found on every corner of the street, and it is just so convenient to travel around as the rail services are so well-connected. Trains were never late even for a minute within my two-week stay. From our hostel, it is a 10-15 minute walk to the nearest station, Kita-Senju. The way to and from to the train station was pretty dark and quiet at night, but regardless of whether I was alone or in a group, I felt totally safe.

During our first day venturing around the city, we noticed that many signs and other kinds of public information were all displayed in Japanese, which proved to be quite a challenge for tourists like us. The positive side was that the Japanese were very helpful to assist us if they knew what we were asking, although there were not many fluent English speakers around. We visited Ginza on our second night, and it was spectacular seeing so many lights all around us. Since our group consist of Muslims friends, finding a Halal restaurant in Ginza was an uphill challenge. We found a Turkish restaurant, but it was unfortunately not certified as Halal. As such, we dined at a yakitori restaurant, but my Muslim friends were unable to eat anything, and ended up just ordering drinks and having their dinner back at the hostel.

Class started on our third day, and took place in a comfortable room. Throughout the classes, I gained an enormous amount of knowledge not only regarding IP in Japan—but also about the respective participants' various countries. The lecturers were great, but some were fantastic. They gave us real life scenarios, and examples to relate to the topics. I personally felt that I was able to relate better if examples were given in addition to just theory. Our translator Homma-san was superb. She did such a great job translating for us, even though participants sometimes spoke rather fast, and she was trying her best to grasp the words to be translated.



We visited the Toshiba Science Museum on July 10, 2015. There, we were shown not only on the latest technologies that Toshiba has to offer, but also technology that dated back to the days when the company was first set up, such as Toshiba washing machines, radios and refrigerators. It really surprised me to see the advances in Japanese technology even at such an early period, when some other nations were nowhere near the level of the Japanese. This was indeed an eye-opener.

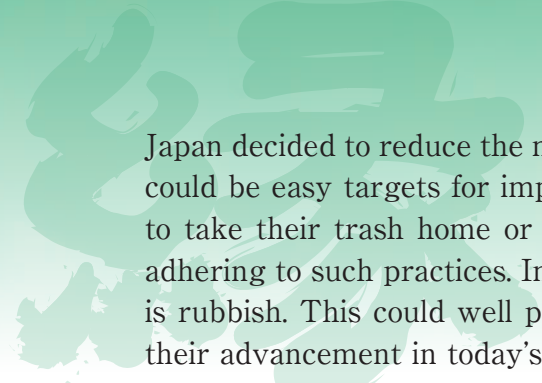
One of my fears when coming to Japan was the food. Firstly, I do not eat raw food, and secondly, I can't eat shellfish, since I am allergic to it, which meant that I would be missing the best food in Japan. They say that beggars can't be choosers, however, and having a bowl of ramen or a plate of Japanese curry rice was actually a feast for me. There were days when I had budget constraints, so the best and most budget-friendly dinner one can have in Japan is to walk into any convenience store and grab two pieces of onigiri. I guarantee you it will fill up your tummy. I had difficulty unwrapping my first onigiri, and I made a mess outside the convenience store. But we humans are adaptive species, so the second onigiri meal went well with the guidance of my friends.

Next I would like to share some observations about the Japanese culture that I had throughout my two weeks' stay. First, I would like to touch on the friendliness of the Japanese people. People who worked in places such as convenience stores or mall shops or roadside stalls or random public place were all very friendly. While you exit the shop or after you purchase something, the shop assistants really thank you sincerely. I was awed by this, because in the place I come from, not all of the above-mentioned places have friendly or polite employees. When I was at one of the malls in Odaiba sitting outside the retail shops, I saw a Japanese lady who had purchased from that shop and the sales person accompanied her to the exit and thanked her sincerely with a bow. She bowed in the direction of where the lady was walking, and continued bowing until the lady has passed three other retail shops. People had told me about this Japanese practice before I came here, and I got to witness it with my own eyes. This is what you call customer service at its best.

Where I come from, you can observe various types of people on escalators. There are couples who occupy both sides of the escalator while engaging in public displays of affection (PDA), or sometimes individuals who just stand on the right side while ignoring others who are ascending or descending. When I was in Japan, I kind of brought my country's culture there because we were in a group of three and while on the escalator, I just stood on the right side while chatting with my friends. My Indonesian friend who has been to Japan before corrected me, and made me aware of the "standing on left side" rule. Luckily, there were no other commuters on the escalator at that time. From that day onward, I learned and applied the "standing on the left side" rule, since the right side is for people who wish to walk faster to reach their destination.

There are still many more positive aspects to the Japanese culture that I observed. The most positive practice that I am going to share did not only impress me, but also my friends. In Japan, it is quite challenging to find trash bins in public areas. They are limited, and can only be found in certain spots such as in front of convenience stores. Even so, we do not find the city heavily littered or dirty. I asked the tour guide why there are so few trash bins in Japan, and she told me that after the September 11<sup>th</sup> attack in the USA, the government of





Japan decided to reduce the number of trash bins in the public area as a precaution since they could be easy targets for improper acts. In view of the above, the public has been educated to take their trash home or until they find a trash bin. The Japanese are so disciplined in adhering to such practices. In certain countries like mine, trash bins are everywhere—but so is rubbish. This could well portray the mentality of the Japanese, which also might explain their advancement in today's world.

Next I would like to talk about my visit to Harajuku on July 5, 2015 in the afternoon with one of my Indonesian friends. Everything went perfectly as planned and to give out a shopping pointer, the H&M store in Tokyo sells very affordable clothing. After shopping there, we headed out to find dinner and just beside the H&M store we witnessed a very unfortunate and heart breaking event. There was a car that ran over a small kid. We did not see clearly whether the kid rushed into the road, or the driver was driving too fast along the very small lane and hence knocked the kid down. The kid was lying there face down in a pool of blood and not moving. We felt so shocked to witness such an accident in a country where we never thought we would see such a thing take place. We felt sick to our stomachs, and just sat at the corner of a traffic light junction not talking to one another for almost half an hour. I was impressed by the responsiveness and efficiency of the emergency team (police and ambulance), which arrived in under five minutes when we were sitting down at the traffic light junction. At that time, we could only pray hard for the kid that he is safe and glad enough we heard from a friend that the kid survived and was rescued at the hospital. Imagine if the emergency team would have reached in half an hour instead of under five minutes. I am sure that the outcome would have been very different.

The word honest carries the meaning “free of deceit and untruthfulness/insincerity,” and that is what the Japanese hold strongly in my view. It was the last day in Tokyo, and we were heading to Narita airport from Tokyo Kenshu Centre on a rainy and gloomy morning. I had four pieces of hand luggage to carry with me as I made my way to the Keisei Sekiya station on foot. When I finally boarded the train, I put my camera bag on the shelf, and the rest of my luggage on the floor. We were supposed to get off at Aoto Station, which we nearly missed when the train arrived at the destination—so all of us quickly rushed off the train to catch the express train to Narita Airport. Everything was fine until I got into the express train. Just after the doors shut. I noticed my camera bag was not with me. I looked out at the platform, and saw that my bag was not there either. I then remembered that I had put it on top of the compartment of the earlier train that had left a while earlier. I panicked, as the bag contained some very high price camera equipment.

Not putting very high hopes of finding it back, I got off at the next station and took the train back to Keisei Sekiya station, where I begged the employee on duty for help. As mentioned earlier in my article, not many people speak fluent English in Japan, and so I had to talk really slow so that the guard could understand the crisis I was facing. After telling him my heart-wrenching story, he asked me for details such as approximately what time I boarded the earlier train and to which station. I gave him the details and he made a phone call to his peers. In less than five minutes, he asked me “is your camera brand Canon?” I said yes, and he told me they had found my camera bag and asked me to go to a station two stops away to collect it. I hurriedly boarded the train there, and when the train station employee took out my bag, I was so happy and nearly in tears. I hugged him and thanked him with my all heart.

With this incident, I looked up to the Japanese ever more now.

I have been to a couple of countries including Japan, and I am very proud to tell the people of Japan that they are the nicest people on planet Earth. And I am not saying this because the Japanese government sponsored me during my two-week training course. This is based on detailed and honest observations and encounters that I personally came across.

A trip to Tokyo about which I first hesitated turned out to be a memorable and unforgettable one. If my budget permits, I would love to have my honeymoon back in Tokyo again next year during the cherry blossom season with my soon-to-be wife.

To conclude my two-week learning experience in Tokyo, I would like to extend my sincere gratitude to those who made our stay comfortable and unforgettable—especially Yuka Homma-san.



Sensoji Temple @ Asakusa with my Philippine friend, Katherine.



