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ENISHI

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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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Introduction of FY 2017 Long Term Fellowship Researchers

Mr. Chhayhong Eung (Combodia)
Mr. Chhayhong Eung

Hello everyone!

My name is Eung Chhayhong. I am from the Kingdom of Cambodia, which is a country located in the southern portion of the Indochina Peninsula in Southeast Asia. I have worked for the Department of Intellectual Property (DIP), the Ministry of Commerce since 2013. In fact, I have involved in IP field since 2011. In 2011, I worked as the assistant to IP national consultant for the two projects- translation of the main IP treaties and conventions administered by the World Intellectual Property Organization (WIPO) from English in to Khmer and the development of IP curriculum for universities- under the World Bank project, Trade Development Support Program (TDSP). Then in 2013, fortunately I passed the entrance exam to be the government official of the Ministry of Commerce and have been assigned to work in the Cooperation and Legal Affairs Division of DIP. In this division, my main daily works were dealing with the following affairs: (i) communicate and facilitate the IP affairs with other ministries and international organizations, (ii) prepare and organize the workshops, seminars and training on IP, (iii) stimulate the drafting IP related laws and regulations, (iv) cooperate with other responsible Ministries in disseminating IP laws and regulations aiming at raising awareness of IP to Government official and general public, and (v) act as the focal point in facilitating the implementation of IP project and technical assistances from other countries and international organizations. In 2016, I have been promoted to work in the Litigation Division of DIP

as my daily works and responsibilities extend to deal with all the tasks concerning IP cases administrative settlement ranging from procedures, hearing and settlement.

Currently, I am the long-term researcher of JPO Research Fellowship Program for FY 2017 with the theme of the establishing IP Appeal Board in Cambodia. Being seen the importance of effective and efficient protection and enforcement of IP rights, and having a clear procedure and specific administrative institution for IP case and infringement settlement, establishment of IP Appeal Board would be one of the priorities to deal with the ongoing development and challenging of IP field in Cambodia.

Through this research study, it is expected that all the knowledge, experiences, practices, challenges, major concerns and good role model and sample of JPO IP Appeal Board have been learnt and played as a model step for establish IP Appeal Board in Cambodia.

Last but not least, I would like to express my sincere thanks to Japan Patent Office-APIC-JIPII for organization of this priceless program and all kinds of supports and assistances to researchers during their stay in Japan that contribute a lot to the development of the IP field in their respective Office.

Ms. Rumbidzayi Rosemary Mlambo (ARIPO)
Ms. Rumbidzayi Rosemary Mlambo

Hello from Zimbabwe! My name is Rumbidzayi Rosemary Mlambo. I work for the African Regional Intellectual Property Organization (ARIPO) as a Trainee Patent Examiner (Biochemistry). I have been with the Organization since 2015.

ARIPO is an inter-governmental organization established under the Lusaka agreement of 1976 to pool resources together for promotion development and harmonization of IP laws and policies of Member states. ARIPO has a membership of 19 countries i.e. Botswana, Ghana, Kenya, Lesotho, Liberia, Malawi, Mozambique, Namibia, Rwanda, Sao Tome & Principe, Sierra Leone, Somalia, Sudan, Swaziland, The Gambia, Uganda, United Republic of Tanzania, Zambia and Zimbabwe.

The objectives of ARIPO include Promotion, harmonization and development of IP, Establish common services and organs for IP coordination, Establish IP training schemes, Organize conferences, seminars and meetings on IP, Promote exchange of ideas and research on IP, amongst others for the economic benefit of its Member States.

My role is in substantive search and examination of patents, in the field of Biochemistry and undertake research and other related activities for the development and promotion of the IP system. As highlighted above one of the key objectives of ARIPO is research on IP and development of the IP system in the region, which is why I am participating in this research fellowship.

African countries have been receiving significantly low IP filings compared to the rest of

the world. According to the Global Innovation Index 2015, there were 2,888,800 global patent filings but the ARIPO office only received 780 filings.

Asia received the highest total number of filings with China receiving 38.1%, Japan 11.0% and the Republic of Korea 7.4%. In 2015, there were a total of 44,053 PCT applications originating from Japan and only 45 found their way to the ARIPO regional phase. Japanese exports to Africa have risen from 5.0 billion USD in 2000 to 7.8 billion USD in 2015, the number of Japanese companies operating in Africa rose from 336 in 2005 to 687 in 2015, further Japanese FDI stock in Africa has risen 22 fold in 18 years from 0.5 billion in 1996 to 11.4 billion in 2014. The activity and investment in Africa by Japan does not positively correlate with an increase in IP filings, so my research theme is to look into why there are low filings from Japan to Africa and specifically to ARIPO. Secondly I will investigate how IP facilitated the growth of Japan grew from being a developing country to a developed country and measures and activities that took place to encourage locals to file IP applications and how ARIPO and its member states can learn from the experience of Japan and develop through the utilization of the IP system. This fellowship will give me the unique opportunity of meeting face to face with key Japanese professionals in the field of IP and get first hand insights from them.

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

Contributions from FY 2016 Long Term Fellowship Researchers

Experience in Japan

Mr. Alizar (Indonesia)
Patent Examiner,
Directorate General of Intellectual Property,
Ministry of Law and Human Rights

Mr. Alizar

(The JPO Study-cum-Research Fellowship Program for FY 2016)

My name is Alizar and I currently work as a patent examiner in the Directorate General of Intellectual Property (DGIP), Ministry of Law and Human Rights of Republic of Indonesia. I have been working with the DGIP for 6 years and I have been working as a patent examiner since August 2015 in the Chemical field.

On May 2016, I was selected to participate in the Long Term Fellowship Research Program upon invitation from the Japan Patent Office (JPO), entrusted to the Asia Pacific Industrial Property (APIC) - Japan Institute for Promoting Invention and Innovation (JIPII). This was a good opportunity for me and I was happy receiving the good news. In this experience, I have become indebted to many organizations and people and I like to sincerely and deeply thank JPO – one of the leading Intellectual Property Offices in the world- for this opportunity to undergo this study program.

I arrived Tokyo, in August 2016. It was my first time being long away from home and also it was my first time visit to Japan. During my stay, I was impressed with the culture, organization, and infrastructure of the country.

I appreciated all accommodating staff members of APIC-JIPII and I would like to express my special gratitude and thanks to Dr. Yorimasa Suwa, Ms. Asako Watanabe and Ms. Michiko Hiyama, who helped and served me like a family member. I will cherish my wonderful memory with them forever. They not only did assist me with the technicalities of my research but also they showed me the country, the Japanese way of life, Japanese culture and true friendship. They allowed me to visit their homes and have lunch with their families, they accompanied me to beautiful places outside Tokyo, took me to many Japanese restaurants, let me experience the tea ceremony and many other experiences that I could not have had in Japan without them.

Throughout the process of research, continuously I was supported by my research advisors: Professor Koichi Sumikura from National Graduate Institute for Policy Studies (GRIPS) and Professor Tetsuya Imamura from Meiji University. They helped and guided me all the times with patience, words of motivation and immense knowledge so that I could finish my research and research paper and present its output as “Intellectual Property Rights for Medicinal Plants”. During the course of the research, I was able to meet and interview great people in Japan’s government agencies and private companies. Dr. Hiroyuki Fuchino, Head of the Cultivation Lab in the Research Center for Medicinal Plant Resources (at the National Institute of Biomedical Innovation, Health and Nutrition), who introduced us his research and the center facilities Mr. Hiroki Sawada (Deputy General Manager of Industrial Facilities Engineering Department , Engineering Division of Kajima Co.), Mr. Toshiya Saito (Senior Man-

ager, Technology Development Dept., Civil Engineering Division of Kajima Co), and Mr. Katsumi Sakurai (Senior Manager, Intellectual Property Division of Kajima Co.). They were all so accepting and helpful in everything; from arranging the interviews down to facilitating my survey questionnaire responding.

Besides the research program, I also participated in some of training courses organized by APIC. The courses basically related to patent examination and Intellectual Property management.

The Long Term Fellowship Research Program in Japan introduced me to a deeper understanding of intellectual property. I have not only earned knowledge and skills about intellectual property in Japan, but I also was able to establish a networking with my fellow grantees back at home. I had the chance to meet people from other countries with different backgrounds. The international acquaintances I made, shared magnanimous information about their experiences and learning in their own countries. Thus, I gained a broad international perspective and was privileged to see how IP works globally. It's enriched my Intellectual Property knowledge, widened my Intellectual Property network, and has given me new perspectives on how I can promote the Intellectual Property in my country better. This program changed my life both in terms of professional and personal knowledge. It was an opportunity to live and learn in a city that is organized, convenient and to marvel at it where modernity being united with tradition.

I will never forget my experience and I hope to be able to return to Japan very soon again.

Arigato Gozaimasu - ありがとうございます!

With the JPO Director, and other JPO Personnel and APIC Personal

With APIC Director and APIC Personal after final research presentation

School festival of Bunri Junior and Senior Highschool in Kawagoe

With other research participant: Sofia (from Malaysia) and Yorita and Nao (Suwa san's Wife and son`)

THE UNFORGETTABLE EXPERIENCE OF FOUR-MONTH STUDY-CUM-RESEARCH FELLOWSHIP PROGRAM IN TOKYO, JAPAN
"Travel and change of place impart new vigour to the mind."

Ms. Sofia Rehan Ramli

Ms. Sofia Rehan Ramil (Malaysia)

(The JPO Study-cum-Research Fellowship Program for FY 2016)

One of the perks of being a patent examiner, as my boss once told me, is the opportunity to participate in joint training and thus travel to other parts of the world. While the term "travel" may not perfectly capture the true purpose of a patent examiner (usually with the training comes a lot of paperwork, meetings and follow-ups), nevertheless the traveling aspect of the training never cease to amaze me. Of course, having the travel expenses fully paid by my Office or the organizer is a big advantage.

It stands to reason that when the Japan Patent Office (JPO) extended an invitation through my Office, the Intellectual Property Corporation of Malaysia (MyIPO) to participate in four-month study-cum-research fellowship program in Tokyo, Japan, I applied without hesitation. The timing could not also be more perfect, as MyIPO has started to focus more on quality in examination, the topic that my boss and I chose for the research.

Tokyo is not really a new place for me. I have participated in a couple of training organized by JPO and World Intellectual Property Office (WIPO) in 2012 and 2008. However, I know there is still a lot more to be discovered in Tokyo and its surroundings. Of course, I got to experience the cultural aspect of Japan as well.

Trying out the outfit at Samurai Museum

One of my memorable places in Tokyo was my apartment, Palace Studio Toranomon. It was a studio apartment, equipped with a kitchenette with utensils. While it was quite small (in Malaysia studio apartments are usually bigger with a full kitchen and a dining area), it was cozy and comfortable. It came with a washer/dryer as well, so it was easy for me to manage my daily life. I also noticed that the place was really quiet at night, I could even hear the "click" and "clack" sound of high heels as if the woman was next to me (my bed is next to the hallway). At times, that was creepy.

View of Tokyo Tower, which is within walking distance from my apartment

My workplace was located at Asia-Pacific Intellectual Property Center (APIC), where I spent most of my time there. My first impression was, this place was so quiet. Everybody's eyes were usually glued to his/her monitor, with occasionally some whispers between desk-mates, and rarely, loud voices when they were talking on the phone. Somebody actually told me that other offices are much quieter than this! I also noticed that during lunch, the staff who brought their own lunch @ bento would eat quietly at their desk, so as not to bother their neighbors who might be working during lunchtime. Such respect.

If you are wondering whether they have good camaraderie among colleagues, I assure you,

they do. Try joining their after-office gatherings, and you know what I am talking about. I had the opportunity to be invited to some of those gatherings, and suddenly all the quiet ones became the loud ones. Every topic became relevant and extensively discussed, even on Pokemon Go and level of spiciness in a curry.

As stated earlier, I got to experience the cultural aspect of Japan, something that may not be easily achieved if I were in a 3-day training or meeting. For example, Mittyan brought me and the rest of the participants of the program to her daughter's school open day, where we got to practice traditional archery and participate in a tea ceremony. Suddenly I felt like I was in one of those mangas that I used to read when I was small. If only I had a robotic cat who lost his ears to a mouse and a huge love for dorayaki.

Attending a tea ceremony at Miti-san's daughter's school

Weekends were the best times for me, as I got to venture to different parts of Tokyo and its outskirts. I remembered I wanted to experience Meguro Sanma Matsuri, where fresh char-grilled Pacific Sauries were given for free. However, when I got there, the line was so long I decided to buy the fish instead of lining for one. I also went to Hakone, a mountainous tourist area with cable cars and ropeway, along with some of the participants from the short-term training conducted at APIC. The place was so large and beautiful I went there twice. The first time was only a day trip, and during my second time, my colleagues and I boarded a ryokan at Odawara. It was my first time sleeping on a futon on the floor, and it was surprisingly comfortable. I hoped my snoring did not disturb my colleagues.

Reiko-San, a lawyer whom I met, had also been very kind to drive me and Alizar-San to Shosenkyo Gorge, a very beautiful place for Koyo (Autumn viewing). Despite the rain, the place looked ethereal and untouched. I was truly mesmerized and grateful for the chance to go there. Of course, I went to other famous autumn viewing in Tokyo as well, such as Meiji-Jingumae and Koishikawa Korakuen Garden. I also considered myself lucky to experience the

Shosenkyo Gorge

first November snow in Tokyo after 54 years! While it might not be as heavy as other parts of Japan, still it was probably a once-in-a-lifetime opportunity to feel the November snow.