Toshiba Science Museum group photo



Stunning night view at Odaiba



Kamakura with my friends from Vietnam, India and the lovely Japanese tour guides (from left: Huong Nguyen, Snehal, Anamika, lovely Japanese tour guide, myself, Thuy Nguyen, Nguyen Hong Duyen & Haruo Shimizu)



Train to Toshiba Science Museum with my Thailand and Philippine friends (from left: Peachya, Anyarin, Satta, David & myself)



Graduation day with my Philippine and Indonesian friend (from left: Katherine, myself and Garry)



Mount Fuji



## Articles from the former trainees

### The changing IP Scenario in India and the Japanese Influence

Mr. Shivendra Singh (India),  
Consulting IP Counsel (GEP Worldwide),  
Independent IP Practitioner

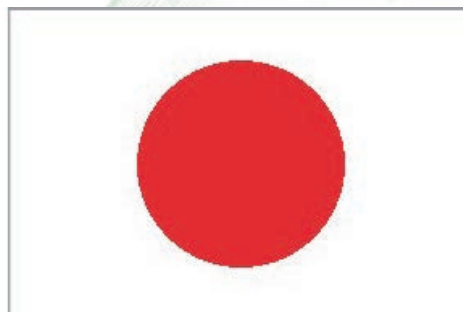


Mr. Shivendra Singh

*(FY2015 JPO/IPR Training Course for IP Practitioners, Jun. 15-26, 2015)*

The ties between India and Japan date back to the 6<sup>th</sup> century when Buddhism was introduced to Japan. After World War II (WWII), the first Prime Minister of independent India, Mr. Jawaharlal Nehru, donated an Indian elephant to the Ueno Zoo in Tokyo in 1949. One of the first treaties Japan signed after WWII was a peace treaty with India.<sup>i</sup> This was the beginning of the ever strengthening diplomatic relations between the two nations. Amongst others, Indo Japanese relations are well known for diplomatic, economic, technological, cultural and human resource exchanges. The tremendous increase in the strength of this relation is evident from the recent visit of India's PM Narendra Modi to Japan and the visit of Japanese PM Shinzo Abe to India.

Since 1996, the Japan Patent Office (JPO) has provided vigorous support for human resource education in order to reinforce the protection of IP in developing countries.<sup>ii</sup> The JPO runs around ten different JPO/IPR Training programs for India each year to educate people from different parts of the IP fraternity: IP Trainers, IP managers, IP Attorneys, Trademark professionals, Patent professionals, Patent and Design Examiners, IP Protection lawyers, etc. The extensive modules largely impact all the participants but the maximum impact is on the Examiners of Patents, Designs and Trademarks, as they are the ones who undergo a wide-ranging training for three months.



<sup>i</sup> India Relations (Basic Data), Ministry of Foreign Affairs of Japan, February 3, 2016 available at <http://www.mofa.go.jp/region/asia-paci/india/data.html>

<sup>ii</sup> General information on the JPO/IPR Training Program FY2015

I had the privileged opportunity of attending the JPO/IPR training course for IP Practitioners from June 15-26, 2015. During the course we were told about the Examination system of Japan and the steps taken by the JPO to reduce the examination time. We were also told about the amendments in Japanese IP laws and how Japan revised laws across all agencies according to a Strategic program for IP. The objective of the Amendment of laws being “to establish a nation built on Intellectual Property”.

Analogously, India recently came up with an Intellectual Property Policy on May 12, 2016 with a vision of “an India where creativity and innovation are stimulated by Intellectual Property for the benefit of all”. The Policy lays down seven objectives- IPR Awareness: Outreach and Promotion, Generation of IPRs, Legal and Legislative Framework, Administration and Management, Commercialization of IPR, Enforcement and Adjudication and Human Capital Development.

Amidst other changes, the policy suggests making the Department of Industrial Policy and Promotion (DIPP) the nodal agency for all IPR issues. Copyrights, which were until recently handled by the Ministry of Human Resources Development (MHRD), will now fall under the aegis of DIPP.

One of the steps outlined in the policy is promotion of “Make in India”, “Digital India”, “Skill India”, “Start Up India”, “Smart Cities” and other national initiatives through the IPR Policy’s slogan “Creative India: Innovative India”. The imprints of the vision of the Prime minister of India, Mr. Narendra Modi, is clearly visible in the IP policy. Through these initiatives, the Indian government wants to ensure that there is more innovation and manufacturing in India and lesser dependence on imports. This seems to be aligned with Article 4 of the Intellectual Property Basic Act which describes measures towards intensification of technical capabilities and sustainability of the Japanese industry.

A step under the objective of commercialization of IPRs is to promote licensing and technology transfer for IPR; devising suitable contractual and licensing guidelines to enable commercialization of IPRs; promote patent pooling; and cross licensing to create IPR based products and services. Article 13 of IPBA also relates to the promotion of Research and Development results, etc.

From the manner in which all the IPR laws have been accommodated under a single roof with common objectives for each, India’s first ever IPR policy seems to be in line with Japan’s IPBA.

Faster examination of applications seems to be a major step in achieving the objective of administration and management under the Policy. In pursuance of achieving this step, DIPP came out with Patent (Amendment) Rules 2016 on May 16, 2016, which came into effect on the same day. The salient features of the amendments are:

- The time for putting an application in order for grant has been reduced from one year to six months, i.e. six months from the date of issuance of the first examination report. Such period may be extended by three further months by filing for an extension of time in the prescribed manner.

- A refund of 90% of fees paid for request for examination / expedited examination can be obtained if a request for withdrawal of a patent application is made before the issuance of the first examination report. (It was noticed that a lot of applications were abandoned after an examination report was issued. This has been done to reduce the efforts to Examiners in examining applications which eventually do not get pursued.)
- Instead of actual appearances before the Controller and Examiner, hearings held before the Patent Office may be held through video-conferencing or audio-visual communication devices. In all cases of hearings, written submissions and the relevant documents, if any, are required to be filed within fifteen days from the date of hearing.
- Applicants will have to pay fees to request for adjournment of hearing and this request has to be filed at least three days before the date of the hearing (this has been done to discourage the time wasted in adjournments of hearings by the Applicants).
- Applicants who choose India as an International Search Authority or an International Preliminary Examining Authority in the corresponding international application can now opt for expedited examination of applications.
- A new entity of startup has been introduced. "Startup" means an entity where:

(i) more than five years have not lapsed from the date of its incorporation or registration;

(ii) the turnover for any of the financial years, out of the aforementioned five years, did not exceed rupees twenty-five crores; and

(iii) it is working towards innovation, development, deployment or commercialization,

provided that any such entity formed by splitting up or reconstruction of a business already in existence shall not be considered as a startup.

Provided further that the mere act of developing a. products or services or processes which do not have potential for commercialization, or b. undifferentiated products or services or processes, or c. products or services or processes with no or limited incremental value for customers or workflow, would not be covered under this definition.

- The fees for startup will be the same as that of a natural person/inventor (in the case he is the Applicant).

Start-ups have been identified as a category for fee reduction apart from the recently introduced category of small entity. These start-ups would be eligible for fee reduction up to 75%. A separate guideline has been released for facilitating start-ups to file and prosecute in India on 5<sup>th</sup> May, 2016. The same is published in the *Scheme for Facilitating Start-Ups Intellectual Property Protection (SIPP) document*. Under this scheme, the Controller General of Patent, Trademark and Design (CGPTM) invited Patent and Trademark Agents, Advocates and government agencies to enroll as facilitators. The functions of facilitators' inter-alia would be providing advice on a pro-bono basis, providing information on promotion and protecting



IPRs, drafting specifications and prosecuting applications to grant. While the start-up is to bear the statutory cost, nominal fees will be given to the facilitators by the CGPTM. This scheme shall be valid for one year. Recently, CGPTM published lists of Patent Agents, Trademark Agents and government organizations for the purpose of consideration as a facilitator for start-ups under this scheme. The scheme and the lists can be found on the website of the CGPTM.<sup>iii</sup>

The recent Patent (Amendment) Rules, 2016 also underline the objective of reducing the examination time from the current 5-7 years to up to 18 months. The step of fee reduction in case the application is withdrawn/abandoned before the Examination report has been issued seems to be quite similar to the Japanese Patent Act (Article 195) which allows for such a refund. Also, the CGPTM hired contractual Patent Examiners a few months back to reduce the backlog of applications that are pending at the Patent Office. While the CGPTM does hire contractual examiners for Trademarks since long, this is the first time Patent Examiners were proposed to be hired on a contractual basis for this purpose. This is also quite similar to steps adopted by JPO in reducing the backlog of pending applications.

The trademark situation is also expected to see changes in the coming months. The government has indicated that the procedure for registration of a trademark will be reduced to 1 month in the near future to reduce backlogs.

India's IP enforcement regime has seen some changes in the past few months. While Indian Patent regime has been criticized for lack of patent enforcement possibilities in India, the Government is trying to strike a balance between rights of the Patentee on the one hand, and safeguarding Public interest on the other. In recent times, the Courts in India have seen a surge in matters relating to Patent infringements. The most prominent ones being the infringement cases filed by Ericsson against Micromax, Intex and Gionee for infringement of Patents relating to Standard Essential Patents. India, in the past has not seen such an aggressive approach by Patentees and the Courts have been dealing with these issues ably.

Further, a notification published in January 2016 directs that IP infringement matters that until now were being handled by the High Court, shall be dealt with by commercial division of the High Courts under the Commercial Courts Act 2015. It is apparent that such provisions are being introduced to handle IP matters more efficiently in the Country.

From the steps being taken at all levels of government, India seems to be making the right strides in protection, administration, management and enforcement of IP.

The seeds of the positive changes in the IP policies are sowed in the Examiners during these human resource exchanges that are at the helm of execution of these changing policies. I, too, was bestowed with the knowledge of Japanese IP laws which will help me in dealing with the changes in the Indian IP laws as I practice before the Indian Intellectual Property Offices.

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<sup>iii</sup> CGPTM website: [http://ipindia.nic.in/Whats\\_New/iprFacilitation\\_StartUps.htm](http://ipindia.nic.in/Whats_New/iprFacilitation_StartUps.htm).

## COLLECTIVE MARKS AND SMALL-MEDIUM ENTERPRISES IN INDONESIA: REGULATION, ADVANTAGES, AND IMPLEMENTATION



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Small-medium enterprises (SMEs) in Indonesia numbered 56,534,592 in 2012, when they received serious attention from the Indonesian government due to their strategic role in supporting the country's economy. In fact, when Indonesia was in economic crisis in 1998, SMEs were able to provide job opportunities and maintain national economic movement. Since Indonesia actively participates in AEC, serious concern is also given to SMEs today.

The Indonesian government is prioritizing the development of SMEs to push them to competitively market their products. The government also provides support for certain SME products that have already been standardized, labelled, and protected from unfair business competition. Moreover, as it implements intellectual property in the area of SME products, the government is specifically concerned with collective marks.

### Regulation of Collective Marks and its Utilization in Indonesia

According to WIPO, collective marks are defined as signs which distinguish the geographical origin, material, mode of manufacture or other common characteristics of goods or services of different enterprises using the collective mark (WIPO; 2016). In the United States a collective mark is a type of trademark that may be registered and protected under the Lanham Act (See 15 U.S.C. § 1127. Collective Marks: The term "collective mark" includes both trademarks and service marks.) The Lanham Act describes a "collective" as a cooperative, association, or other collective group or organization; fraternal organizations and unions are both considered to be collectives. The mark adopted by a particular collective is only available for use by its members (see 15 U.S.C. § 1127). The members of a collective use its mark to identify their goods and services and distinguish them from those of non-members. The collective itself does not offer goods or services under the mark, but may advertise or otherwise promote goods and services bearing its mark. If a collective offers its own goods and services under the mark, it is not considered a collective mark; it is a trademark for the goods and services offered by the organized collective (Legal Information Institute; 2016).

The second type of mark recognized as a collective mark under the Lanham Act is the "collective membership mark." The collective membership mark is unique among those marks protected under the Lanham Act in that it is not used in commerce to distinguish the source or origin of goods or services; its sole purpose is to identify the person displaying the mark as a member of the organized collective. To qualify as a collective membership mark, the mark must be in general use by members of the collective for the purpose of indicating membership. Use of the mark on items such as membership cards, wall plaques, personal rings or other jewelry that is available to all members is required to support registration of a collective

membership mark. Occasional or personal use by individual members, or use of the mark on an item that is available only to a specific member or group of members is not sufficient to support federal registration. (Legal Information Institute; 2016.)

Indonesia is the largest state in Southeast Asia that ratified the establishment of the World Trade Organization in 1994. Consequently, Indonesia has had to harmonize its national laws, including those in the field of intellectual property. This has been seen in the Indonesian Marks Law of 2001 (Law Number 15), which covers the fundamental provisions of Article 1, and Articles 50 through 55.

In Article 1 (4) of this law, “Collective Marks” are explained as those used for goods and/or services with the same characteristics for trade by several persons or legal entities together, in order to distinguish between other goods and/or services or other similar means. According to this definition, it could be concluded that the elements of collective marks are: a) those used for goods and/or services; b) those that have the same characteristics; c) those that are traded by several persons or legal entities cooperatively; and d) those that differentiate themselves from other goods and/or services.

Article 1 (1) of this law states that “marks are signs that form pictures, names, words, letters, numbers, color, arrangements, or combinations of those that have distinction and utilization in the trade activity of goods and/or services”. Marks must have sufficient distinguishing features (capable of distinguishing), meaning that it has the power to distinguish its goods or services from another company’s products. In order to have distinguishing features, marks should be able to identify the goods or services concerned. Marks can be imprinted on the goods or on the packages of certain goods or are listed on matters concerned with services (Abdulkadir Muhammad; 2001, 120-121).

Marks also basically have the following functions (Dwi Rezki Sri Astarini; 2009, 47):

1. As identification to differentiate the company’s products from others (product identity)
2. As a promotional tool for trade (means of trade promotion)
3. As a guarantee for the quality of goods or services (quality guarantee)
4. As the designation of origin of goods or services produced (source of origin).

Therefore, the definition and function of collective marks should not deviate from that stated above.

Collective marks are based on the same elements above, where Article 50 (2) and (3) of Law Number 15 of Year 2001 states the conditions for utilizing collective marks as follows:

- (1) According to the utilization of collective marks stated in section (1) above, the application must include the condition that marks are utilized as collective marks, and this must be signed by all owners of the mark.
- (2) The conditions of collective mark utilization that are stated in section (2) are as follows:
  - a. The nature, general characteristics, or quality of goods or services that are produced and traded.
  - b. An obligation for the owners of collective marks to effectively monitor the utilization of the mark itself.



c. Sanctions applied toward the infringement of collective mark utilization regulations.

From the provisions above, it is clear that the application to register collective marks must be followed with the availability of regulating the utilization of collective marks. Characteristics of collective marks are their; nature, general attributes, or quality of the goods and/or services produced and traded, and the monitoring and sanction toward regulating the utilization of collective marks.

Supposed Collective marks have the same characteristics of the products that will be traded, and have to follow a set of standardization processes. Accordingly, the collective marks shall not be utilized for individual interests only.

### **The Advantages of Collective Marks for Small-Medium Enterprises (SMEs)**

An understanding regarding the regulation of collective marks in Indonesia allows several unique matters to be concluded. *First*, collective marks are focused upon cooperative utilization. Therefore, they may not be used individually, and ownership can be held by several persons or legal entities. *Second*, collective marks emphasize the regulation of collective mark utilization. The regulation itself is done in order to decide the obligations among the parties related to the utilization of collective marks themselves. *Third*, collective marks cannot be licensed to other parties, thereby distinguishing between collective and individual marks.

From the statements above, it is clear that collective marks may be clearly applied to SMEs. This is for the following reasons: 1) SMEs consist of a group of business actors, and tend to have similar products; 2) Although SMEs may be run by one person, its existence might be vulnerable, therefore a group of people is needed, 3) SMEs have limited funds or capital; 4) SMEs do not have sufficient capability to promote, advertise, or commercialize their marks individually.

The positive implications of the utilization of collective marks are as follows:

- a. Advantages of a cooperative framework among SMEs for similar products
- b. Encouragement of SMEs to develop standardized products
- c. Increased power of product competition
- d. Reduced budget for legal administration, promotion, and advertisement that must be paid individually from the SMEs

### **The Experience of Implementing Collective Marks in Indonesia**

The application of collective marks for SMEs is effective and advantageous to their interests. In Indonesia, collective marks have been regulated, therefore, nowadays several SMEs are taking steps to apply them in order to protect and increase the bargaining power of their product cooperatively.

One example is of the collective mark of the Ngudi Rukun group, which is a group of 30 small-medium enterprise members located in the Special Region of Yogyakarta that has a collective mark that has been filed with the Directorate General of Intellectual Property, Ministry of Law and Human Rights. It is categorized as Class One with the product of fertilizer

with Number Registration K002014028514.

When the Ngudi Rukun group demanded the registration of their collective mark, they directly stipulated regulations for its use. The Ngudi Rukun mark is as follows:



The regulations stipulated by the group are that the ingredients for fertilizer consist of: straw and leaves (chopped), animal feces, chaff, husk (if available), tofu drops or sugar, EM4, water, soil from the bamboo tree (if available), and oxide chalk, and that the production method is as follows:

1. Put solvent of EM4 and tears of cane/sugar into water
2. Mix chaff and water until it becomes a dough and can be gripped, but wait until there are no water drops, give water to the leaves, EM4 and tofu drops (adequately dissolved with water) on the straw/leaves
3. Sprinkle the oxide chalk over the straw/leaves adequately
4. Sprinkle the animal feces to a depth of 10-30 cm over the straw/leaves
5. Sprinkle husk, soil from the bamboo tree and chaff (now in dough form) over the animal feces, pour the EM4 and tears of cane over all the ingredients that have been sprinkled
6. Repeat the process from point C to H until it becomes a heap
7. Sprinkle the animal feces as a cover
8. Cover the heap tightly with tarpaulin
9. After two to three weeks, stir the heap evenly and then tightly recover with tarpaulin
10. After one month the ingredients have composted and the fertilizer is ready for use.

The final testing of the fertilizer product quality is based on a quality control system conducted by the Ngudi Rukun community of farmers. Monitoring of the products given the NGUDI RUKUN collective mark is conducted by Internal Monitoring and executed by producers of registered organic fertilizer. Monitoring instruments are determined by the Ngudi Rukun community of farmers and External Monitoring, and monitoring is conducted by the standardized institution and the government. Monitoring instruments are prepared by the standardization institution and the government.

The designation process for the NGUDI RUKUN collective mark is that it is given by the group's community of farmers after the product is packed, and it is stated that it fulfills the quality requirements based on the regulation manual for the use of the collective mark. The scoring process for the quality requirements is conducted by the person in charge from the Ngudi Rukun community of farmers.

The Standard operating procedures mentioned above shall be complied with, otherwise there will be a sanction such as: a warning; prohibition to use logo of the community group of farmers Ngudi Rukun; revocation as a member of community group of farmers Ngudi Rukun; and discharge as the member of community group of farmers Ngudi Rukun.