Japan has one of the most systematic and efficient public transport in the world. The increasing number of train stations offering English assistance really helped me to travel to outside of Tokyo with no hassle. For example, I managed to board a bus to Kawaguchiko and viewed the majestic Mount Fuji. Also, I got to go to Izu by train and Nikko by shinkansen. Some of the highlights of my trip were reaching Jogashima Island, Kamakura and Enoshima in Kanagawa all by myself. In my opinion, these places served the best Japanese seafood that I have ever tasted. A word of warning when in Enoshima, be cautious when carrying food in hands while walking alongside the beach; a hawk might grab it from you.

I was also blessed to have a wonderful supervisor, Mr. Yorimasa Suwa who assisted me the whole way, up until my final departure. I remembered when I first got to Japan, I was always left behind by Suwa-San and Asako-San who greeted me at the bus arrival point, who walked very fast (by my standard at least) despite carrying (some of) my luggage. Suwa-San had also been so kind to invite us to his home for lunch and met his family on our last weekend in Japan.

There were times where I thought I made the wrong choice by coming to Tokyo. For example, during winter, my skin was so dry and itchy I felt like crying (and again wish I had the robotic cat so he could find me a cure for it). I remembered spending some time on the Internet, trying to find the most cost-efficient skin lotion available (sometimes I still convert Japanese Yen to Ringgit Malaysia, which meant everything was expensive). However, this was just a small obstacle compared to the wonderful things I experienced while I was there. I do not remember which lotion I ended up using anyway.

The advancement of technology has also made it easier to communicate with my family back home. Compared to when I was in Tokyo in 2008 where I had to spend some money to buy a calling card just to call home, now I could do video call for free. It was as if I never left home, or office for that matter. I still had to give examination advice to my colleagues who contacted or texted me.

With Alizar-San and Suwa-San's family

Overall, it was a very wonderful and unforgettable experience. I am truly grateful for the chance to encounter the friendly people at APIC who made my missing home bearable. Though there were times when I thought I was way too far out of my comfort zone, the assistance from the staffs made me appreciate the times I was in Tokyo. The way of life in Tokyo has also given me a new perspective on my own life, especially in terms of managing my time in the office, and appreciating what comes my way. I am sure this experience has made me a better person. Thank you again to everybody who made this possible.

With APIC's staff

Training course report

My experience of the training course at the Japan Patent Office and a brief analysis of the Indian and Japanese Trademark System

Ms. Astha Negi

Ms. Astha Negi (India)

(JPO/IPR Training Course on Practitioners Specializing in Trademark,Dec. 8 – Dec. 21, 2016)

The training course for practitioners specialising in trademarks was a rich and fulfilling experience. The two-week course from December 8, 2016 to December 21, 2016 covered all aspects of the Japanese trademark system and included visits to famous Japanese companies. The lectures were conducted by patent and trademark attorneys from different law firms, representatives from companies and universities such as Suntory Holdings Limited and Kao Corporation, Brand Research Institute, Inc., Gakushuin University and officials from the Japan Patent Office.

The training course was structured in such a way that I could explore Japan including Japanese culture, Japanese food and Japanese hospitality. My stay at the HIDA guest house was very comfortable, akin to a home away from home. The HIDA staff took great care of us and in fact suggested some good places to visit in Tokyo. I am grateful that I was able to explore a substantial portion of Tokyo and even managed to visit Hakone to experience Mount Fuji.

During the course, I was able to analyse how the Indian trademark system differs from its a Japanese counterpart. I have listed down a few points where the two systems significantly differ. While the basic tenets of the trademark laws of Japan and India are the same, there are significant procedural differences which make up for an interesting study.

1. Purpose of trademark law in India and Japan:

The overall purpose of the trademark laws of both Japan and India appears to be the same, viz. protection of trademarks and consequent protection of consumer interest. However, Japanese trademark law further provides for maintenance of business confidence of persons who use trademarks and the resultant development of industry.[1]

2. First-to-file vs. First-to-use system:

One of the major differences which needs to be highlighted is that Japan follows a first-to-file system, while India follows a first-to-use system. Simply put, in a first-to-file system, regis-

[1] Article 1 of Trademark Act (Act No. 127 of April 13, 1959, as amended up to Act No. 55 of 2006)

tration is granted to the person who first applies for the mark regardless of whether the mark has been used in commerce. On the other hand, in a first-to-use system, actual use of the mark creates common law rights in favour of the proprietor/user of the mark and such use will trump a subsequent registration of the mark by a third party.

3. Trademark:

Under Indian trademark law, the definition of a mark includes a device, brand, heading, label, ticket, name, signature, word, letter, numeral, shape of goods, packaging or combination of colours or any combination thereof. Apart from these traditional marks, the Indian Trademarks Registry, as well as Indian courts, recognise non-traditional marks such as sound marks, colour marks and 3-D marks.

In Japan, apart from the traditional trademarks, non-traditional trademarks such as sound marks, colour marks, holograms, position and motion marks have come to be recognised recently from April 2015. In fact, very recently in March 2017, the Japan Patent Office, for the first time, granted protection to the blue-white-black packaging color of Mono Eraser and the gold-green-red colour scheme of 7-Eleven convenience stores.[2]

Mono Eraser 7-Eleven

4. Trademark registration process:

The prosecution of trademarks in India involves the following stages:Filing

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Formalities check (format of applications etc.)

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Examination (absolute and relative grounds)

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Hearing, if required else advertisement/publication of the mark

↓

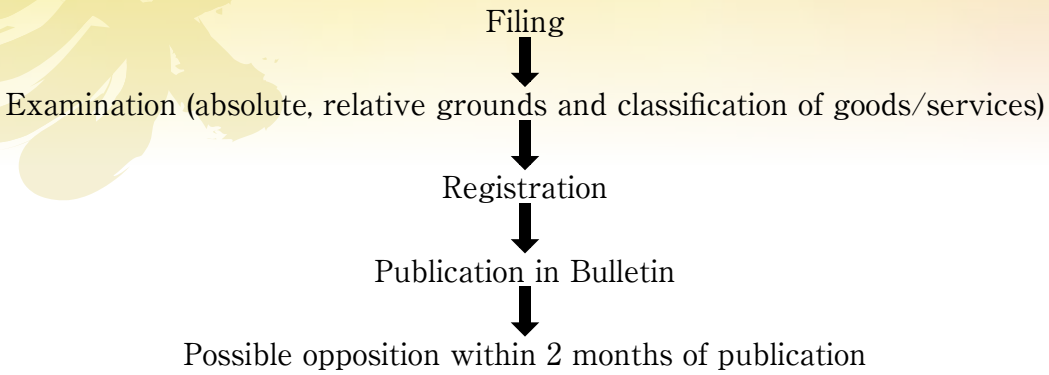
Opportunity to file an opposition within 4 months of publication in the trademarks journal

↓

Mark is registered if no opposition is filed

[2] https://qz.com/923332/the-japan-patent-office-granted-its-first-color-trademarks-to-the-mono-eraser-and-7-eleven/

Japanese trademark prosecution involves the following stages:



5. Trial and Appeal department:

Japan Patent Office's Trial and Appeal Department has 38 boards of Trial and Appeal of wherein Boards 1 to 33 hear Patent matters, Board 34 hears Designs matters and Boards 35 to 38 hear trademark matters. The Trial and Appeal Board in Japan hear matters pertaining to oppositions of trademarks, appeals against examiner's decision of refusal of registration, invalidation and cancellation of trademarks.

In India, there is one Intellectual Property Appellate Board (IPAB) headquartered in Chennai which exercises jurisdiction over matters pertaining to trademarks, patents and geographical indications. Any aggrieved person can prefer an appeal to IPAB against the order or decision of the Registrar of Trademarks. The IPAB also considers applications for rectification/cancellation of trademarks from the Trademarks Register.

6. Lottery system:

A very unique provision that exists in Japan which, perhaps, is necessary in a first-to-file system, is that of lottery. Article 8 of the Trademark Law of Japan describes the lottery system. Where two or more applications have been filed for identical or similar trademark covering identical or similar goods/services on the same date, only one applicant, who shall be decided by consultation among the applicants, shall be entitled to registration of the mark in question. In such a case, the Commissioner of Patent office shall require the applicants to arrange consultations amongst themselves and to report the results within a reasonable time. If the parties are unable to arrive at an agreement during the course of the consultation and/or if a report is not submitted within reasonable time, the Commissioner of the Patent Office shall select only one applicant by a lottery in a fair and just manner.[3]

7. Similar Group codes:

Another unique system that the Japan Patent Office follows is to group certain goods and services which are closely related, irrespective of the class, to assign them a "similar group code". This is an internal reference code devised by the Japan Patent Office and is used simultaneously with the NICE classification.

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[3] Article 8 of the Trademark Act (Act No.127 of April 13, 1959, as amended up to Act No. 55 of 2006)

Japan Patent Office decides on the similarity group code after extensive study on commonality in terms of the production sector, the sales sector, raw materials, qualities, commonality in terms of how the services are being offered, the purposes for which they are being offered, the places they are being offered, etc. After a study of these factors, the Japan Patent Office determines which goods or services belong in the same groups, and are therefore, considered to be similar goods or services. The goods or services in each group are given a code, which is a five-digit alphanumeric code. When conducting examinations, the examiners consider any goods and services assigned to the same group code to be, in principle, similar to each other.[4]

Many similar group codes exist in completely different classes. For instance, jewellery case in class 14 (group code: 20A01) will be considered similar to furniture in class 20 (group code: 20A01).[5]

India only follows the latest edition of NICE classification and does not have a system of assigning similar group codes.

8. Well-known trademarks:

In Japan, the trademark law allows for registration of defensive marks. The proprietor of a well-known registered trademark which has been applied for in respect of certain goods/services can obtain defensive registration for the identical mark in respect of other goods/services if he feels that there is a likelihood of confusion in respect of those goods/services.

Trademarks in Japan are declared well-known via judicial or administrative processes. Under the judicial process, the appeal/trial board or courts recognise trademarks as well-known in their decisions. Under the administrative process, the Japan Patent Office recognises a mark as well-known when the proprietor registers a mark as a defensive mark.

Further, the Japan Patent Office maintains a database of well-known trademarks (https://www2.j-platpat.inpit.go.jp/chomei/list_e.cgi?LIST_TYPE=ALL&ZUKEI=&HIT=0&ID=0&START=1&SIZE=50&STIME=14944205769551974902100), recognised either through judicial process or administrative process, which is accessible to the public at large.

In India, the provision for defensive trademark registration was abolished with the new Trademarks Act of 1999. Well-known trademarks are recognised by judicial decisions and now, with the new Rules in force, through an administrative action. As per the new Trademark Rules, 2017, a proprietor of a trademark may request the Registrar of Trademarks for determination of a particular trademark as well-known. Such a proprietor needs to give evidence of the well-known nature of his mark and further needs to make a statement of the case before the Registrar. Before determining a trademark as well-known, the Registrar may, within 30 days, invite objections from the public. In case the trademark is finally determined as well-known, the same will be published in the Trademark Journal and will be included in the list of well-known marks maintained by the Trademark Office. However, if it is found that such a trademark was erroneously declared as well-known or is no longer justified to be in

[4] https://www.jpo.go.jp/sesaku_e/j-k_codes_reference.htm
[5] https://www.jpo.go.jp/sesaku_e/j-k_codes_reference.htm

the list of well-known trademarks, the Registrar shall remove the mark from the list after giving an opportunity of hearing to the concerned party.[6]

9. Passing off and unfair competition

In India, passing off is a common-law remedy available to proprietors of unregistered marks. Acts constituting unfair trade practice and unfair competition are dealt with under Competition Act, 2002 and the Consumer Protection Act, 1986.

In Japan, there are specific statutes to deal with unfair competition, viz. Unfair Competition Prevention Act and Antimonopoly Act. Article 2 of the Unfair Competition Prevention Act defines unfair competition among other acts as acts causing confusion, acts of using famous indications unjustifiably, misleading acts, acts which are injurious to other person's business reputation, etc. In effect, passing off is also subsumed in Unfair Competition Prevention Act.

Apart from the above points of distinction, it is pertinent to note that the Japanese characters, viz. Hiragana, Katakana and Kanji play an important role in determining similarity and dissimilarity of trademarks. The examiners, while examining a trademark, lay a lot of emphasis on sound of the mark, pronunciation and even the actual meaning of the characters (like Kanji).

While it is nearly impossible to master the Japanese Trademark law in a short span of two weeks, this course helped me in understanding the basic differences in the trademark system of India and Japan.

I am grateful that I could make some good friends and good connections and I will cherish the beautiful memories I have had with them. As a result of the cultural exchange, I was able to learn a lot about the trademark practices of the participants' countries.

All our lectures, presentations and company visits, especially the Kao cosmetic factory and the museum, were exceptional and the English translation was impeccable which made the lectures easy to understand.

[6] Rule 124 of the Trade Marks Rule, 2017

This course has taught me essential Japanese values such as warm hospitality, humility and punctuality, which I believe should be imbibed by everyone and every culture. I hope that I will get an opportunity to visit Japan again in the future.

My Training Course in Japan: An Enriching Experience


Mr. Adrian Hilum Sablan

Mr. Adrian Hilum Sablan (the Philippines)

(JPO/IPR Training Course on Managing IP, Dec. 5-Dec. 14, 2016)

Japan—"The Land of the Rising Sun"—will never fail to enthrall its visitors. I had been able to visit Japan even before I took the course on IP management offered by the Japan Patent Office (JPO), in cooperation with the Overseas Human Resources and Industry Development Association (HIDA), Japan Institute for Promoting Invention and Innovation (JIPII), and Asia-Pacific Industrial Property Center (APIC) from December 5-14, 2016. I got to see Tokyo, Osaka, and Kyoto on my first visit. I flew back home perpetually thrilled at the captivating beauty and allure of Japan.