## Conclusion

Collective marks is an important aspect in the protection and enhancement of the competitiveness of SMEs. There are many benefits to be gained when collective marks are implemented by SMEs. Therefore, collective marks today have become an important option to be implemented by SMEs in the Special Region of Yogyakarta, Indonesia.

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Indonesian Marks Law of 2001 (Law Number 15)





## ANALYSIS AND DIFFERENTIATION OF THREE-DIMENSIONAL TRADEMARKS AND INDUSTRIAL DESIGN MODELS, INSIDE AND OUTSIDE THE MEXICAN LEGAL FRAMEWORK

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### ABSTRACT.

The main objective of Industrial Property is to recognize the intellectual work of inventors by granting them an exclusive right; for it sets out certain legal forms that protect inventions, such as patents, trademark registrations and industrial design registrations. However, currently in the Mexican legal framework there is not a precise definition of “Three-Dimensional Trademark”, which outlines the profile of a problem, because it is confusing to determine when a three-dimensional object can be protected as a “Three-Dimensional Trademark” or as an “Industrial Model”, considering that in both cases it requires the three-dimensional features of the objects. Therefore, the analysis of the existing legal framework, supported by the study of practical cases under the supervision of experts, will seek to identify aspects that help to determine a concept, the scope and limitations of a Three-Dimensional Trademark, in order to set an accurate parameter and establish differences, with respect to an Industrial Model.

**KEY WORDS:** Protection of a three-dimensional shape, Industrial Model (Industrial Design), Three-dimensional trademark, scopes and limitations, differences between Three-dimensional trademarks and Industrial Models.

### APPROACH TO THE PROBLEM

In the Mexican Institute of Industrial Property (IMPI), some Registers of three dimensional trademarks, contains objects in three dimensions which currently should have been protected on the field of Industrial Design Registers, in the category of Industrial Models, however, the Mexican legal framework (Industrial Property Law and Regulations ) does not have a reliable basis which delimit the border between when a three-dimensional object must be protected by a trademark registration or through a register of industrial model, and so their differentiation is currently based on the “interpretation” of the Industrial Property Law from the legal standpoint, which brings with it a plurality of non-homogeneous criteria.

See the next scheme.

The novelty of the system of three-dimensional trademarks in the country, the complexity of the issue and the lack of precise

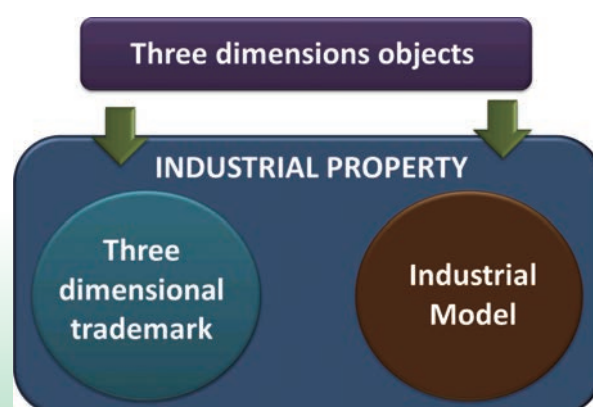


Fig. 1. Representative scheme.

rules, are mixed ingredients that outline the problem.

Given this, it is necessary to know the differences, the scope and limitations of both legal concepts to determine the most suitable type of protection in three-dimensional objects, and thus, answer the following questions:

When a three-dimensional object should be protected as a three dimensional trademark and when as an Industrial Model?

When yes? When not?

## **PROJECT LIMITATIONS**

Among the limitations of this study we have:

- a) The Legal Framework Mexican (Industrial Property Law, Regulations and other instruments currently applicable). Since there is not a precise sense of a Three Dimensional Trademark that delimit when a three-dimensional shape can be protected by a Trademark Registration and when not.
- b) The multiple criteria that currently deal with the subject by specialists in Industrial Property, causing a variety of different interpretations, since there is no a legal limit established.
- c) Actually the treatment given to a Three Dimensional Trademark in relation to an Industrial Design (Industrial Model), for foreign offices, in most cases does not apply in Mexican territory; therefore, these treatments cannot support or assist the Mexican legal framework.

## **HYPOTHESIS**

The analysis of the existing Mexican legal framework, the study of different sources of information and support from specialists in the field, will lead to the generation of a proposal that differentiates, precisely, the essential characteristics of each case, without the possibility to confuse, and/or delimit the border when a three dimensional object or shape could be protected as a Three Dimensional Trademark and when as an Industrial Model.

## **STATE OF THE ART**

It is accepted that three-dimensional objects or shapes may be protected and registered as trademarks, as already happens in many national laws, provided that they fulfill the role of a trademark function.

Trademark law and industrial design law have been conceived in order to fulfill related but distinct legal targets, and thus are different from each other with regard to the protection requirements, limitations, and scope of protection of other aspects.

Three-dimensional shapes or objects can be protected both by Industrial Designs and through Trademarks, provided they fulfill the usual requirements for each type of protection.

The industrial design protection in Mexico is limited in time, but the protection of the brand can continue indefinitely if the legal requirements are met in terms of their use and/or registration.

For a three-dimensional shape to get an industrial design protection, it must be “new”, although the degree required novelty is not the same for each country or territory.

For a trademark protection, the three-dimensional shape must be “distinctive” and not only be functional, and must meet other conditions generally applicable to trademarks.

In the following pictures, it is possible to see a Three Dimensional Trademark (left) and an Industrial Model (right) comprising a container for candies. Both registers show the same three-dimensional shape, however, the type of protection granted is different.

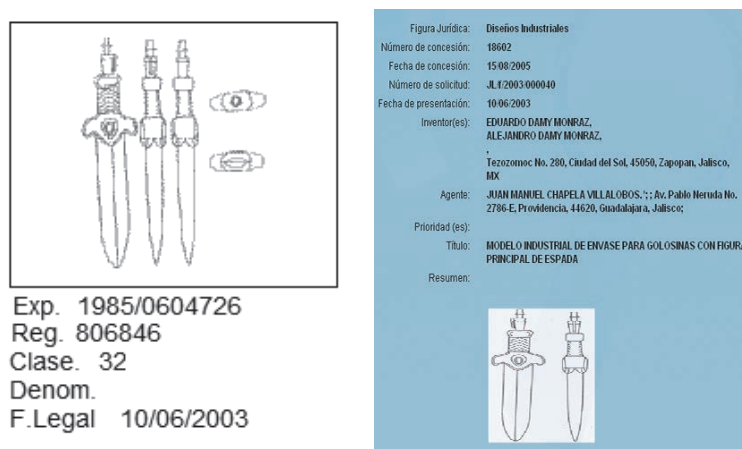


Fig. 2. Incorporation of two types of Records that protect a three-dimensional shape.

Industrial Design Registration can protect the novelty and the peculiar appearance of a product, and result of arbitrary contribution of the designer. And a three dimensional trademark can protect the “distinctiveness” of a shape, namely, the facility to distinguish one product from others on the market.

As is noted from the above, the primary functions that meet the designs and trademarks, are different:

- A design (industrial model or industrial draw) is essentially designed to determine the form of a product.
- A trademark also applies to the product, but the primary function of a trademark is to identify the specific commercial origin in connection with goods and / or services. (Marcos, 2005).

## SOCIO-ETHNOGRAPHIC METHODOLOGY.

The collection of relevant information and the selection and analysis of it, undoubtedly require a methodology that supports and guides the structure and quality of this study, what is in this case: the analysis and differentiation in industrial property, of the three dimensional



trademarks with respect to industrial models; so, in order to reach the most rational, credible and current responses, it was decided to conduct the research considering both documentary sources and a Socio-Ethnographic methodological program in order to reach consensus on interpretations in force and in the practice about what comprises a three-dimensional trademark and an industrial design in the category of industrial model.

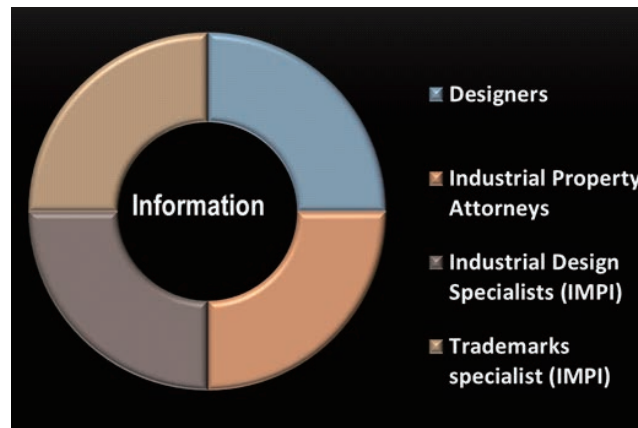


Fig. 3. Schematic representation of the groups for data collection.

### Sample selection

The first group of professional designers will be mainly industrial designers who want to protect their creations, or those who want to remain innovative in a particular sector, that is precisely what is encouraged by the Industrial Property, so even if they are not interested in a legal protection, they are indirectly involved in a creative process of new three-dimensional shapes which have a purpose.

The next three groups correspond with specialists on the subject, whose experience and practice will be an important factor when defining each legal figure and his participation is current and real, because the information compiled is about the way they pronounce today in respect to the protection of a three dimensional object. These are: Industrial Property Specialists in the area of Industrial Designs currently working at the Mexican Institute of Industrial Property; also in the same Institute, Industrial Property Specialists in the area of Trademarks, and furthermore, the following group corresponds to Industrial Property Attorneys.