Japan's culture is absolutely heartwarming. The people are genuinely polite—and helpful—even in the crowded downtown City of Tokyo where life is regularly busy. I felt perfectly safe and secure in this country. Once, I got lost in Tokyo as I had difficulty perusing my map. I approached a Japanese fellow on a corner, who kind-heartedly helped me, even walking with me some distance to the right train station. Such a kind gesture really heartened me! Sans exaggeration, Japan is a model for discipline. All over, I witnessed discipline in practically everything done the Japanese way. Being efficient is Japan's way of life—or seems part of Japanese people's genetic make-up! One need only look at their roads as clean and unsullied as the environs look bright and spruced up. Its train transportation system is marvelous! Even the public toilets smell fresh. Excellence is manifest in the way physical infrastructures are built. I have always relished visiting Japan again and again so that the opportunity given me by the JPO/HIDA/JIPII/APIC had me feeling upbeat and cheerful.

For the duration of the course, all of us trainees stayed at Tokyo Kenshu Center (TKC) —a

very comfortable place. Everything was provided for: toiletries, access to the internet, including food for breakfast and dinner. Oh, how I so loved Japanese food served at TKC! *Oishii*! The staff at TKC were amiable and accommodating. We were definitely taken good care of. I felt like I was just right at home—even if the climate was totally different. It was extremely cold (*samui!*) in Tokyo in December—which I loved a lot!

The Course—What I Learned

The course on IP Management had 20 participants from 12 countries: Brazil, Chile, Mexico, Brunei, Thailand, Malaysia, Indonesia, Vietnam, Cambodia, Laos, Myanmar, and the Philippines. On December 6, we had a courtesy call on some officials of the JPO, a visit to the JPO Trial Court and to the National Center for Industrial Property Information and Training (INPIT). I was pleased to see the organizational structure of the Trial Court and how the proceedings to settle IP related conflicts are done. If an aggrieved party is not satisfied with the decision of the Trial Court, he can appeal at what they call the "IP High Court". Only few cases, though, reach the IP High Court as these, most often, are resolved at the Trial Court level. I thought the Japan IP Trial Court was a viable model for national IP offices in Southeast Asia to put up in their respective jurisdictions if only to expedite resolutions of IP conflicts.

Generally, the course on IP Management let me see the various facets of innovation strategies Japan utilizes to sustain its high innovation performance and manage the various IP assets of its universities—from creation all the way to commercialization. I have seen and learned about many things that Japan does, which the Philippines might seriously consider.

On IP Licensing

I realized that Japanese universities' management of their researchers' IP assets is unique in some ways. They have an efficient mechanism that facilitates the process flow from invention disclosure to IP licensing to patent maintenance. Before going to licensing, IP owners are encouraged to file the patent first. In licensing activity, a nondisclosure agreement binding to both parties is invoked right from the time the technology is disclosed with the contracting party. A university or public research institute who created an IP may choose to transfer the technology either through a startup, or through an existing company. In many cases, however, an existing company is preferred to a startup as the former already has a track record for commercializing IPs.

On Starting Venture Business/Startup in University

A venture business (startup) established and managed by a university proves wholly feasible, as shown by the example of the state-funded University of Tokyo (popularly called as Todai). At Todai, they have a Technology Licensing Office (TLO) that manages commerciable IP assets. The TLO manages the ventures, one of which is called Edge Capital or UTEC.

At Todai, the TLO manages the IP marketing and commercialization, bridging links with the appropriate industries. An inventor-professor—to avoid conflict of interest—does not assume an executive position in the university startup. There are numerous startups founded by various Japanese universities. At Todai alone, as of 31 March 2016, there were 198 startups, followed by Kyoto University with 86, and Osaka Institute of Technology with 77.

Japanese universities follow an open innovation model. Industry collaborates with a university for the conduct of research and development. The university TLO incubates and packages the technology for transfer to industry via commercialization. This way, a vigorous partnership between university and industry is sustained.

On Brushing up, Judging Inventions

I got familiar with the three types of patents to be obtained: core patent, peripheral patent (i.e. to obtain an advantage over other parties), and defensive patents (i.e. to prevent invention from being imitated). Underscored was the importance of creating various inventions based on the research results, instead of outright filing of patent applications based on the same research results. This is anchored on the principle that a research result can actually produce a bud of inventions or alternative technologies, hence creating a patent network in the process. I find this scheme brilliant, which may be done also in the Philippines!

The exercise on the strategy in creating inventions that generates a patent portfolio was useful. The process follows a simple track: Subject, Use Cases, Problems, and Solutions. The process picks from the subject (say, what new technology is to be created). The Use Cases conjures a scenario of probable problems when the invention is already in use, with practicable solutions to address them. Concomitantly, a new invention might be created, thus producing a bud of inventions (a patent portfolio) based on single research results.

The Kanagawa Industrial Technology Center

Meanwhile, the Kanagawa Industrial Technology Institute (KITC) in Kanagawa Prefecture could be a unique model for testing and packaging technologies. Financed principally by the local government, KITC provides research and development support largely for small and medium-sized enterprises (SMEs) not only from within Kanagawa but also from outside of the Prefecture.

The main services that KITC provides for free to its clients are technical consultation, testing and research on industrial technology, training for human resource for industrial fields, and exchange of industrial technology. KITC conducts technological trending—guiding universities and SMEs alike to align their innovation pursuits to focused fields (i.e. automobile, IT, electronics), and newly growing fields (i.e. energy, life science, robotics, aviation, and space science). KITC advises SMEs on product design. It conducts actual product remodeling or redesigning which helps SMEs gain better footing in the market for their products. It also does technology testing for reliability to ensure high quality of products before these are dispatched to the market. KITC has high successful cases of technical support provided to the SMEs.

I wish that the KITC model were replicated in the Philippines. While we have government entities already providing similar services (i.e. Technology Application and Promotion Institute, and Industrial Technology Development Institute, both of the Department of Science and Technology), I think they do not resemble as much as the focused services provided by KITC, especially in supporting the SME sector. That KITC is funded by local government and thrives, and can boast of such success over the years, is impressive indeed.

On Assessing the Value of IP

Another session I found remarkable was the Valuation of IP. The morning lecture treated us to a mix of valuation jargons, many of which were business and finance terminologies, i.e.

business value, cash flow, depreciation cost, net working capital, operating profit after tax, balance sheet, etc.

Heavily mathematical, the valuation exercise proved to be necessarily tedious. The convoluted computation procedures necessitated eager attention throughout the whole process. The lecturer took on just one method for IP valuation—the "income approach", reputed to be the global standard for IP valuation, thus most preferred to the other two methods, "cost approach" and "market approach". I learned that the three approaches each have pluses and minuses. The cost approach is an objective method for assessing data underpinning the valuation. But the valuation result may not reflect the "earning power" of the technology being assessed. Meanwhile, the market approach may be reliable, but industry data may not be available, thus making this approach difficult. The income approach reflects the earning power of the technology, but estimation of future income is difficult and often implies subjective judgment.

The valuation exercise relied on several computational functions available with Microsoft Excel spreadsheet. The quantitative valuation considered these steps following the discounted cash flow (DCF) method: 1) Estimate future sales of business (when technology is exploited); 2) Estimate operating profit after tax; 3) Predict adjusting factors; 4) Calculate cash flow of each year; 5) Calculate discount rate of cash flow; 6) Calculate Discounted Cash Flow (DCF); 7) Calculate Business Value by summing up DCF; 8) Calculate intangible asset value (BV-FA-TA), or (Business Value minus Fixed Asset minus Tangible Asset); 9) Estimate percentage of technology value among intangible assets; and 10) Come up with the final technology value (Intangible x Percentage). The result, amazingly, showed the actual final value of the technology.

With this training, I learned how quantitative technology valuation could be very helpful in cases like a) technology transfer and licensing; b) measuring the value of technology as a corporate asset; c) borrowing money using technology as collateral; and d) investment in technological assets (i.e. drug patent, etc.).

A Glimpse of IP Dynamics in the Philippines

Overall, I surmised that the spectacular advances Japan has made in innovation and IP management may be a tough act to follow especially by developing countries like the Philip-

pines. By and large, the Philippines definitely still has a long way to go in terms of innovation outputs of its universities, producing high impact technology solutions, establishing startups, and commercialization and licensing of IPs. Yet, there is much that the Philippines can learn and follow from Japan's leadership in innovation and IP management. This notwithstanding, the Philippines may be said to be picking up, making relative purposeful strides over time.

Between 2007 and 2011, patent outputs in the Philippines could be said to be dismal at best, as local invention patent applications filed with the Intellectual Property Office of the Philippines (IPOPHL) constituted only 6 percent, as against foreign applications by 94 percent. (See Table 1.)

Table 1: Foreign and Local Invention Patent Filings in Ph from 2007 to 2011

	2007	2008	2009	2010	2011	Total
Non Resident (Foreign)	3,281	3,100	2,722	3,223	2,970	15,296
	94%	94%	94%	95%	94%	94%
Resident (Local)	193	210	175	168	190	936
	6%	6%	6%	5%	6%	6%

Source: IPOPHL

This situation prompted IPOPHL to push initiatives that would hopefully reverse the persisting trend. In March 2012, IPOPHL formally launched a flagship program called Innovation and Technology Support Office (ITSO), initially designed as a patent library hosted by higher education institutions (HEIs) and research institutes. The ITSO aimed to heighten patent activities among HEIs, and drum up innovation outputs to result in increased invention patent applications by equipping universities with patent information and search skills. Subsequent to the rollout of the ITSO program, IPOPHL launched the Patent Protection Incentive Package (PPIP), a scheme that totally waived fees up to the 15th year of annuity for every invention patent filed with IPOPHL by local universities that host the ITSO. Later on, IPOPHL capacitated the ITSO institutions with patent drafting skills. The goal was to muster a critical mass of competent patent drafters duly recognized by IPOPHL as Certified Patent Agent.

Over 5 years, the ITSO has grown to be an extensive network of 85 HEIs, research institutes, and chambers of industry across the Philippines. The ITSO has evolved, from being a patent library to becoming hubs of innovation. It now provides patent search and patent drafting services to private corporations and is making some advances in commercializing IP portfolios.

Between 2012 and 2016, as the ITSO operations across the country went full blown, a relatively significant increase in local invention patent filings was noticed, albeit foreign filings still accounted for the much larger percentage. Before ITSO (2007-2011), the average local patent filings were at 187.2. During ITSO (2012-2016), the average local patent applications hiked to 236.6. (See Table 2.)

Table 2: Foreign and Local Invention Patent Filings in Ph from 2012 to 2016

	2012	2013	2014	2015	2016	Total
Non Resident (Foreign)	2,801	2,884	3,027	3,041	2,601	14,354
	94%	93%	92%	91%	92%	92%
Resident (Local)	180	206	263	299	235	1,183
	6%	7%	8%	9%	8%	8%

Source: IPOPHL

As the PPIP kicked off, it was able to generate a total of 184 invention patent filings from ITSO universities from 2012 to 2015, and a total of 14 invention patents filed internationally for the same period through the Patent Cooperation Treaty (PCT) route.

Meanwhile, results of the Philippines' aggregate innovation performance over three years from 2014 to 2016, as tracked down by the Global Innovation Index (GII), may be a source of encouragement. GII measures the innovative competitiveness of a country employing various indices. In 2016, the Philippines moved up 9 notches to 74 from 83 in 2015 in innovation performance among 128 economies assessed, gaining most in the index of human capital and research, which measures the quality of the country's education with its research and development. (See Table 3.)

Table 3: Global Innovation Index Rankings Over 3 Years

Year	Rank	No. of Economies Assessed	Indices Used for Ranking
2014	100	143	Institutions; human capital and research; market sophistication; business sophistication; knowledge and technology outputs, and creative outputs
2015	83	141	
2016	74	128	

Source: GII Reports, 2014, 2015, 2016

Startups

If benchmarked against Japan, the Philippines admittedly needs a lot of catching up in terms of the number of startups. By far, the Philippines delights in two of its private universities from the ITSO network having established successful startup ventures. The University of San Carlos in Southern Philippines was able to put up a startup company called GEMS after successfully commercializing its invention by one of its leading Chemical Engineering professors—a biochemical engineering technology that converts mango wastes (i.e. mango seeds, kernel, and peel) into useful high value products such as flour and high quality pectin. The university, in partnership with a private company, has built a P200 million (about 400 million Yen) manufacturing plant that processes mango wastes into various high-demand products.

Adamson University, in the Philippine's capital city of Manila, established another startup. Its Chemical Engineering professor produced Vigormin, a low cost organo-mineral technology that treats wastewater and neutralizes odor. Adamson has also built a manufacturing facility that mass-produces the technology to meet demands of the target market.

Challenge: Valuing Inventions

To date, Philippine universities in the ITSO network are capable of producing high-value technologies, although not at such dramatic a scale relative to Japan's outputs. But there are two challenges: One, how to determine the value of inventions when these are already packaged for commercialization; and two, how to perform commercialization assessments.

To this, IPOPHL is pulling off a project on IP Valuation. Funded by the Asia-Pacific Economic Cooperation (APEC), the project will roll by July 2017 involving participants from a number of APEC economies who will be trained by foreign experts on the rudiments of Technology Valuation. The major outputs of the project are 1) a trained pool of IP Valuators from among the APEC economies, 2) a Trainer's Training Module for use by the IP valuators, and 3) an IP Valuation Manual. The IP Valuation Manual will be proposed as a standard reference material for use among APEC economies for their convenience when assessing the market value of their IP portfolios. Along with two colleagues, I am tasked to consolidate all these project outputs. I find it providential that my training in Japan has acquainted me with the language, nuances, and mathematical procedures of Technology Valuation that I think I can navigate through this project with relative ease. When we produce the project outputs and package these for publication, I can handily tap from the practical knowledge I gathered from my training in Japan.

Tremendously Useful Course

Throughout the training course, I was immensely elated by the animating exchanges among my fellow foreign trainees. The sharing of ideas and meaningful experiences emanating from various national contexts proved invariably enriching, broadening my understanding of IP management as it hinges on distinctive realities in different countries. The course occasioned the forging of networks and relationships, as interactions with fellow trainees continued on through social media, even after the training ended and trainees had settled back in their home countries. On the whole, the course offered by JPO/HIDA/JIPII/APIC is very useful in equipping trainees with substantial knowledge and skills on IP Management, which they can apply in their home countries. On all these, I believe, rests the very essence and relevance of this training course offered by the Japanese government. Japan's stature and leadership in the field of IP and innovation are certainly enviable, something other countries can emulate. Coming from a developing economy, I am fortunate to have been chosen by JPO/HIDA/JIPII/APIC as one of the recipients of this course.

To the Japanese government: *Arigato gozaimashita*!

My Training Course Experience in Japan

Mr. Michael Adrian O. Gabriel

Mr. Michael Adrian O. Gabriel (the Philippines)

(JPO/IPR Training Course on Practitioners Specializing in Patents, Aug. 22 – Sep. 7, 2016)

I was very grateful to have been given the opportunity to participate in JPO/IPR Training Course for Practitioners Specializing in Patents in Japan. This was a very memorable and fruitful experience as I learned and explored the Patent System in Japan as well as its very welcoming and interesting culture. Most importantly, I found new good friends and young professionals.

Moving forward, below are my comments for each topic we tackled in the course and my impression about the Japanese culture and its people as well.

Visit to the Japan Patent Office

My impression in the Japan Patent Office was that it is architecturally well built, very clean with very approachable staff and we could really feel that we were welcome to enter and explore the office. there was also once in a lifetime opportunity to see trial court of the office and what made it even more interesting was that we were able to wear the judge's outfit. One more interesting thing inside the JPO was the National Center for Industrial Property Information and Training wherein we were given orientation in their database which was a good help for us when conducting patent search in the JPO. Information provided, made it easier to get the information needed in the future through the JPO database.

Practice using patent information

A patent search is a critical step to take before filing a patent application. It is important to remember that a patent search should include not only domestic patent databases but also international patent databases as well. Many popular internet patent databases such as the US Patent Office Website, Google Patents, Espacenet, Patentscope and many more were discussed during this session In this session, I gained confidence and new knowledges in conducting patent searches and this is a good sign for our company and of course, for our clients as we will be able to provide an accurate and comprehensive patent search reports. There were many new techniques provided during this session like available tools to easily deter-

mine the IPCs and I enjoyed the session so much.

Practice writing Specification

In this session, I have achieved one of the things that I am looking forward to this course. And this is to hone my skills in writing a patent. Writing a good patent for our clients is what our company really need. I realized that you need to describe not only the specific invention you have but all the possible variations and options, because if you don't describe those they are not a part of your invention and you are just inviting competitors to copy you without infringing your patent. One convention that could assist me which I also learned in this session is to think about how you would describe your invention to someone who is blind. This is a tough task no doubt, but the goal of the written disclosure is to provide verbal description that is much like a step by step how to manuals. If you will try to describe your invention to someone who cannot see then you will invariably find creative and enlightening ways to verbally get your message across. This is the type of detail that should be in an application. I am grateful to have acquired this knowledge in this session.

Determining Patentability

Determining patentability is one of the most important skill that a patent drafter should have, otherwise, the specification might lead to something else which the inventor(s) does not want to claim. There are also instances that the inventors are not aware that their invention has a better innovation or technology. This may happen during patentability determination. In this session, the importance of following the steps that should be undertaken are emphasized to ensure that the hidden innovation or technology is captured.

Response to Office Actions

It is important to know the examination flow of other jurisdictions like Japan to widen the knowledge of the participants. This way, we can adopt some of the different approaches when responding to an office action in our jurisdiction. With the knowledges that I have gained in this session, i.e., how to respond to an office action, how to properly amend your application, evaluation and appropriateness of grounds of refusal, establishment of policy to respond to office actions and preparation of written opinion, I can now effectively respond to the office actions issued by the Philippine examiners because of the topics covered are the same in our country.

Licensing

This was the most interesting part of the entire course for me since all was new to me. I am not a lawyer so I have never been engaged in a licensing negotiation or agreement. The part of this session I enjoyed the most were the role playing of dispute resolution in Japan and the United States as well as the licensing negotiation. In these role playing activities, we were able to put ourselves in a real life situation of licensing negotiation and dispute in the court. After the role playing, tips, suggestions and professional comments were provided by our lecturers and I learned a lot from these sessions. The patent practitioners need more of these to become more competitive in this field of business.

Management Practices of Know-how and Trade Secrets

Trade Secrets and Know-how are new to me and from what I understood; these are not intellectual property rights. The holder of these technologies secrets does not have an exclu-

sive right over them. The holder cannot prevent competitors from using it. Theseare only legally protected in instances where someone has obtained such confidential information by illegitimate means. Shockingly, there is this Rights of Prior Use and this provision protects both. During the discussion, my question was raised which asked "Can the holder of these creations invalidate a patent because of Rights of Prior Use?". And the answer was Yes. In my point of view, the rights of prior use is a literal violation of rights of the patent owners. In the first place, the inventor/owner get a patent to have a government authority or license conferring a right or title for a set period, especially the sole right to exclude others from making, using, or selling an invention. And the possibility of invalidation of a patent because the rights of prior use of know-how and trade secrets which were never patented is something I don't understand. Well, patent world is very broad and somewhat complicated but I believe that the professionals have valid reasons why the provision of rights of prior use was established.

IP Utilization and Management at SMEs

This is the most entertaining part of the course. With the historical presentation and revelation of Mr. Mitsuhiro Takashi on how their company reached the top of their goal and how they overcame the obstacles in different approaches was such an inspiration to all of us. Aside from the inspiration, using the MPDP or Marketing_Promotion_Design_Patent approach is such a huge help to us and to our SME clients. One more thing, we left the class room with the big smiles on our faces.

Assessment of IP Asset Values

In my view, this session needs to be presented in a way that students/participants with no marketing, business management background or accounting skills can still understand. Perhaps, the terminologies used were also one of the major factors that need more attention or improvement. In effect, the session was not that much comprehensible for some students with the aformentioned background deficiency. In this regard, I think if friendly terms or alternative terms were given instead of terminology used, the session ccould easily be understand. Yet At the end of session, I find it interesting and looking forward to learning more regarding this field.

Innovation and Global IP Management

Proposal of IP Structures/Management is something that is very difficult in our country. Especially, most of the Filipino inventors do not have the sufficient financial resources to protect their invention worldwide. In effect, most of the inventions filed by the Filipino inventors are intended only in our country. Aside from the lack of financial resources, the lack of knowledge of how important the IP management is when you have a patent is one of the biggest factor we need to consider when dealing with them. In this discussion, we acquired so many information which we can pass to inventors or our clients to persuade them that having an IP management is very important, especially, when you have a good technology.

Overall Discussion

Proposal of IP Structures/Management is something very difficult in our country. Especially, most of the Filipino inventors do not have the sufficient financial resources to protect their invention worldwide. In effect, most of the inventions filed by the Filipino inventors are intended only in our country. Aside from the lack of financial resources, the lack of knowledge

of how important the IP management when you have a patent is one of the biggest factor we need to consider when dealing with them. In this discussion, we have acquired so many information which we can pass onto the inventors or our clients to persuade them that having an IP management is very important, especially, when you have a good technology.

Conclusion

After this course, I realized that I should pursue studying law degree so that I can fully utilize knowledges that I have gained in this course. The information was very useful as a patent practitioner and it influenced me enough to take my degree to a higher level. This course in Tokyo was an informative and unforgettable experience as well. I have been very observant during my stay in Tokyo and I found Japanese people very kind, punctual, respectful, hard-working, intelligent and law abiding citizens. Looking forward to visit Japan again in the future and to attend other seminar workshops related to patents.

Articles from the former trainees

India and The Patent Rules 2016

Mr. Rahul Dutta (India)

Mr. Rahul Dutta (India)

(JPO/IPR Training Course on IP Protection Lawyers, Oct. 7 – 25, 2013)

The Patent Rules 2016 were published and promulgated by the Ministry of Commerce and Industry on May 16th, 2016.

The Rules, in synchronization with the Government of India policy on start-ups, have introduced another category of patent applicant. Start-up means an entity with less than five years of incorporation, less than a 25 million rupee turnover in any of the first five years, and working towards innovation, development, deployment or commercialization of new products, processes or services driven by technology or intellectual property[1].

In India an entity can be created by four means under the provisions of the Companies Act 2013, the Partnership Act 1932, the Limited Liability Partnership Act 2002, and lastly through sole proprietorship for which there is no specific law as such. In the rules, excluding sole proprietorship, entities created by the legal statutes are permissible as per the definition of the Start-up. It is interesting to note that Start-up springs out in each column of categories mentioned for fee differentiation in the First Schedule; however, it is apt to mention that without accepting proprietorship as an entity for Start-up, the insertion of Start-up under the individual category for fee in the First Schedule is meaningless. The patent applicants applying under the category of Start-up have to file Form 28 with the patent application. Form 28 was included in the previous amendment in the Rules for the declaration by the patent applicants for Small Entity status. The same form has been included in Start-up entities. On transfer of the applicant rights to an entity other than a natural person for a patent application filed by a Start-up, the difference of the fee for the new applicant shall be admissible based on its own status. Here it is apt to mention that there are three categories under which a fee is admissible under the Fee schedule: Natural Person(s), Small Entity and Others.

The Government of India has launched the ambitious program **Start-Up India**[2] to foster entrepreneurship and promote innovation by creating an ecosystem that is conducive for the growth of Start-ups. The protection of innovation is possible through patenting, therefore Start-up India has found space in the Patent Rules. It is unprecedented that a scheme got a reference in the statutory rules.

Before the promulgation of Rule 2016, though there was fee, there was no form as such for withdrawing a patent application. The patent applicants were supposed to file a written request with the fee for withdrawing the patent applications. Now Form 29 has been introduced for filing a patent application withdrawal request. The other new form is Form 30, a miscel-

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1 Rule 2(ii)(fb)

2 http://Startupindia.gov.in

laneous form, to meet the purpose which cannot be served by the rest of the 29 forms. Here it is appropriate to mention that a patent application can be withdrawn any time after filing until the grant of patent.

The new Rules have also introduced Form 18A for the request of expeditious examination. Form 18 is in continuous existence for filing the request for examination. Here it is appropriate to mention that without filing the request for expeditious/examination, a patent application is not examined by the Indian Patent Office (IPO). If Form 18 and/or Form 18A is not filed within 48 months from the priority date, the application is considered as abandoned with remote possibilities of revival.

Forms 1, 3, 4 and 13 have been substituted in conformity with the new Rules.

Patent Application Filing

With time the IPO is encouraging digital filing of the applications. The 10% additional fee was a step in this respect. The amended Rule 6 under the newly inserted sub-rule 1(A) makes it mandatory for a Patent Agent (PA) to file all the documents only by electronic means; it includes soft copies of the documents required to be filed in original. The following documents are to be filed in original within 15 days from the date of electronic filing of the patent application:

- Power of Attorney in form 26;
- Proof of Right to make an Application (in case the patent application is made by exercising the assignment right);
- Declaration regarding Inventorship in Form 5;
- Priority document, if any;
- Assignment deed, license agreement or certificate of applicant name change, if any.

With strict reading of sub-rule 1 and the sub-rule 1(A) of Rule 6 together, the inference can be drawn that henceforth only the patent applicant can file the patent application and the related forms in hard copies for which an additional fee is separately provided in Schedule 1. The amended rule 6 requires furnishing of the postal and email addresses and mobile number of the applicant/PA. The new Rule 6 also prescribes that the IPO would not receive any document/application/form/communication furnished through Courier service; the other means of transmission shall remain in place as mentioned in the rule.

The patent application fee shall be refundable in the case a request for the withdrawal was made in Form 29 before the issuance of the First Statement of Objection.

In the patent specification the featured illustrated in the drawings shall be followed by their respective reference signs in parentheses in claims. The Abstract shall contain the summary of the matter contained in the specification and shall include: technical field, technical advancement of the invention and the principle use of the invention, and whenever necessary the chemical formula which characterizes the invention.

The Section 10(4)(d)(ii) prescribes in conformity with the Budapest Treaty that the biological material, if mentioned in the patent specification, should be deposited with the prescribed depositing authority; without which an application shall not be considered as a complete application. The substituted Rule 13(8) prescribes a 3-month time period from the date of filing of the patent application for depositing the reference material disclosed in the specification, in compliance to Rule 10(4)(ii).

The patent applications are ordinarily automatically published within one-month from the completion of 18 months from the date of the patent application filing or the priority date

claimed in the patent application, whichever date is earlier. For an early publication a formal request is to be made. Henceforth, in the case of a request for an 'early' publication under the provision of the Section 11A(2) and Rule 24A in Form 9 with the prescribed fee, the date of depositing the reference material should be prior to the date of filing the request for publication.

Examination of the Application

Another very important amendment has been made in Rule 24B(2)(i). The substituted rule says that when the request for examination has been filed and the patent application has been published, the Controller shall refer the patent application along with the specification and other documents to the Examiner. The reference of the direction to examine the patent application shall be made in the sequence in which the applications for the examination request have been filed. The same procedure shall be followed in cases of divisional applications. In the case the division of the patent application is filed after filing a request for examination, the divisional application must contain the request for the examination of the further patent application (second application) rooted through the division of the patent application. The further application rooted through the division of a patent application shall be published within one month from the date of the divisional application and shall be referred to examination within one month from the date of such publication. Here, it is proper to mention that the earlier provision contained Section 24B(2)(i) for referring the patent application to the examiner by the Controller was having the time line of one month from the date of the request for examination or the date of publication, whichever was later. The substituted rule does not bind the Controller to refer a patent application for examination within one-month as the earlier rule prescribed.