## THREE DIMENSIONAL TRADEMARK

First, a Three Dimensional Trademark is a “sign”, namely, a unit capable of transmitting representative contents that are perceived by the senses, so it performs a communicative process, which by nature or by convention, represents, evokes or replaces the idea of other stuff.

A three-dimensional trademark is a sign with an essential requirement of “distinctiveness” which allows the transformation of a sign on a brand. Distinctiveness is one feature that distinguishes a product from others. And to make this possible, the distinctive sign must be easy to remember; therefore complicated signs either composed of many words or complicated

signs hard to remember, cannot be registered because they lack of distinctiveness.

However, “distinctiveness” is a vague legal term that should be interpreted individually.

For purposes of this research, we have in general that “distinctiveness” is:

1. Feature which serves to distinguish.
2. Feature that serves to differentiate.
3. Having the power to make something peculiar.
4. And it should be easy to remember



Fig. 4. Example of a three dimensional trademark that meets the requirement of distinctiveness.

A three-dimensional trademark is a volumetric body, as is represented in three dimensions, occupies a certain space and bounded by itself, and can be represented by the environment, packaging, packing, crating or shape of a product, provided that is distinctive compared to others. However, three-dimensional trademarks should not be descriptive in form, namely, its appearance must not reveal his class, in other words, a three-dimensional trademark of an automobile should not visually representing cars.

The three-dimensional trademarks have the purpose of promoting the spirit of transparency and competitiveness in the market and lead the consumer demand, and that influences consumers to distinguish the goods the trademark from other equivalent competitive products. The three dimensional trademarks can enjoy unlimited time, if the registration is renewed periodically and / or brand is properly used in commerce.

## INDUSTRIAL MODEL

An industrial model is a three-dimensional configuration, of volumetric shape, that implies an utilitarian nature, having industrial application, is the result of a combination of shape features and novel appearance, giving thus a distinctive new look, perceptible to the sight, which is designed to highlight the product and make it different from others of its kind, so that, with these new and unique physical attributes, consumers, for their aesthetic quality, choose from among others of the same gender.

The utilitarian nature of the previous paragraph, is implicit in the Industrial Designs as they are objects that you “use”; for example, an Industrial Model Secretarial Chair, an Automobile, a Faucet, a Glass, a Portable Telephone, a Vase, a part of Jewelry, etc., all serve for something, are used to something, even an ornament meets an application, which is an ornamental use. And even when there is not protected “the utilitarian nature” in this type of legal figure, there is an implicit and unconscious relationship with industrial models. Article 33, section II of the Industrial Property Law provides that applications for this type should attach

gender to which the design will be used; so according to that Mexican legal framework (LPI), the utilitarian nature is involved in industrial designs, even when the protection afforded to this type of applications is in its shape and appearance.

In the following example, there is illustrated an Industrial Model of faucet, where it is shown that in an Industrial Model it is an implicit unitary character. The faucet in this type of legal concept is protected by its configuration; however, it also satisfies a use.



Fig. 5. Example of an Industrial Model of Faucet, which implies an utilitarian character

The industrial application, meanwhile, refers to the possibility that the Industrial model is produced or used in any branch of economic activity, that is, has a chance to be reproduced and used around one or several activities to stimulate the economy. And the novel features of shape and appearance that are protected, receive the benefit of the exclusivity granted by a Register of Industrial Design. These have to be independently created and also have to differ significantly on known designs. Therefore they must contain an important contribution intellectually arbitrary of design to be “new”.

Therefore, the Industrial Designs promote competitiveness and consumer demand by creating an aesthetic interest as well as being functional (since industrial designs are “used”), in order to increase the commercial value and the demand for them.

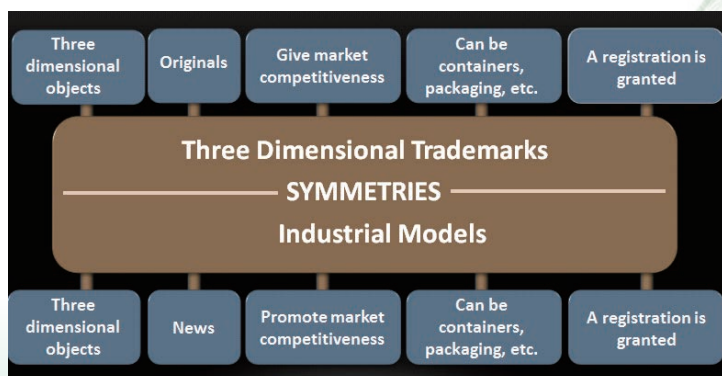
An Industrial Design Registration gives the owner the right on his registered designs. In our country, it has a limited period of 15 years counted from the filing date.

## SYMMETRIES AND ASYMMETRIES BETWEEN THE TWO LEGAL FIGURES.

The symmetries and asymmetries are outlined in the following two models of personal development:

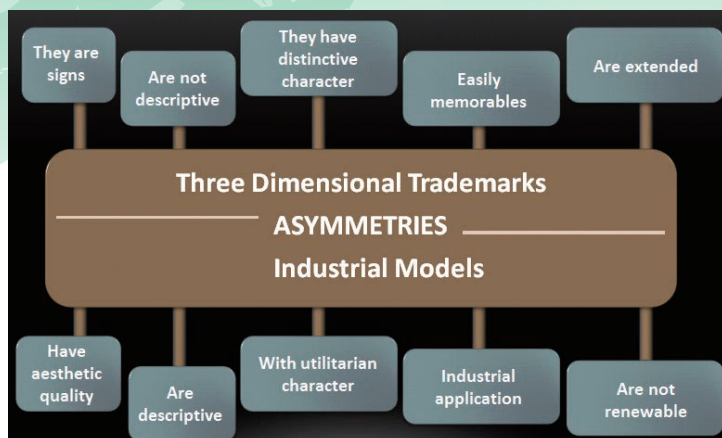
Model 1.

See the next scheme.





Model 2  
See the next scheme.



## CONCLUSIONS

The present study indicates, first, the importance of the Industrial Property for designers or inventors. And second, the weak precision of the legal framework governing such matters. In that vein, this research acquired empirical nuances, but with current information and practical information.

In the case of Mexico, it is easy to confuse the type of protection that a three dimensional object deserves, since in Industrial Designs and in three dimensional trademarks, three-dimensional character of the objects is a prerequisite, and the only legal support to understand Industrial Property has many gaps.

However, I believe that the problem itself is the application of a single article, article 53 of the Rules of the Industrial Property Law, that establish that included as a three dimensional trademark are wrappers, containers, packaging and shape or presentation of products; thereby that situation make a vague limit with respect to wrappers, containers, packaging and shape that can be protected as industrial models. The thought of Mexico in this matter is that unquestionably it is regulated by the Industrial Property Law and Regulations (particularly), so, this article is undeniably applicable.

When treating wrappers, packaging, shape or packaging and presentation of the products, which is precisely the kind of products motivates the current uncertainty, an article is legally mandating the inclusion of this group as candidates to be protected like a three dimensional trademark. In this regard, in article 53 of the Rules of the Industrial Property Law, it's missing the conditions of when "wrappers, packaging, containers and shape, or product presentation" deserve this protection type of trademark registrations. And while there is no precision on the legal instruments, undoubtedly the application of such an article will continue in an improper way. The problem deepens further for not having a three dimensional trademark concept in the legal Mexican framework. This brings instability because we do not have concise brackets to delimit the boundaries, scopes and limitations of a three dimensional trademark regarding the boundaries of Industrial Models, causing an unknowing of what should be granted or not by one for those types of registration, especially talking about "wrappers, packaging, containers and shape, or product presentation".

On the other hand, we also have an instability in the inventors, designers, offices, studios, etc., in the sense of not knowing to locate the ideal protection that their three-dimensional creations deserve, particularly in the packaging industry. They leave this task to the attorneys, who seek to preserve their clients by offering frequently a possible registry extendable to keep the file active, but it does not always work the way the designers wanted.

## **PROPOSAL 1 FOR IMPROVEMENT THE MEXICAN LEGAL FRAMEWORK**

Article 53 - . For the purposes of Article 89, section II of the Law, may be included as three-dimensional trademark wrappers, packaging, containers or form or presentation of products, provided they are sufficiently distinctive to differentiate goods or services from others of the same class and work as business identifiers.

## **PROPOSAL 2 FOR IMPROVEMENT THE MEXICAN LEGAL FRAMEWORK**

Article 89 - Can constitute a trademark the following signs:

...

II. Three dimensional trademarks capable to transmitting representative contents with distinctiveness that allows them to differentiate themselves from their counterparts in the market, which distinguish products without consisting on the shape thereof, or distinguish services from those of the same class or kind;

...

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## Success story - Mozambique IPI (Industrial Property Institute)

Mr. Jose De Melo Destino Junior (Mozambique),  
Patent examiner,  
Industrial Property Institute (IPI)



Mr. Jose De Melo Destino Junior

*(JPO/IPR Training Course on IP Administration for LDCs, Sep. 24-Oct. 2, 2015)*

Since 2004, the *Instituto da Propriedade Industrial* (IPI – Industrial Property Institute) in Maputo, falling under the Ministry of Trade and Industry, has been responsible for the administration of industrial property in Mozambique. Thus, whenever an entrepreneur or inventor wishes to protect her intellectual property (IP) rights by, for example, registering a trademark or a patent, she will process the registration through the IPI.