Sub-rules 3 and 4 to Rule 24B have been substituted by new sub-rules. Sub-rule 3 of Rule 24B directs the Controller shall issue the First Statement of Objection (FSO) to the applicant or his agent, as the case may be, within one month from the date of submission of the FSO by the examiner to the Controller. In the case the request for examination was filed by an 'interested person', only an intimation of such examination may be provided to the interested person. It means that the FSO shall be served to the applicant, not to the 'person interested'.

Sub-rule 4 of Rule 24B states that the reply and subsequent replies to the FSO shall be processed in the sequence in which they were received by the IPO.

Sub-rule 5 of Rule 24B prescribes a 6-month time period from the date on which the FSO was issued to the applicant for putting the application in order for grant. It prescribes a six-month time period for removing the objections and complying with the directions prescribed in the FSO to the applicant. Earlier this duration was 12-months.

Sub-rule 24B(6) provides a 3-month extension for completing the post FSO requirements for which a request for time extension is to be filed in Form 4 with the prescribed fee before the completion of the 6-month time period prescribed in Rule 24(5).

Expedited Examination

A new provision for expedited examination has been inserted under Rule 24C. A patent applicant may file a request for expedited examination in Form 18A with the prescribed fee only by electronic means within the period prescribed in Rule 24B on the basis of either of the following two grounds:

- India has been indicated as the competent International Searching Authority (ISA) or elected as an International Preliminary Examining Authority (IPEA) in the corresponding international application; or
- The applicant was a Start-up.

For the prescribed applicants under the provided conditions, the request for examination filed under Rule 24B may be converted to a request for expedited examination by paying the relevant fee and submitting the request as prescribed by Rule 24C(1). For converting the examination request from an ordinary request to expedited request, the IPO should charge only the difference of the fees prescribed for the respective examination fee. The expedited examination requests filed in contravention to Rule 24C shall be treated as an examination request filed as per the provision of Rule 24B and the applicant should be informed accordingly. There shall be a separate sequence of requests for expedited examination and the applications shall proceed in sequence. The examiner shall ordinarily issue the FSO within a month from the date of reference of the application to him by the Controller. The period of one month is extendable to two months. The Controller shall dispose the report of the Examiner within fifteen days from the date of FSO disposal date. The duration within which the applicant should submit the reply to FSO shall be included in the FSO order served to the applicant.

The time for putting an application in order for grant shall be 6-months from the date of issuance of FSO to the applicant. On request, the time for putting an application for grant may be extended for a period of three months by a request for time extension seek in Form 4; however, the request for time extension is maintainable only if made before the expiration of time prescribed for putting an application in order for grant.

The Controller shall dispose of the application within three months from the date of receipt of the last reply to the FSO or within a period of three months from the last date to put the application in order for grant, whichever is earlier. This time limit shall not be applicable for application facing the pre-grant opposition. The Controller is empowered to fix the number of patent applications to be considered for expedited examination in a year by publishing a Notice in the official journal. In exercising the power under rule 24C(13) the Controller has notified that until December 2016 only 1000 requests for expedited examination shall be received.[3] In less than a month's time from the date of notification of the Patent Rules 2016, the notice for limiting the number of requests for expedited examination reflects the pressure to get the examination done in the shortest possible time.

The new rules for both 'examination' and 'expedited examination' do not prescribe a clear timeline from the date of filing a request for examination until the FSO is issued. The queuing up time from the date of filing the request for examination or expedited examination to the reference to the examiner is unlimited. This unlimited time is the constant cause of indefinite delay in the prosecution of the patent applications. The new rule 24C is very narrow in its objective and is hopeless for those who would like to expedite the prosecution of their patent applications.

The IPO has notified that the time for putting up the applications in order for grant under section 21 in cases where FSO has been issued by the IPO before the promulgation of the new rules, May 16, 2016, shall remain 12 months from the date on which the said FSO was issued to comply with all the requirements imposed under the provision in existence before the promulgation of Patent Rules 2016.[4]

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[3] Public Notice CG/F/2016/146 dated June 14, 2016

The time for putting up the applications in order for grant under section 21 in cases where FSO has been issued by the IPO on or after May 16, 2016 shall be six months from the date on which the said FSO was issued to the applicant to comply with all the requirements under the Act and Rules made thereunder in accordance with Rule 24(C)(5).

Virtual Hearing

In a welcome development, the new rule 28(6) permits hearing by means of video conferencing or audio-visual communication device. The virtual hearing shall be considered as to have taken place at the appropriate office. Following the virtual hearing, the written submissions and all the necessary documents shall be filed by the applicant within 15 days from the date of the virtual hearing.

Opposition

Now it has been made mandatory to serve a copy of the opposition to the patent applicant. Similarly, the patent applicant shall serve a copy of his reply to the opposition to the opponent along with the Controller. It has been made mandatory for the Controller to dispose of the opposition proceedings within a period of one month from the completion of the last date of i) submission and sharing of the respective representations including statements and evidence, and ii) hearing, if so requested by either of the parties.

Application for filing Patent Outside India

Section 39 prescribes that Indian residents shall file patent applications in foreign jurisdictions in the following manner:

- First filing the patent application in India (basic application);
- from the date of filing, wait for 6 weeks before filing any subsequent filing elsewhere;
- in the absence of any direction of restraining the applicant to file the subsequent patent applications based on the Indian patent application elsewhere until further notice, file in foreign jurisdictions.

In the case an Indian resident wants to file the basic patent application outside India, he should file a request in Form 25. The Controller shall dispose of the request made in Form 25 within 21 days from the date of filing such a request. The request in Form 25 relating to the invention concerning defense or atomic energy domain shall be forwarded by the Controller to the Central Government for consent. Therefore, in the case of an invention relating to defense or atomic energy, the period of 21 days shall be counted from the date of consent from the Central Government.

Power of the Controller

The Controller holds power under the Rule 138 to extend prescribed time with riders. The substituted rule prescribes a one-month time extension power to the Controller with the condition that the request for time extension was made prior to the expiration of the prescribed time. The rule is specific to the following provisions:

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[4] Public Notice CG/F/Public Notice/2016 dated May 18, 2016

- Rule 20(4)(i): The Patent Office shall not commence processing an application filed corresponding to international application designating India before the expiration of 31 months from the priority date;
- Rule 20(6): If the applicant fails to file the translation of the amended claims and annexures even after the invitation from the Patent Office to do so within the time left to complete the formality;
- Rule 21: Filing of the priority documents;
- Rule 24B(1): A request for examination shall be made within 48 months from the date of priority of the application or from the date of filing of the application, whichever is earlier;
- Rule 24B(5): The time for putting an application in order for grant under section 21 shall be six months from the date on which the FSO is issued to the applicant to comply with the requirements;
- Rule 24B(6): The time for putting an application in order for grant may be further extended for a period of three months by a request in Form 4 for extension of time along with the prescribed fee before the expiry of the period specified under sub-rule (4);
- Rule 24C(10): The time for putting an application in order for grant shall be six months from the date an application is received;
- Rule 24C(11): The time for putting an application in order for grant as prescribed in sub-rule (10) is further extendable for a period of three months before the expiry of the period specified;
- Rule 55(4): On receipt of the opposition notice from the Controller the applicant may file his statement and evidence within 3 months from the date of the notice;
- Rule 80(A1): The period for payment of renewal fee may be extended to such period not being more than 6 months if the request for extension of time is made in the prescribed manner;
- Rule 130(1): An application for the review of the Controller decision under section 77(1)(f) shall be made within one month from the date of communication of such decision to the applicant, or within such further period not exceeding one month thereafter as the Controller may on a request allow;
- Rule 130(2): An application for setting aside ex parte order of the Controller under section 77(1)(g) shall be made within one month from the date of communication of such decision to the applicant, or within such further period not exceeding one month thereafter as the Controller may on a request allow.

To compensate for a delay in circumstances of war, revolution, civil disorder, strike, natural calamity, a general unavailability of electronic communication services or other like reason in the locality where the party resides or has place of business resulting in disturbing the normal communication in the area of the party, sub-rule (6) has been inserted in Rule 6. Rule 6(6) provides the opportunity to a Party to approach the Controller through a petition for condoning the delay in:

- transmitting or resubmitting a document to the patent office; or
- performing any act by the party;

if the party files a condonation of delay application along with:

- a statement regarding circumstances of the fact of delay; and
- evidence in support of the fact.

The rule says that the severity of the circumstance narrated in the condonation of delay petition should be such that it crippled the normal communication causing the delay. The timeline for considering the condonation of delay petition ends at one month from the date of

restoration of the normal condition. There is a further rider to this limited discretionary power of Controller. The duration of the delay condoned by the Controller shall not exceed the duration of the emergency situation or six months from the end of the prescribed period, whichever comes earlier. Rule 6(6) does not derogate or overrule Rules 6(5) or 138(2).

Miscellaneous

Earlier on payment of the renewal fee, which is to be paid each year, certificate of payment was to be issued; henceforth, a certificate of renewal of patent shall be issued.

A specific rule regarding seeking adjournment of hearing has been made. The rule prescribes that a request for adjournment with reasonable cause along with the prescribed fee should be made at least 3 days prior to the hearing date. An adjournment shall not be of more than 30 days and a party cannot seek more than 2 adjournments.

The new Rule 133 prescribes issuance of the certified copies of any patent document within a period of one week; however, the requests shall be served on a first-cum-first-serve basis. There was ambiguity with respect to timing of the filing of power of attorney in Form 26. The outgoing rule, Rule 138 did not prescribe the timing of filing Form 26. The new rule prescribes three months' time from the date of filing of such application or document. The rule further says that failing to file Form 26 within three months, no action shall be taken in respect of the application or document for which Form 26 was to be filed. This means that if an application or document is represented by a patent agent or an attorney, the IPO shall act on an the application unless Form 26 is provided within the prescribed time.

Section 159 prescribes the power to make rules with respect of the substantive patent law with the Central Government of India; within the Central Government, Department of Industrial Policy and Promotion under the Ministry of Commerce drafts the Patent Rules. The objective of the Rules is to carry out the substantive part of the law.

An Overview of Recent Amendments to the Trade Marks Act and Rules in India

Ms. Soni Singh (India)

Ms. Soni Singh (India)

(JPO/IPR Training Course on IP Protection Lawyers, Feb. 6 – 22, 2017)

1 Brief history of the trade marks law in India

1.1 The very first statute that was enacted to regulate brands in India was the Indian Merchandise Marks Act, 1889. Later on the Trade Marks Act, 1940 was enacted. This Act was substituted by the Trade and Merchandise Marks Act, 1958, which came into force on 25th November 1959. After 40 years and amendments from time to time, it was found necessary to repeal the Trade and Merchandise Marks Act, 1958 to harmonise the law with international Intellectual Property ("IP") systems. Thus, the Trade Marks Act, 1999, the prevailing statute, came into force on 15th September 2003.

2 Recent Significant Amendments

2.1 Effecting Madrid Protocol

2.1.1 The Trade Marks Act, 1999 was amended by the Trade Marks (Amendment) Act, 2010 with a view to make necessary changes for making the law compliant with the Madrid Protocol. India signed the Madrid Protocol on 08 April 2013. Within a few months, on 08 July 2013, the Trade Marks (Amendment) Act, 2010 was enforced and amendments to the Trade Marks Act, 1999 were effected.

2.1.2 Through such amendment, Chapter IV A was inserted into the Trade Marks Act, 1999 with provisions corresponding to Article 3, *3bis, 3ter* and Article 4 of the Madrid Protocol. In this manner, international registration system under the Madrid Protocol was incorporated in the Indian law of trade marks effective from 08 July 2013 and international registration of trade marks commenced in India.

2.1.3 Such amendment of the trade mark law was preceded by significant digitisation and improvement of the infrastructure of IP offices in India in order to enable effective and efficient operation of the international registration system.

2.2 Simplifying Trade Mark Prosecution: Trade Mark Rules 2017

2.2.1 After the amendments to the Indian Trade Marks law to introduce international registration under the Madrid Protocol, the making of Trade Mark Rules, 2017, may be said to be the most significant change in trade mark legal regime in India.

2.2.2 The Trade Mark Rules 2017 ("the new Rules") came into force on 06 March 2017 with the repeal of the Trade Mark Rules, 2002. The new Rules have brought about extensive changes aimed at simplifying and improving efficiency of the trade mark registration

procedure in India.

2.2.3 Some of the key changes brought about by the new rules are as follows:

i. The number of forms that one was required to use through the trade mark registration procedure has been brought down significantly by about 90% from 74 to only 8. This is a major step for simplifying the registration procedure. While the IP office had already digitised the registration procedure, particularly since 2013 when the Madrid system was introduced, this change has made prosecution of trade marks in India simpler.

ii. While the fee through the trade mark registration procedure has been almost doubled for most stages of prosecution, commensurate with the current Indian government policy to incentivise industry and start-up initiatives, a 50% concession in fee has been granted for individuals, start-ups and small & medium enterprise as defined under the new rules. Such definition has been expanded for foreign entities which was not clear earlier.

Start-ups, in the case of foreign entities, means an entity incorporated or registered, not prior to five years, with annual turnover not exceeding approx. JPY 429 million (INR 250,000,000) in any preceding financial year and working towards innovation, development, deployment or commercialization of new products, processes or services driven by technology or intellectual property. However, if any entity is formed by splitting up, or reconstruction of a business already in existence, it will not be considered as a start-up. Further, an entity ceases to be a start-up if its turnover for the previous financial years has exceeded approx. JPY 429 million or it has completed 5 years from the date of incorporation/registration.

Small enterprises, in the case of foreign entities, are the enterprise engaged in the manufacture or production of goods, where the investment in plant and machinery does not exceed the limit of approx. JPY 172 million (INR 100,000,000) and in the case of an enterprise engaged in providing or rendering of services, where the investment in equipment is not more than the limit of approx. JPY 86 million (INR 50,000,000).

iii. To encourage digital prosecution of trade marks, the new rules also contemplate 10% concession in fee for all e-filing.

iv. Renewal of trade marks, which could earlier been done not more than six months before the end of registration, can now be done up to one year prior.

v. Service of documents by e-mail has been recognised under the new rules.

vi. Another prominent change that has found favour with many applicants is the possibility to expedite the entire registration procedure, not limited to examination of the trade mark. Earlier, when an application was filed for expediting a trade mark, it was limited to expedited issuance of examination report, if any, in respect of the trade mark. The IP office has recognised that such procedure was practically of no benefit as after issuance of examination report, such application was treated as a

normal application for subsequent steps to registration. Under the new rules, upon payment of fee for expediting the registration of a trade mark, the IP office attempts to keep the application in an expedited cycle throughout the application procedure, including opposition, if any. Practically, the effectiveness of this rule is yet to be seen. It is provided that the IP office can notify the number of requests for expediting applications that can be filed from time to time. However, the fact that this new rule has been framed is in itself commendable.

vii. Hearings through video-conference has been introduced.

viii. It is now possible to request the Trade Marks Registrar to give a determination of well-known trade marks. Earlier, this could be done only on the basis of the finding of a court of law in India. However, now such determination can be obtained on the basis of an application to the Trade Marks Registrar and the fee for such application is approximately JPY 172,000 (INR 100,000).

ix. Opposition has been given a wider meaning. It encompasses proceedings against grant of registration to an international application designating India as well as against any alteration of a registered trade mark. Earlier it only referred to proceedings against grant of registration to a trade mark application.

x. Number of adjournments in opposition proceedings has been restricted to 2 for each party, each adjournment being of not more than 30 days. This is a significant change as often while the other stages of opposition proceedings are time-bound, the hearing stage could have continued endlessly as there was no limit on the number of adjournments that could be sought at this stage.

xi. Under the new Rules, in the case of applications filed on the basis of prior use, an affidavit of use, along with supporting documents, is required to be filed. Earlier, it was the discretion of the Trade Marks Registrar to require such affidavit. However, now it is mandated under the rules to file such affidavit in every case where use prior to the date of application is claimed by the Applicant. From reading of the rules, it is not clear so far whether such affidavit may be filed at a date later to the filing of the application.

xii A noteworthy change in the rules is that sound marks are specifically mentioned in the new Rules, while they do not find any mention in the Act itself. The Trade Marks Act, 1999 recognises all trade marks that can be represented graphically, unlike WIPO which defines trade marks as "signs" identifying the source. The first sound mark to be registered in India in 2008 was of the California based internet company Yahoo! Inc. However, the procedure for filing applications for sound marks was not very clear. Now it has been provided under the new Rules that such applications may be filed with the trade mark represented in MP3 format not exceeding 30 seconds length accompanied with representation of its notations.

3 Conclusion

3.1 Recent amendments to the Indian Trade Marks Act, 1999 and the new Trade Marks Rules, 2017 are aimed at strengthening the legal infrastructure for smooth and effective protection of trade marks in India. While the Indian law was quite up to date with international systems, the accession to the Madrid Protocol, simplified rules for prosecution, consistent steps towards enhanced infrastructure and agility of the Indian IP Office in processing applications, are in consonance with India's focus towards boosting not only domestic industry but also global trust and ease of doing business in the country.

(Please note that this article has been written as general overview of significant recent amendments of the Indian Trade Marks Act and Rules. In case of any specific query / legal assistance required for prosecution of trade marks through the Indian IP office, it is advisable to access legal advisers / registered trade mark agents in India.

The author is an IP law expert and Partner at Virender Goswami & Associates based in New Delhi, India. She pursued the JPO/IPR Training Course for IP Protection Lawyers of JIPII & HIDA in Tokyo in February 2017. The views expressed in the article are personal. Please feel free to give your feedback / comments to the author at soni.singh@vgalegal.com.)

Impressions from Training Course in Japan

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(JPO/IPR Training Course on Substantive Examination of Trademarks, Nov. 17 – Nov. 30, 2016)

I was proud to be the first participant of JPO/IPR Training Course on Substantive Examination of Trademarks from Kazakhstan. During the course I saw a particular interest in the Kazakhstan trademark examination system from all of the lecturers, and that's why I felt some pressure from this responsibility. I tried to give detailed answers to all of the questions about the Kazakhstan experience.

In the framework of this article I'd like to briefly explain the main procedures in the Kazakhstan Patent Office regarding trademark examination.

Legal Basis

Legal protection of trademarks in Kazakhstan is governed by the relevant provisions of the Civil Code and Trademark Law. The Trademark Law provides the basics for registration procedures, which are developed in detail in the Regulations of the Ministry of Justice.

Kazakhstan is a signatory to the following international treaties regulating trademark registration and protection issues:

- the Paris Convention for the Protection of Industrial Property;
- the Trademark Law Treaty (since November 2002);
- the Madrid Agreement Concerning the International Registration of Marks (since December 1991) and the Protocol Relating to the Madrid Agreement (since December 2010);
- the Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks (since April 2002); and
- the Agreement on Trade-Related Aspects of Intellectual Property Rights (since November 2015, when Kazakhstan joined the World Trade Organisation).

The Kazakhstan legal framework for trademarks is characterized by constant change and development. Several amendments have been introduced over the years to improve the legal environment, particularly with a view to attracting more foreign investment.

The 2015 amendments to the Trademark Law are set to bring about several changes to the trademark regime:

- simplified registration of assignment and licensing agreements for trademark when a right holder from a foreign country that is party to the Singapore Treaty is involved, in accordance with the provisions of the Singapore Treaty to which Kazakhstan adhered in 2012;
- binding time limits for administrative decisions defined for all stages of the examination of trademark applications, in order to reduce the pendency time for registration;
- establishment of regional principle of exhaustion of trademark rights, to harmonize na-

tional legislation with the provisions of the Agreement of the Eurasian Economic Union;
- no further issuing of registration certificates for trademarks. The right to a trademark is now testified by a notice in the State Register of Trademarks, which is a simpler process then certification. The aim is to better streamline the registration process.

Several changes are expected in current years.

Designations that can be registered

Trademarks cannot enjoy legal protection as trademarks in Kazakhstan without registration as such. Applicants for trademarks can be legal entities (including commercial or non-profit and private or state entities) and individuals.

The law provides an open list of designations that can be registered as trademarks, including images, words, characters, digits and three-dimensional marks.

The following designations cannot be registered as trademarks:

- commonly used names of particular goods;
- commonly accepted symbols and terms, state symbols and flags and the names of state bodies and international organizations;
- characteristics of goods, such as indication type, quality, features, purpose, value and the time and place of manufacture;
- names of cultural heritage sites and objects;
- appellations of origin;
- false and misleading designations; and
- designations that violate public interest, moral or humanitarian principles.

With the exception of the last two examples, these designations can be included in a trademark as non-protected elements under certain conditions (e.g., consent of the competent authority, domination of other elements in the trademark).

Examination

Kazakhstan patent office conducts a formal and substantive examination of trademark applications. It usually takes 7 – 9 months to complete the examination, if no official actions are issued.

Kazakhstan office's examination includes the following checks:

- whether the application papers have been correctly drafted and submitted;
- whether the goods and services have been correctly classified and named;
- whether the filing and examination fees have been duly paid;
- whether the mark cannot be registered on absolute grounds; and
- whether the mark is confusingly similar to any registered trademarks or pending applications with an earlier filing or priority date.

If the application fails on one or more of these grounds, the Kazakhstan patent office will issue an official action indicating the application's defects or citing grounds for possible refusal of registration. The applicant is given three months to respond.

If earlier trademarks are cited against the filed mark in the official action, the applicant may overcome the citations by providing letters of consent from the owners of the cited trademarks, unless those marks are identical or similar to the extent that they could mislead consumers.

There is no opposition procedure in Kazakhstan. However, the law allows third parties to

file written observations against an application that is under examination by Kazakhstan patent office. In such observations, the third party can express its opinion on the filed mark's compliance with the legal requirements, including its possible confusing similarity to earlier trademarks. The examiner will take these arguments into account during the examination of the application.

Refusals of the examiner can be appealed to Appeal Board under the Ministry of Justice.

Registration

The registered trademark is then entered in the State Trademark Register and published in the Official Bulletin (available on the website).

The registered trademark is valid for 10 years from the filing date of the trademark application; this term can be renewed for an unlimited number of subsequent 10-year periods.

The law requires that the rights holder ensure that its information is accurately recorded in the Trademark Register. Changes to the rights holder's name or address should be recorded in the register in a timely manner. Failure to record these changes may result in delays and refusals in other procedures (e.g., registration of assignments and licenses).

A number of trademark applications in Kazakhstan has remained relatively stable since 2012: nearly 4000 domestic applications and nearly 6000 applications under the Madrid procedure per year.

The largest number of foreign trademark applications files by residents from the USA, Russian Federation, Switzerland, Korea and India.

Top 7 trademark registrations by class traditionally consists from class 5 (pharmaceuticals), class 35 (business services), class 9 (machinery), class 30 (foodstuffs), class 03 (chemicals), class 25 (clothing) and class 42 (science services).

Some lessons from Japan

As for comparative study, I'd like to emphasize the following points.

- Starting in April 2015, motion marks, hologram marks, color per se marks, sound marks, and position marks can be registered as trademarks in Japan. Kazakhstan trademark legislation is not completely adapted to non-traditional trademark examination. A number of non-traditional trademark applications in Kazakhstan is quite meager, but nevertheless it is essential to supplement existing legal mechanisms and legal ground to meet the full range of circumstances of different types of applications.

- It is necessary to study JPO's Similar Group Code in order to judge similarity and dissimilarity between the designated goods or designated services of the filed trademark and the designated goods or designated services of another person's already registered trademark. JPO examiners use the "Examination Guidelines for Similar Goods and Services", and a Kazakhstan system of similarity judgment for examiners has yet to be developed.

- Very simple and common marks are not registered in Japan. Very simple and common marks may be composed of, for example, one or two Roman characters or numbers. Also, very simple and common marks include a three-dimensional shape such as a globe, cube,

rectangular parallelepiped, cylinder, triangular cylinder, etc. In Kazakhstan protection of such simple marks is possible nowadays and it's important to reconsider this practice.

- A similar situation is observed with simple slogans and common phrases. Kazakhstan provides a legal protection to such slogans and phrases because there is no ground of refusal. For instance, there is an acting international registration, "If you cannot eat them, drink them" for 05 class - Vitamin and mineral supplements. This mark can be judged as a sort of slogan or catch phrase, and the question is: Is it fair to grant an exclusive right to one person and is there a distinctiveness to enable to consumers to recognize whose goods it indicates? An additional consideration is required.

- It is necessary to study the JPO's practice to examine trademarks identical with or similar to another person's well-known trademark which is used by the applicant for an unfair intention. For instance, the purpose of a trademark for which the registration is being sought, is to take advantage of a well-known foreign trademark or a trademark similar thereto not yet registered in Kazakhstan, force its purchase, or prevent market entry by the owner of that foreign trademark. Unfortunately this situation is now theoretically possible because there is no legal ground to prevent it. Studying the Japanese legal mechanism of examination, such trademarks can be very useful to develop Kazakhstan trademark law in this regard.

- It is important to enhance the computerized examination system in the Kazakhstan Patent Office. Lack of workflow automation is still one of the major problems for Kazakhstan, and tools for solving this problem must be found.

- It is essential to base examination in Kazakhstan on an accurate understanding of the needs and expectations of applicants and third parties. Therefore, it is very useful to study the JPO's practice regarding a user satisfaction survey on examination. The JPO makes efforts to enhance view exchanges with users. For adequate performance of quality management, it is crucial to enhance quality audit in the Kazakhstan Patent Office and study the JPO's experience.

- In order to evaluate the effectiveness of experts' work, it is preferable to take into consideration not only a number of applications but also a number of classes claimed. Specialization of experts needs to be improved.

- It is necessary to reconsider the format of the Kazakhstan Patent Office's annual report and official statistics data. Some information should be added. For example, it is necessary to keep an official record of acting trademark registrations and an official record of classes claimed per year (not only a number of applications).

Conclusion

The necessary legal and regulatory framework for a functioning trademark examination system is in place in Kazakhstan. However, there are significant weaknesses, particularly with regard to the examination of non-traditional marks, simple marks, slogans, marks with unfair intention to use. Certain improvements in terms of examination should be considered.

Assistance of the JPO provided by organizing the Training Course allows studying the Japanese practice, which is one of the best examples for improving the system of trademarks examination in Kazakhstan.

Personal impressions

Participation in the Training Course was a life-changing experience for me. It continues to play a crucial role at a formative stage in my professional development.

At the time of participation in the Training Course, I headed a division on IPR Transferring Contracts Examination in the Kazakhstan Patent Office. In March 2017 I was promoted to the position of head of the International Trademark Examination division, and I owe part of this success to the JPO for invaluable knowledge I obtained during the Training Course.

I know that the JPO feels a close bond to all who have completed the training courses in Japan. I am confident that the JPO considers all of us as competent IP experts with promising futures in our countries. After returning to my country I have been trying to make full use of Training Course experience working to improve the trademark examination system in Kazakhstan. I am proud of being connected to the sustainable growth of the IPR system in Kazakhstan with the benefit of the JPO's efforts.