For the first few years of the existence of the IPI, as the organization was being established and staff members were recruited, the number of registrations of various types of industrial property was relatively low. The IPI was not well known at the time amongst its potential clients, such as universities.

In 2012, with the support of the WIPO programme for Technology and Innovation Support Centers (TISC), the IPI set up a TISC in Maputo. This was an important milestone. A TISC is intended to provide innovators in developing countries with access to locally-based, high-quality technology information and related services, encouraging and helping them to exploit their innovative potential, as well as to create, protect, and manage their IP rights.

A year or so later, SAIS (Supreme Audit Institutions) offered an innovation management and leadership course in Maputo, and several IPI staff members participated. The course was an eye-opener, as the role of IP in innovation and knowledge-sharing became much clearer. For example, the leader of the course, an IP expert from Finland, had the participants bring examples of potentially patentable innovations to the course for assessment. This hands-on and practical approach to learning about IP management provided IPI staff members with the experience and confidence to look again at how the IPI was going about fulfilling its role, with a view to finding ways to improve its effectiveness.

After the course, the IPI team members considered how they could implement the lessons from the course to achieve the best results for IPI and IP management in Mozambique. They undertook a programme of outreach that involved, among other things, holding focus group meetings at universities. Innovation practitioners were identified and targeted with invitations to the focus groups, which were also open to anyone to attend. During the focus group meetings, the importance of IP was discussed and the way innovators could receive the necessary support from the IPI and through the TISC was also explained. Training was additionally provided on describing one's innovation and completing the various application forms, as well as on the requirements for the drawings of the innovation.

The outreach programme was not limited to Maputo city. The teams visited three prov-

inces and engaged with innovation practitioners at the provincial science and technology centers, as well as at technical and vocational schools and universities.

Another benefit of the training course was to improve the processing of applications for patent registration. Before the course, a total of just under 30 patents had been registered in Mozambique. However, there was a large number of applications in process, and many were not moving through the assessment process. The training course provided tools and insight for processing more difficult applications, and this knowledge was applied with good success to the applications in the pipeline. Not very long after the training course, therefore, the number of patent registrations had doubled.

As a result of the awareness-raising and outreach efforts of the IPI staff, the demand for the IPI's services increased substantially. For example, although a large number of patent registrations were completed soon after the course, this did not result in an empty pipeline. In fact, the increased number of patent applications was such that about two months after the course, the number of applications in the pipeline had grown around three times greater.

Patenting is still not a common or well-known practice in Mozambique. And while it is still early for Mozambicans to benefit from products patented in their country, a start has been made. For instance, one patent that the IPI processed was for converting a pedal bicycle to be used as an ambulance in rural areas. (Many of the patent applications received by the IPI are for improvements to existing technology or products rather than being for new stand-alone technology). The bicycle ambulance is now being manufactured by an NGO in Mozambique, and the inventor is receiving royalties.

A second successful patent is for a manual water pump, which is also now being mass-produced in Mozambique.

The IPI is at the forefront of promoting the benefits of creating, managing and protecting IP rights in Mozambique. In doing so, it is contributing to building a new image for Mozambique. Innovations are no longer only brought in from elsewhere for local use. Now, the creative potential of Mozambicans is being harnessed as a new and growing source of innovations that will benefit people in Mozambique and elsewhere.

## Message from Lecturer of Examination Guidelines (Inventive Step)

Mr. Shouji HADATE

Patent Attorney,  
Intellectual Property Office NEXPAT



Mr. Shouji HADATE

The following are the two example cases which I use for my lecture.

Example 1 is a pencil with an eraser.



The claimed invention is a pencil with an eraser, and the cited inventions are a pencil and an eraser.

	Constituent Features	
Claimed Invention	Pencil	Eraser
Cited Invention 1	Pencil	-
Cited Invention 2	-	Eraser

You are a patent examiner. How would you explain to an applicant the reason why the invention lacks inventive step?

It is important that you explain a “motivation” for a person ordinarily skilled in the art to combine a pencil and eraser.

In a class, usually the following opinions are presented.

Both a pencil and an eraser belong to the same technical field, i.e. stationery. A pencil is for writing, and an eraser for erasing, so they are functionally related. Therefore, there is a motivation for a person ordinarily skilled in the art to combine them.

The next example is a bookmark with a light.





The claimed invention is a bookmark with a light. The cited inventions are a bookmark and a light.

	Constituent Features	
Claimed Invention	Bookmark	Light
Cited Invention 1'	Bookmark	-
Cited Invention 2'	-	Light

How would you explain to an applicant the reason why the invention lacks inventive step?

A bookmark and a light belong to different technical fields, and these are not functionally related. Therefore, for Example 2, a motivation cannot be explained in the same way as Example 1.

Let us see how the court made a decision as to this point in actual cases.

In Example 1, a U.S. court case (*Reckendorfer v. Faber* (1875)) explained as follows: a pencil with an eraser is only an aggregation of separate elements and therefore not patentable.

Here is a question. The court's explanation was not a "motivation" in a sense that a person ordinarily skilled in the art would wish to combine a pencil with an eraser. It seems that the court's explanation is not within the proper sense of "motivation." Why did the court make such an explanation?

However, Example 2 also can be explained in the same way. A bookmark with a light is only an aggregation of a bookmark and a light and therefore not patentable.

The "motivation" that needs to be considered in the judgment of inventive step is not only the reason why a person ordinarily skilled in the art "would wish to combine" cited inventions.

A claimed invention which does not involve inventive step does not contribute to technical progress, and therefore lack of inventive step is one of the reasons for refusal of a patent application. A "motivation" needs to be discussed from the standpoint of whether the claimed invention represents more contribution to technical progress than the mere combination of cited inventions.

An examiner needs to assess whether a claimed invention represents a "technical contribution." But it is a future contribution which no one can know. Therefore, examiners are often required to make decisions on their own.

However, an examiner can seek assistance from other examiners in the process of determination. So I suggest that an examiner seek advice from other examiners.

In my opinion, the role of the Examination Guidelines is to provide opportunity for communication among examiners.



## Column: “Convenience Stores”

**Mr. Takao OGIYA,**  
Director General of APIC



Mr. Takao OGIYA

Convenience stores are franchise systems of small retail shops which operate for long hours, seven days a week. They originated in the U.S. and spread rapidly to Japan after developing a new business model different from those of larger retailers (e.g. supermarkets) and small family-owned retail stores.

The first of convenience stores' innovations was the creation of a small-lot delivery system. In order to maximize their small retail spaces, they have to concentrate on keeping popular products well stocked while minimizing the stock of other products. To achieve this goal, convenience stores requested frequent small-lot deliveries from wholesalers. However, this increased the burden and costs borne by the wholesalers. To improve wholesaler efficiency, convenience store chains opened many stores in the same areas.

The next convenience store innovation was the introduction of a POS (Point Of Sale) system, which monitors and enables management of the sale of each product at the time of sale. After the introduction of this system, it became possible for convenience stores to obtain detailed, real-time sales information on customers (e.g. gender, age, etc.) who purchase certain products and the times of their purchases. This information is then shared with manufacturers and wholesalers and analyzed to enable the aforementioned small-lot delivery system to adjust delivery timing and volumes. This innovative delivery system made it possible for consumers to purchase what they want when they want it, and they naturally started using convenience stores more frequently.

Convenience stores increased in number and began expanding their businesses into services, such as photocopying, payment collection for utilities and goods and services purchased online, 24-hour bank ATMs and parcel delivery. The entry of convenience stores into finance was a particularly important development.

Last year, I met a foreign trainee whose credit card had been rejected by the ATMs of many conventional Japanese banks. He was becoming worried that he would be unable to purchase a ticket to Narita Airport and would eventually have to borrow money from someone. One of the APIC staff members went to a convenience store to try to use his card one last time. Surprisingly, the convenience store ATM accepted his card. He tearfully rejoiced and was able to happily return to his home country. I'm not sure why conventional bank ATMs rejected a credit card which was accepted by a convenience store ATM. However, it is true that some credit cards are accepted only by convenience store ATMs.

The proliferation of convenience stores has also greatly influenced product design and development by manufacturers. I have recently been enjoying finding new products at convenience stores. I usually find new products, or products available for a limited time in the food section (e.g. chocolate confections). These products are likely being test marketed to leverage the real-time sales information gathered by the aforementioned convenience store POS sys-

tems. Manufacturers can make small product runs and test market them at convenience stores. If the products sell well, manufacturers can gradually ramp up production. I think this is why many of the new products that I find in convenience stores disappear within one or two weeks.

Also, the manner in which products are displayed at convenience stores has influenced product design and packaging. In order to display as many types of products as possible in a small store space, stationery goods, such as ballpoint pens, are individually packaged and hung on racks. Manufacturers try to attract consumers' attention by improving the designs of their ballpoint pens, etc. As I mentioned in a previous column, I have been buying the same ballpoint pen for more than five years. I like it because it writes smoothly. When I need to buy a new one, I go to a convenience store because I know I can find one there easily. This is an example of a good product design strategy winning a loyal customer.