I remember that the JPO is behind me, and it makes me not just full of fresh tools and ideas, but emotionally strong and truly enthusiastic.

The Training Course was extremely enriching not only professionally, but also personally. Japan has helped to reveal my course in life and simply inspired me to be a better person.

I've discovered a truly beautiful country with warm and genuine people. My heart melts when I remember the pure kindness of all people I've met in Japan.

I would like to express my sincere gratitude to the JPO, APIC and HIDA for the perfect organization of the Training Course.

My particular gratitude is to JPO examiners Mr. Jun Meguro and Mr. Takahito Naito for very productive discussions during case studies and meetings, and to training coordinators from APIC Ms. Chiho Omori and Ms. Michiko Hiyama for loyal support and attentiveness.

I am also thankful to course participants from Mexico, the Philippines, Columbia and India for sharing their own examination practice in the framework of everyday discussions. I look forward to seeing my IP Friends again and hearing about their professional progress.

I hope that Kazakhstan and Japan will continue to cooperate with each other and the relationship between the two countries will become stronger in future.

Japan is always in my heart.

IP Situation in my country

Ms. Rashidah Ridha Sheikh Kalid (Malaysia)

Ms. Rashidah Ridha Sheikh Khalid (Malaysia)

(JPO/IPR Training Course on Establishing Patent Examination Guidelines, Sep. 8 – 15, 2016)

1. Introduction

Malaysia is a member of the World Trade Organization (WTO) and became a signatory to the Trade Related in Intellectual Property (TRIPS) Agreement in 1995. It did not occur to this country, however, that the accession not only contributed significantly to the development of multilateral trading systems, but was also the beginning of indoctrinating intellectual property (IP) there in. Ever since this time, the trend toward generating innovations has been gradually increasing in commerce and industry, as well as in the public sector. Malaysia embraced intellectual property in the domestic legal landscape, and IP has become a common norm and a vital part of development in this nation.

2. Background

During the last two decades, Malaysia has been heavily investing in Information Technologies and Communications (ICT) as a national initiative. Although intellectual property (IP) was still in its infancy during the time, the national initiative to set up an ICT infrastructure in Malaysia was the initial step in opening up a new wave of change in the country's IP landscape. Hence, the Multimedia Super Corridor (MSC) was set up in 1995 to create a digital ecosystem in Malaysia that promotes innovation and creativity in lieu of development in ICT. MSC Malaysia status is a recognition 1 by the Government of Malaysia via its statutory establishment, known as the Malaysia Digital Economy Corporation (MDEC), for ICT and ICT-facilitated businesses that develop or use multimedia technologies to produce and enhance their products and services in the country. By providing this necessary infrastructure, the groundwork was then to focus on the implementation of ICT in the form of law and policies.

This has led the government to seek particularly legislative aspect on IP. Conversely, amendments to the copyright law in Malaysia take place to accommodate needs in information technology, such as extending the scope of the copyright law in the network and online transmission to include transmission via the Internet, as well as technological protection measures and penal sanctions. The amendment to the copyright law was timely due to the trending of Internet-related issues, as well as the uncertainties of the digital era on a worldwide scale.

Ever since the inception of the MSC, nearly 100,000 knowledge-based jobs have been generated that primarily involve computers and multimedia-related industry. As a result of the computer industry, the semiconductor industry became highly intensified. This led to the birth of the law with regard to the Layout-Designs of Integrated Circuits, which came into

force in the year 2000 to protect investment on 'chips' and the semiconductor industry.

3. Spurring innovations and tapping new sources of economic growth

The government is paving ways for IP-intensive industries to set foot in the financial landscape in Malaysia. Recently in early 2016, the Prime Minister of Malaysia was quoted as saying that the government will create a creativity and innovation index as a yardstick to achieve an innovation-driven economy, known as the National Transformation, which is targeted to be achieved by the year 2050. He said the index would become one of the thrusts to empower Malaysia as one of the top 20 nations in the world in the long term. He pointed out that innovation and creativity were important for any organization, company or nation in order to not lag behind in our increasingly competitive world. Realizing the increasingly competitive market, Prime Minister Najib Razak urged companies to adopt innovation in order to succeed and become competitive players.

Positive outcome from such recognition can be seen where government departments and civil servants have begun to inculcate a culture of innovation-based competition within each Ministry. Many local universities are producing research outcomes that have gained recognition both locally and internationally. Achievements can be seen where local students with innovations have won medals in Geneva and Korea for their innovative inventions.

Progressively, universities are gearing up to become top innovative achievers and research centers for innovations. The Malaysian Technical University in the state of Malacca, for instance, has established centers of excellence such as the Centre for Research Energy (CARE), Pusat Teknologi Komputer (Termaju Computer Technology Centre (C-AT), Pusat Automasi Industri Robotik, and the Robotic Automation Industry Centre (CERIA), to name a few.

Granting policy space for a developing country allows Malaysia to make choices on the level of protection that is needed in line with the interest of its economic and social development. Additionally, as a signatory to the TRIPS Agreement, Malaysia has the liberty to determine its own IP regimes based on the assessment of need in the country as aligned with domestic industrial development. Thus, guided by the existence of the global index of innovation, Malaysia has been given a realistic overview of the level of innovation to which it wishes to strive; and relevant agencies will monitor and assess its performance in relation to innovations. To illustrate, Malaysia was ranked 35th in the Global Innovation Index 2016—a shift down three spot from the previous year. Nonetheless, Malaysia has been in constant performance in the three innovation quality indicators: namely, university ranking average; patent families filed in at least two offices; and citable documents on scientific research output indexes[i]. The downward trend in the year 2016 was largely attributed to the drop in the percentage of patent filing activity, due largely to the international economic slowdown.

Nonetheless, Malaysia has seen a constant performance in the three innovation quality indicators: namely, university ranking average; patent families filed in at least two offices; and citable documents H index (on scientific research output index)[ii].

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[i] See Global Innovation Index 2016, page 19 http://www.wipo.int/edocs/pubdocs/en/wipo_pub_gii_2016.pdf).

The innovation index has received much attention by many sectors. The government sector and ministers in particular have made remarks and urged Malaysia to aim for the 20th ranking in the Index[iii].

This is a positive move where all activities are seen to be centered around activities that innovate, create and leverage creativity in the national agendas.

4. Securitization and Monetizing of IP

Asset values in intangibles are catalysts for economic development. Countries who are innovation-driven rely heavily in R&D and intellectual properties. Based on statistics in countries with the highest level of disclosed intangible asset value[iv], Malaysia performs well in efficiency-driven markets; but remains unsteady on innovations and technological readiness. Realizing this, the government embark on setting the platform for the valuation of intangible assets in Malaysia in order to become innovation-driven.

As part of the innovation initiatives to drive the market, the IP landscape took a bold new move when the government decided that intellectual property could be used as an instrument for facilitating access to funding, collateralization and securitization. This would enable small and medium enterprises in particular an opportunity for local innovations to have a far-reaching effect in the marketplace. As such, the government formally gave its endorsement when the Intellectual Properties Valuation Model ("IPVM") was launched in 2012 to provide a new platform—particularly in the financial sector.

In connection with this endeavor, intellectual property legislation was amended to reflect the securitization aspect. The main intention was to allow the IP fraternities, as well as financial institutions, to recognize IP as a collateral instrument to be used in financial sectors. Since financial strength is shifting toward intangible assets as a percentage of GDP, the need for valuations in intangible assets has become inevitable. The government also intended to complement the financial sector to be commensurate with the growth of IP and intangible utilization in asset-backed financing and funding.

The Industrial Designs Act was the first to be amended that incorporated the element of securitization. This is to be followed by the Patents Act and the Trade Marks Act, which are yet to become a set of new law in Malaysia incorporating the securitization provisions, once the laws have been passed in Parliament.

MyIPO hosted the Global Intellectual Property Valuation Conference (GIPVC) as a biennial international conference that provides a platform for industry players, financial institutions and key stakeholders to share their insight and experience in the enhancement of IP monetization in Malaysia. Launched in 2013, the GIPVC is part of the many initiatives taken by the government in order to set the platform for securitizations to become a norm in the country.

[ii] Ibid at n. i above

[iii] See http://www.themalaymailonline.com/malaysia/article/malaysia-should-aim-for-top-20-ranking-in-global-innovation-index

[iv] *Brand Finance Global Innovation Finance Tracker 2015*

Nevertheless, the securitization of IP assets will not be complete without the expertise of the appraisers of intangibles. As such, the government—together with the cooperation of the Intellectual Property Corporation of Malaysia (MyIPO) and the World Trade Institute (WTI), as well as the University of Berne based in Switzerland—have set up a training module for recruiting local IP appraisers specializing in valuing intangible assets and intellectual property. After extensive training and evaluations, the local IP appraisers were then given recognition by way of certificates to practice the skills they had learned.

Initiating the first pioneer batch of qualified IP appraisers in the country is closely related to supporting the IP Marketplace in Malaysia. That said, the valuation of IP assets in relation to the financial sector would make it easily accessible to businesses and financiers in terms of realizing the goal of enabling businesses and individuals to unlock the commercial value of their knowledge and intangible assets beyond the traditional use of IP as a protective business strategy.

Since the inception of the training program in February 2013, a pool of capable and qualified local IP appraisers from diverse backgrounds have graduated with expertise ranging from legal, financial, technological and business areas, who are working toward making IP valuation services affordable and user-friendly by penetrating into the banking stream. To date, a future collaboration with the Department of Real Estate Valuation has begun with the aim of continuing efforts to develop and enhance competency in the country in the field of IP valuation by grooming more professionals into qualified IP Appraisers.

5. Growing importance of the IP Office role

5.1 As awareness regarding the importance of IP has taken center stage, the role of the IP Office in Malaysia as the country's official IP center is no longer confined to mere registration per se. Rather, the office is now the focal point for disseminating information on innovations and technical knowledge.

Similarly, MyIPO has taken on the task of regularly informing the public-at-large and government agencies regarding various activities and seminars.

In 2015, MyIPO launched the Technology Innovation Support Centre in Malaysia, also known as 'TISC'. TISC was an initiative under the WIPO's Development Agenda, Cluster A: Technical Assistance and Capacity Building. TISC is designed to give innovators and enterprises an easy access to locally-based, high-quality technology information and related services. It also serves as a proactive approach to encourage enterprises to develop their innovations and creations by using the tools vis-à-vis TISC.

Under the TISC program, MyIPO will collaborate with institutes of higher learning, government agencies and research organizations that have been appointed as host institutes. These bodies will extend assistance in offering users search services for patent databases and other sources of technical information through direct personal assistance. They will also be able to identify technical issues in terms of enterprises and research topics within universities and research institutes.

A formal Memorandum of Agreement executed between WIPO and MyIPO in the same year marked the official appointment of MyIPO as the coordinator of TISC in Malaysia. Gradually, TISC became an initiative under the ASEAN Intellectual Property Rights Action Plan 2011–2015.

To date, number of universities and participants in the TISC program—where information on patents and innovations are disseminated to various users in the country—has increased to eight.

It is hope that through the TISC and other such initiatives, knowledge and information will enrich and provide a right path toward creating more state of the art in various technological fields while also generating income for the economy.

Sensing a great prospect to boost the national agenda, the government took a positive response by selecting TISC as one of the programs under the Civil Service Department Transformation Plan 2016. It is hoped that this will spur the innovation and boost the economy in the long run.

5.2 Due to the increasing importance of the role of IP, the IP office inevitably must keep abreast with the rapid development of IP. Thus, as the regulatory agency of IP in the country, legislation was revised in order to ensure that IP is more relevant and effective. Other attributes that led to the revision of IP laws in Malaysia were the fact that bilateral and multilateral negotiations have required easier trade and market access, and eliminated any possible and unnecessary barriers to trade for the negotiating countries. As such, in the year 2010, the Trade Mark Act underwent a review exercise including non-conventional marks, among other things. The Patents Act followed suit, where the amendment was to clarify procedural matters as well as ratifying international treaties such as the Budapest Treaty on the deposit of microorganisms, and the acceptance of the Doha Declaration on public health. Industrial designs were the first to be amended where the term of protection was extended from 15 years to a maximum of 25 years. The Copyright Law was successfully amended again to address the issue on collective management organizations, to accede to the "WIPO Internet Treaties," and strengthen enforcement mechanisms to curb piracy. With the changes to the law regarding copyrights, the USPTO lifted Malaysia from "The 301 Target Watchlist" in 2011, whereby Malaysia is no longer included on the list of hubs for copyright piracy.

Conclusion

Intellectual Property measured by the innovation drive is garnering importance in the scene in Malaysia. By empowering IP vis-à-vis IP assets, Malaysia realized that it is timely to take a bold move to ensure that innovation drives the economy successfully. The active involvement of the government is to ensure the ongoing innovation drive started by industry players. Where the government plays a role, it gave a complete holistic approach where the industry and the business sectors have all along contributed as valuable players. Initially, the MSC was established to create an integrated digital environment in the effort to propel Malaysia into the so-called information age. In achieving this, the laws, policies and practices inevitably led to rapid changes to the IP legal landscape in Malaysia where the copyright law was amended to cater for the impact on the Internet and the digital environment affecting a

variety of work in copyright regimes.

To date, the IP landscape is inclined to generate innovation products that complement the financial sector in Malaysia; namely the 'monetizing of IP'. With the right ingredient for driving innovations, it is hoped that Malaysia will strive to become a nation with high capabilities among technology users and creators in order to be on par with the higher GDP and income group countries.

Column: Not “Fireworks” but “Fire Flowers”

Mr. Takao OGIYA,
Director General of APIC

Mr. Takao OGIYA

When it comes to special attractions of summer in Japan, fireworks displays are the first thing that enters many people’s minds. Between July and August, fireworks displays are held nationwide, attracting many people. One of the most famous is the Sumida River Fireworks Festival, which takes place in late July each year. About one million people come all the way to the banks of the Sumida River to view some 20,000 fireworks lighting up the night sky. This festival is also broadcast via television, enabling people throughout Japan to appreciate a wide variety of fireworks.