Meanwhile, convenience stores sell *onigiri* (rice balls), *oden* (a traditional Japanese food), and other dishes that were regarded as home-cooked cuisine 30 years ago. For people living alone, it is very comforting to know that they can buy these foods no matter how late at night it is. In recent years, it has not been uncommon for a person to buy their family's dinner at a convenience store.

In addition, the around-the-clock operating hours of convenience stores have given them an increasingly important role in maintaining security by providing nighttime lighting around an area and serving as emergency shelters.

In 2014 convenience store chains surpassed 10 trillion yen in domestic sales from their over 52,000 stores. The convenience store business is a huge industry, serving as a major infrastructure integrated into the daily lives of Japanese people. Japanese-style convenience stores have been rapidly spreading to other Asian countries, such as China, South Korea, Taiwan, and Thailand.

What plans do convenience stores have for future development and growth? I think they will increase the number of stores to remain competitive and make greater efforts to distinguish their goods and services from those of other stores by developing their own brands, etc.

However, from the viewpoint of consumers, we have too many convenience stores already. The principle of "survival of the fittest" has already prevailed or will ultimately prevail. The chains may need to examine the possibility of coexistence. Their over 10 trillion yen in sales are not insignificant. They have vast, complex distribution systems. The distribution and sale of every product adds information to a constantly updated database. This "big data" would be a goldmine if it were managed and analyzed in an integrated manner, as various business trends could be identified. By keeping their data secret from one another, the chains are actually diminishing its value. Information sharing seems to be essential for their prosperity. Convenience stores should also be encouraged to be original in developing distinctive goods and services. This would create a healthier environment for competition.

In addition, we should not forget that convenience stores are functioning as part of our social infrastructure. In a society with a declining birth rate and an aging population, convenience stores are expected to play an important role. It will become indispensable for convenience stores to work closely with public service providers, such as the police, fire departments, local municipalities, schools, and welfare facilities.

Convenience stores are a world-class innovation made in Japan. I advise trainees who come to Japan to use convenience stores, and experience these small spaces packed with the essence of 21st-century Japan for themselves.





## Selection from TOP 100 Japanese Innovations "Convenience Stores"

### Outline

Convenience stores are retailers selling a variety of goods such as foods and daily products. They are small stores operating long hours 7 days a week under franchise. According to the dynamic statistics of commerce of the Ministry of Economy, Trade and Industry, the sales of convenience stores totaled 9.4772 trillion yen in 2012, which accounted for 6.9% of the total retail sales in Japan.<sup>1</sup>

In the early 1970s, convenience store chains, which first appeared in the U.S., were introduced to Japan and started to expand. The first convenience store, which has since become famous, was a 7-Eleven store in Toyosu, Koto City, Tokyo. It had a sales floor of slightly more than 20 tsubo (66 m<sup>2</sup>).

In the 1970s, supermarket business was growing rapidly. Supermarkets became bigger and sold goods at a large volume. They usually sold goods at discounted prices. As a result, supermarkets faced severe conflicts with small and mid-sized retailers in existing shopping streets. These conflicts have led to a serious political problem. In order to cooperate with the existing retailers, 7-Eleven adopted a franchised chain system from the beginning.<sup>2</sup> They sold goods without any discounts and operated long hours seven days a week. Their business style was new and different from small or large retailers at that time.

Since the opening of the 7-Eleven store in Toyosu, 7-Eleven has developed a unique, sophisticated product management system, carried out a distribution system reform (small-package delivery system) and introduced unprecedented systems, such as the use of advanced technologies for information processing, etc. (POP system). Thanks to these efforts, convenience stores have received positive feedback from consumers, experienced rapid growth in sales, and increased the number of member stores.

After the commencement of business by 7-Eleven, many companies such as Lawson and FamilyMart entered this field, which has grown into a large industry. As of 2012, there are about 50,000 convenience stores in Japan,<sup>3</sup> of which 15,072 are 7-Eleven stores (with sales of 3.5084 trillion yen),<sup>4</sup> 11,226 are Lawson stores (with sales of 1.9065 trillion yen),<sup>5</sup> and 10,162 are FamilyMart stores (with sales of 1.5845 trillion yen),<sup>6</sup> etc. The convenience store industry in Japan has adapted to the everyday life of Japanese people. In recent years, convenience stores have developed private brands and enhanced their product development capability in other ways. They no longer limit their business to retailing, but have started offering various new services such as making copy machines and 24-hour bank ATMs available, and providing a



First convenience store rice ball  
(Source: Seven & i Holdings)

utilities payment collection service and parcel delivery service.

The convenience industry, which has developed in Japan, started expanding from Asia to the rest of the world. The number of 7-Eleven stores outside Japan is larger than the number of stores in Japan.

## Innovation history

### (1) First 7-Eleven store in Japan

In the 1970s, supermarkets were growing rapidly and their sales surpassed those of department stores and accounted for the largest share of the total retail sales in Japan. On the other hand, supermarkets built in various regions faced serious conflicts with the existing small and midsize retail stores such as those in local shopping streets. Under these circumstances, executives, etc. of some supermarkets studied a chain store retail business model that had been developing in the U.S. and examined the possibility of introducing it to Japan and started establishing some chain stores. Ito-Yokado, which was a midsize supermarket ranking 17th in the retail industry at that time, is the parent company of 7-Eleven. The president of Ito-Yokado, Masatoshi Ito, decided to start the chain restaurant “Denny’s” in Japan. The then Director Toshifumi Suzuki was examining the possibility of commencing chain retail stores. Suzuki had a strong belief that even small stores can survive if they increase productivity.

When Suzuki visited the U.S. for an inspection tour, he found 7-Eleven of Southland Corporation. Southland Corporation was established in 1927 as a shop selling ice in a desert region of Texas in the U.S. Since the company was open for 16 hours (from 7 in the morning until 11 at night), seven days a week, the company changed its name to 7-Eleven. This company was a pioneer of the convenience store business. Suzuki decided to form a strategic business alliance with this company. After going through tough business alliance negotiations with Southland Corporation and dealing with negative opinions in and outside the company, Suzuki opened the first 7-Eleven franchise chain store in Toyosu, Koto City, Tokyo, in May 1974.<sup>7</sup> He explained that “the first store was opened under franchise in order to clarify its goal, i.e., co-existence and co-prosperity.” The purpose of the adoption of a franchise system is to allow members to “reduce the cost of starting a 7-Eleven store and allow franchise members to



First 7-Eleven store  
(Source: Seven & i Holdings)



concentrate on their business.”<sup>8</sup> The challenge of the franchise system is to enhance its productivity and modernize member stores with the assistance of the headquarters.

Each convenience store sells about 3,000 items, some of which take many months to sell out, while others sell out quickly. It was common to check the inventory status at random times. The first 7-Eleven store checked the sales of each item every day in order to increase the merchandise turnover rate.

At the same time, in order to concentrate on increasing the stock of hot-selling products and make the most of the store space, it was necessary to create a system that allows each store to minimize the amount of stock. In other words, it was necessary to switch to a system that requires frequent delivery of goods from wholesalers in the smallest lot necessary for each store. However, it was difficult for wholesalers to adopt such delivery system without raising delivery fees. 7-Eleven explained the future advantage of scale that will increase with the development of the convenience store industry and also made a bold decision to establish many stores in specific areas in order to raise the efficiency of delivery. For a while after the opening of the first convenience store, 7-Eleven established new chain stores only in Koto City. Consequently, 11 new stores were established within a short period of time in the same area. As a result, the wholesalers accepted the request for small-lot delivery. The first store already showed the 7-Eleven basic operation principle that has lasted until today, i.e., item-by-item product management and dominant store opening strategy (high density and concentration).

Currently, the service area of each convenience store is considered to have a 400 m radius, which is accessible within five minutes on foot. It is common to take a strategy of opening multiple stores of the same chain within a walking distance of 5 to 10 minutes in a city. In order to deliver freshly made products such as fast foods, products are delivered to each convenience store three times a day. The players in the convenience store industry such as 7-Eleven promoted a joint delivery system that allows the delivery of goods of competing manufacturers at once.

## (2) Introduction of POS (Point-of-Sale System)

The number of 7-Eleven stores increased to 48 by 1975, just one year after the Toyosu store opened, and to 725 by 1978, only three years after the opening. After the establishment of the small-lot delivery system, with the spread of 7-Eleven stores throughout Japan, the task of managing products and inventory became more complex, drastically increasing the amount of information generated in the course of the task. In the 1980s, 7-Eleven introduced a POS system, which functioned as a useful tool to grasp the customer needs and allowed each store



Figure 1. Number of 7-Eleven stores

Source: 7-Eleven Japan website [<http://www.sej.co.jp/company/suii.html>]

(Last date of access: December 23, 2013)

to determine the selection and procurement volume of goods that are most suitable for its internal and external environment.

POS was originally invented in the U.S. It is a system to manage the sale of goods at the point of sale. The system has been developing with the advancement of information technology. Walmart in the U.S. introduced POS at 22 of its stores in 1973 and at 90% of its stores by 1988. In 1999, Walmart disclosed POS data to its business partners in an effort to rationalize its supply chain as a whole. In Japan, a demonstration experiment was conducted on POS in the 1970s. In 1972, Daiei and Mitsukoshi started an experiment on a checking system by use of bar-codes, which were used for the first time in Japan. In the 1980s, many convenience stores introduced POS.<sup>9</sup>

In particular, 7-Eleven introduced POS in 1982 and established a cycle of single-item management, which first develops a hypothesis based on the data gathered by the POS system and places an order accordingly, and subsequently evaluates the result, and makes adjustments before placing the next order. 7-Eleven was the first in the world to make such use of a POS system and became a pioneer in the field of POS data utilization.<sup>10</sup> As a result, it became possible to record and analyze the sale of each item by using such data as the gender and age of the customer who purchased the item, the time of purchase, and the weather on that day, and to identify “popular goods” and “unpopular goods” in a more efficient, accurate manner.

Subsequently, a series of improvements were made, such as the sharing of real-time information between the delivery company and the headquarters, the enhancement of the networks between stores, and the improvement of information analysis by use of a large-scale data warehouse. POS was also used to develop new products and pursue so-called total merchandising, i.e., integration of manufacturing and sale through real-time data sharing between manufacturers and stores for the purpose of monitoring sales in each time slot.

The introduction of a POS system at 7-Eleven and the convenience store industry as a whole is an example of companies making the best use of advanced technology in the information age.

### (3) Development of the convenience store industry

In 1984, 10 years after the opening of the first 7-Eleven store in Toyosu, the total number of 7-Eleven stores reached 3,867. During those ten years, many companies entered the convenience store industry, intensified competition, and expanded the market as a result, making it into a major industry. The dynamic statistics of commerce prepared by the Ministry of Economy, Trade and Industry started to specifically cover convenience stores, and the results were published in 2002. At the end of that year, the convenience stores in Japan reached 32,248 in total number and 6.0492 trillion yen in sales, including sales for services. In 2012, they reached 47,801 in total number and 9.4772 trillion yen in sales, surpassing the total sales of department stores and approaching the sales of supermarkets (12.9 trillion yen).

Such development of the convenience store industry would not be possible without relentless, courageous efforts made by convenience stores to satisfy ever-changing customer needs as described above. Customers have confidence in the goods sold in convenience stores because the stores have a sophisticated item-by-item product management system designed to maintain the freshness of foods by limiting their shelf life and to replace about 70% of the products every year in consideration of the life cycle of each product and minimize the stock-outs of popular products.<sup>11</sup>

Initially, convenience stores were known for their long operating hours, running until late

at night or starting from early morning, which customers found convenient (subsequently, their operating hours further extended to 24 hours). With an increase in the number of stores, they have come to provide more convenience in terms of services, for example, starting from making copy machines available and then providing other services that take advantage of their connections with other networks, such as the utilities payment collection service, 24-hour bank ATM service, and parcel delivery service. These new services designed to satisfy local needs has made everyday life more convenient for consumers and people in the community.

Not only providing convenient services for consumers and local people, convenience stores have been playing an increasingly important role in maintaining security by providing night-time lighting around the area and serving as emergency shelters.

Convenience stores first started in the U.S. It was 7-Eleven that introduced trademarks, convenience store principles (safety, a wide selection of goods, cleanliness), and the franchise accounting system from Southland Corporation in the U.S. They are still the basic components of 7-Eleven.<sup>12</sup> However, as mentioned above, a large part of the essential features of the business model has been newly created and built in order to adapt to Japanese society.

Japanese convenience stores started expanding in other countries as well. First, they entered the rapidly growing Asian markets and are now planning to establish shops around the world. In other countries, Japanese convenience stores are willing to modify their business model formulated through fierce competition in the Japanese market so that they can adapt to the local environments. At the same time, Japanese convenience stores are determined to maintain their competitive edge against local convenience stores. 7-Eleven Japan acquired the stock of Southland Corporation in the U.S. in 1991 and made it a subsidiary in 2005. As a result, the number of 7-Eleven stores in the U.S. increased to 8,177. 7-Eleven also established stores in other countries, especially in Asia including Thailand, South Korea, and Taiwan. The total number of overseas stores is 35,736, which is much larger than the number of domestic stores, 15,851. On the other hand, FamilyMart invested in overseas business from an early stage and established the first store in Thailand in 1992. FamilyMart has 12,700 stores in other countries, mainly in South Korea, Taiwan, and China, which is larger than the number



Overseas 7-Eleven store (U.S.)

Source: Seven & i Holdings



of their domestic stores, 9,481. In recent years, the number of overseas stores has been increasing at a faster pace than the number of domestic stores. Also, Lawson has 448 stores overseas, mainly in China.

(Note)

\* The names of companies, goods, etc. are trademarks or registered trademarks of the companies mentioned in the article.

\* The names of companies are simplified by omitting “Co., Ltd.” etc.

\* Name prefixes such as Mr. are omitted.

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(Last date of access: February 26, 2014)
2. A Franchise is a continuing relationship between one business concern (called a Franchisor) and another business concern (called a Franchisee) where a Franchisor and a Franchisee enter into a contractual agreement; the Franchisor grants the Franchisee the right to use the signs representing the Franchisor’s business—including the Franchisor’s logo, service mark, trade name and others—as well as the Franchisor’s management know-how, and the right to conduct the product sales and other businesses which bear the same image as the Franchisor’s; and the Franchisee pays the consideration to the Franchisor in return, provides the fund required for the business, and operates the business under the Franchisor’s guidance and assistance.  
(Cited from the Japan Franchise Association website)  
[[http://fc-g.jfa-fc.or.jp/article/article\\_10.html](http://fc-g.jfa-fc.or.jp/article/article_10.html)]  
(Last date of access: April 2, 2014)
3. “Convenience Store Statistical Data,” the Japan Franchise Association website  
[<http://www.jfa-fc.or.jp/folder/1/img/20131025113325.pdf>]  
(Last date of access: January 3, 2014)
4. “Corporate Profile,” the7-Eleven Japan website  
[<http://www.sej.co.jp/company/suii.html>]  
(Last date of access: January 3, 2014)
5. “Corporate Profile,” the Lawson website  
[<http://www.lawson.co.jp/company/corporate/about.html>]  
(Last date of access: January 3, 2014)
6. “Company Information,” the FamilyMart website  
[<http://www.family.co.jp/company/familymart/outline.html>]  
(Last date of access: January 3, 2014)
7. Suzuki said that the most innovative times in the history of 7-Eleven were the time of foundation and the time of entering into the financial field (see the video mentioned at the end).
8. Seven & i Holdings, “Shikiho” (Quarterly Corporate Report), Winter 2013, vol. 121, at 10
9. Hitoshi Kogure, “Sūpā conbini no rekishi” (History of Super Convenience Stores)  
[<http://www.kogures.com/hitoshi/history/pos-super-convini/index.html>] (Last date of access: January 3, 2014)

10. "Information System Development," the 7-Eleven Japan website  
[[http://www.sej.co.jp/company/aboutsej/info\\_03.html](http://www.sej.co.jp/company/aboutsej/info_03.html)]  
(Last date of access: January 3, 2014)
11. Koichi, Kunitomo, *Konbini ga ryūitsu o kaeru* (Convenience stores changing the distribution system) (DIAMOND, Inc., 1998), at 145 to 147
12. 7-Eleven Japan, *Owarinaki inobēshon* (Endless innovation) (7-Eleven Japan, 1991), pp. 25 and 43

## Happenings in Japan (Four-Flame Cartoon)





## Editors' Note



Hello, this is Mitty.

I am now the Chief Editor of our information magazine "Einishi." I greatly look forward to working with you in this capacity. Ms. Chiho Omori has also joined our editing staff, and we are planning some very interesting and enjoyable articles this fiscal year.

In this issue we are focusing on "convenience stores" in Japan. Convenience stores are enhancing their services each year, and are truly becoming, as the name implies, convenient. Although most of us are very happy with these stores, did you know that it brings tears of sadness to the eyes of some people?

That's right, restaurants and other shops serving food and drinks. With advances in the technology for the preparation and delivery of food products, fewer people are going to restaurants. Rather they buy their food at convenience stores and eat at home. The prices are lower and the food is tasty, so people tend to go out to restaurants less frequently. The evolution of convenience stores and their ability to respond to the needs of the customer are threatening the food service industry on a daily basis.

Convenience stores are constantly increasing the types of services they provide, as well. Now if you go to a convenience store, it is not only convenient, but can actually be used as your own personal assistant. What service would you like to see available through convenience stores?



Hello, I am Chiho Omori and I have been working with Mitty on the staff of the "Enishi" magazine since April of this year, and I would like to talk a little about the evolution of "convenience stores" in Japan.

The Japanese Government is currently taking steps to make Japan a more welcoming destination for foreign tourists in order to grow the tourism industry, and of course convenience stores are an important part of this.

Some convenience stores, mostly in the Tokyo metropolitan area, now offer various services such as free Wi-Fi and Duty-Free shopping, and some have even installed foreign currency exchange machines which operate 24 hours a day. You can also do some shopping online during your stay in Japan, and arrange to pick up your purchase at a convenience store near your hotel. Even if you spend the entire day sightseeing and forget to buy a souvenir, don't worry, some convenience stores have special sections catering to foreign tourists which sell Japanese snacks, cosmetics and character goods.

If you get the chance to visit Japan, please make your stay more enjoyable by making the best use of those services offered at the convenience stores. And don't forget to try some of the delicious sweets that you'll only find at convenience stores!

**Publication of this Magazine is consigned to the Japan Institute for Promoting Invention and Innovation by the Japan Patent Office.**

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