Japanese fireworks are exceptionally sophisticated and magnificent among fireworks around the world. Unlike fireworks in Japan, those of other countries mostly have cylindrical shells. They also typically do not change color and are generally more unvaried and less three-dimensional. On the other hand, Japanese (chrysanthemum-type) fireworks are in a round shell in which the gunpowder is in the center. On the inner side of the shell many smaller pyrotechnic powder balls called *hoshi*, or stars, are lined up evenly around the gunpowder. These stars, which give forth light in different colors, are placed in spherical layers. Each shell is packed with gunpowder and stars, both of which are arranged in many layers (Fig. 1).

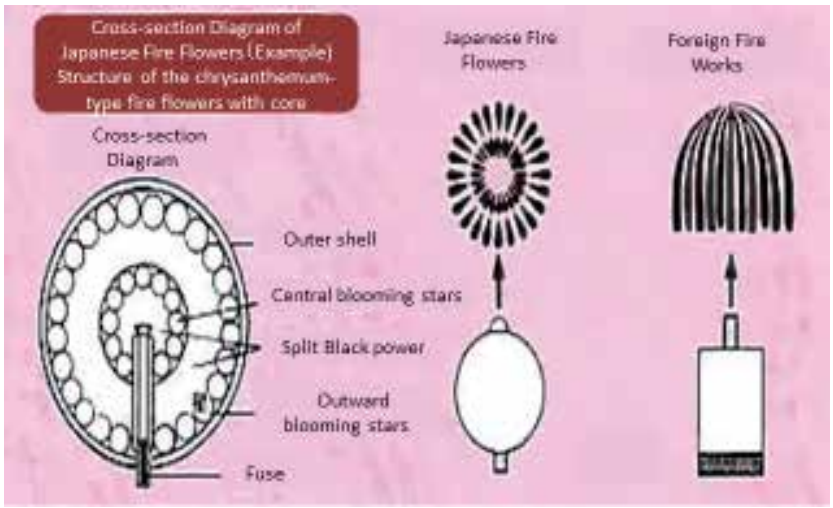

Fig. 1

After being launched, these stars are blown in all directions by the explosive power of the gunpowder, and “bloom” (burst) with their light changing in color, and then disappear. Large fireworks can go up more than 600 meters into the sky, where they open up like ball-shaped flowers. Since a firework can be approximately 300 meters in radius, its maximum height can reach about 900 meters.

The combustion of these stars lasts about 6.5 seconds. Some of the stars change color as many as six times. It is said that six color changes in about 6.5 seconds are beyond the limit of what normal human's kinetic vision can capture. Amazingly, Japanese fireworks have entered a realm that is difficult to be recognized by the naked human eye. Moreover, Japanese fireworks have won international acclaim, and are exported to over 80 countries around the world.

The roots of research and development regarding fireworks in Japan can be traced back more than 130 years. The patent system in Japan started with the enforcement of the Patent Monopoly Act in 1885. The Japanese Patent Office was also established in the same year. However, two years before that, in 1883, the U.S. Patent Office granted a patent regarding fireworks to a person who became the first Japanese to obtain a patent in the United States. He was Jinta Hirayama, a pyrotechnician who set up a fireworks manufacturing factory in Japan. It was a great surprise that a Japanese person applied for a patent in the United States even before a patent system had been established in Japan. However, I am very proud of the fact that his invention was approved for a patent, since it serves as proof of how high the level of Japan's pyrotechnic techniques was at the time.

Hirayama received an American patent for his invention called, "Daylight Fireworks," designed to launch not at night but during the day. They were gimmick fireworks, from which dolls and other items came out when the fireworks exploded. These fireworks seem to have even been produced commercially (Fig. 2).

Fig. 2

By the way, non-Japanese people may have a certain question: Why do Japanese people work so hard to develop pyrotechnics and to organize fireworks displays? In other words, why do people in Japan like fireworks so much? In overseas countries, there are hardly any events solely for the purpose of setting off fireworks. Outside Japan, fireworks are used more often as a supporting element to enliven a main event. Since fireworks act only in a support-

ing role, they are not required to be as brilliant. Additionally, some other countries prohibit people from setting off fireworks at home because fireworks that use gunpowder are regarded as dangerous objects. Japanese people, however, consider such "dangerous" fireworks to be artistic "flowers" that illuminate the night sky.

By nature, people in Japan find beauty in things that are short-lived and disappear after a very short time. People are fond of cherry blossoms for the same reason. Japanese people love cherry blossoms, which open up all at once in spring, and quickly fall after a short period in full bloom. Likewise, fireworks disappear after beautifully glittering for only a few seconds, and thus are a favorite of Japanese people.

Japanese people tend to compare things that are short-lived, instant, and beautiful to human life itself. They like things that live their lives to the fullest, even if their life is short. Many people in Japan believe that they should make earnest and constant efforts to advance while maintaining a humble attitude, so as to fulfill the missions given to them, no matter how hard and tough they may be. Therefore, they may hope even more to die a beautiful death after fulfilling their life's work. Due to such a mentality, Japanese people tend to love cherry blossoms and fireworks, both of which instantly bloom and then fall.

With fireworks in particular, we can control for ourselves the manner in which they "bloom." Accordingly, fireworks experts make effective use of all their knowledge and technical capabilities to manufacture a variety of fireworks, seeking to make them as brilliant and unique as possible (Fig. 3). Meanwhile, people who view these fireworks may superimpose their own lives upon the instant brilliance of the fireworks. These people may look on the fireworks, hoping and praying that they will be able to lead their lives in an ideal way that allows them to say when they die that they have made the most of their lives—whether anyone else has recognized it or not.

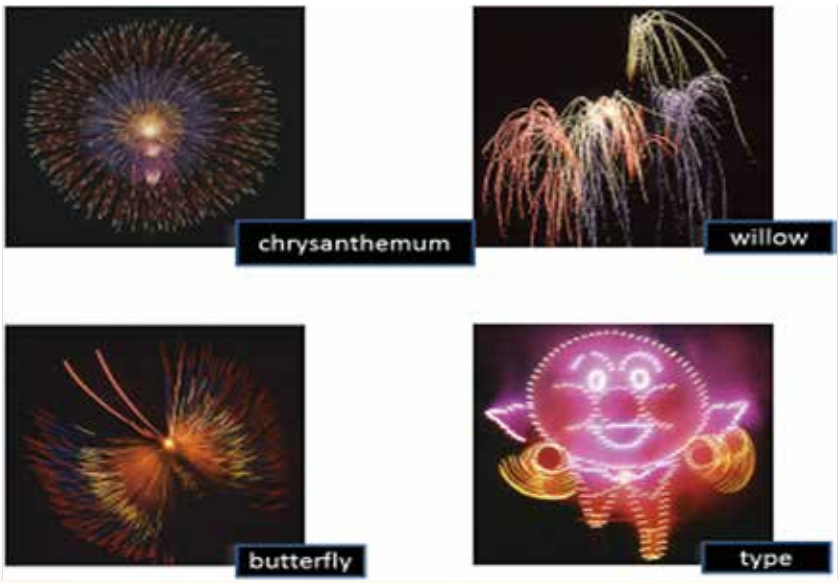

Fig. 3

I strongly hope that those coming to Japan for training between July and August will enjoy appreciating fireworks during their weekend free time. And perhaps by chance, they may find someone near them shedding tears as they view the bursting illuminations in the sky.

Selection from TOP 100 Japanese Innovations "TA-Q-BIN"

Brief Description

Almost every Japanese person has used a courier service at least once. Yamato Transport Co., Ltd. was the first company to start such a service, in 1976, under the concept of "Just one phone call and we'll come to your home to pick up even a single parcel and deliver it to the destination the next day at straightforward, low prices, without troublesome packing" and named the service TA-Q-BIN (door-to-door parcel delivery service).

In those days, the only provider of personal delivery services for ordinary families was the Post Office. There were no private businesses that provided such services. This was because it was generally considered that, unlike commercial cargo delivery services, for which there was a large and steady demand, personal delivery services were not profitable because demand for such services was not predictable and delivery destinations were all different. However, when he visited New York, Masao Ogura, then president of the company, saw the possibility of a door-to-door delivery business when he noticed four small trucks of the United Parcel Service (UPS)[1] at an intersection. Another reason for him to make the decision to launch a door-to-door delivery business was that his company was at a crossroads, because their business performance in delivery services for department stores and delivery and collection services for cargo transportation was stagnant.

There were many obstacles to overcome before starting door-to-door delivery services. In those days, you needed to obtain a license for cargo transportation for each area under the "route licensing system." If there was resistance from local logistics providers, it took tremendous time for a newcomer to receive a business license in that area. For this reason, until the 1980s, only those mainly living in metropolitan areas had the use of a courier service available to them.

Furthermore, even if relevant regulations were met, in order to expand the business scale to be able to turn a profit, a newcomer needed to take customers away from the Post Office, whose courier services were already widely used. To attract users, it was necessary to establish a nationwide parcel-collecting network and offer services distinctive from others, such as "next-day delivery." After overcoming these obstacles one by one, Yamato Transport's TA-Q-BIN spread among general users, proving that the idea of door-to-door delivery services by private companies was feasible business-wise. The success of TA-Q-BIN encouraged other shipping companies to enter the market of door-to-door delivery services. The door-to-door delivery service market was thus established. On the first day of TA-Q-BIN's launch, January 20, 1976, the number of parcels delivered was only 11. By 2013, however, the total number of delivered parcels in the door-to-door delivery service market reached 3,637 million pieces. This global network is still expanding.

Background of Innovation

(1) Establishment of Yamato Transport Co., Ltd. and Expansion of Its Business

Yamato Transport Co., Ltd. was founded in 1919 by Yasuomi Ogura as a delivery company using trucks. The company was mainly engaged in transporting fresh fish from the fish mar-

ket in Nihonbashi to various places in Tokyo, and short-distance delivery of commercial goods of Mitsukoshi Gofuku-ten (Kimono Store) to Yokohama. After WWII, the company quickly recovered its prewar level of business performance with the help of high postwar reconstruction demand. In particular, as consumer demand increased, the demand for delivery services from department stores steadily increased too. They resumed delivery services for Mitsukoshi within Tokyo, which were suspended during the war. In addition, the company expanded its delivery services to other upscale department stores, such as Daimaru, Isetan, Sogo and Takashimaya. With the aim of further developing its business to include long-distance delivery services in addition to short-distance services, they did a test drive over the Hakone Toge mountain pass using a prototype 10-ton truck. The test was a failure and it was decided to postpone the launch of new services for long-distance delivery for a while. Instead, they decided to focus on expanding their network throughout the Kanto region and achieving business diversification for the immediate future.

As the first effort in business diversification, the company entered the forwarding industry in 1950. "Forwarding services" were the collection and delivery of goods transported by the Kokutetsu (Japanese National Railways). The forwarding service industry had been monopolized by Nippon Express Co., Ltd., a statutory company. After WWII, when the monopolization was abolished in line with the GHQ's policy, Yamato Transport obtained a license to operate a forwarding business at railway stations, such as Shiodome, the origin/destination station of the Tokaido Line. For Yamato Transport, whose business was mainly focused on short-distance courier services, the license that allowed them to be engaged in a long-distance courier business gave them a competitive advantage for their sales efforts.

Around 1954, the company started planning to enter the market of long-distance delivery services using trucks both in its forwarding services and delivery services for department stores. One of the reasons for this plan was that, despite an increase in the volume of cargo in short-distance transportation, revenue remained stagnant. To increase revenue, it was necessary to lengthen transportation distances. The performance of trucks and road networks had been improved during the 10 years since the aforementioned test drive over Hakone Toge. For this reason, trucks were more widely used for long-distance transportation than railways. In addition, the Tokai Road connecting Tokyo and Osaka was opened in 1960, leading to fierce competition among major trucking companies. In response to this trend, Yamato Transport obtained a license for an Osaka route in November 1959. In March 1960, they opened an Osaka Branch, when they finally entered the long-distance transportation market.

(2) Decline in Business

Partly thanks to the special procurement boom spurred by the Korean War and the booming economy in the period of high economic growth in Japan, the business of Yamato Transport grew steadily in the 1950s and 1960s. However, in the 1970s, problems emerged in its major business activities. Masao Ogura, who succeeded his father Yasuomi as president in 1971, faced problems one after another, resulting in stagnant business.

The first problem occurred in its forwarding business, triggered by the decline of the Kokutetsu (Japanese National Railways). As a result of deteriorated labor-management relations, the National Railway Workers' Union (NRU) conducted a strike for the right to strike in 1975, which gave a severe blow to the Kokutetsu and also affected Yamato Transport, which used the Kokutetsu for its forwarding services.

A problem also occurred with delivery services for department stores. The volume of parcels for delivery increases during gift seasons in summer and winter in Japan, to seven or

eight times the norm. To cope with this demand, the company set up temporary delivery centers and hired many part-timers during these periods. However, as the number of parcels to deliver increased, they needed to set up permanent delivery centers and hire full-time employees instead of temporary ones. As a result, fixed costs gradually increased and profits gradually decreased. Furthermore, due to the oil crisis in 1973, the sales of department stores dropped significantly. Mitsukoshi, the largest customer, demanded a decrease in delivery fees, which helped further worsen the delivery service business for department stores.

Following the forwarding services and the delivery services for department stores, the trucking service business also reached a deadlock. As described above, Yamato Transport entered the market of long-distance courier services when the Tokai Road was opened in 1960. However, Yamato Transport was not as well known in the Kansai region as it was in the Kanto region and, when the company entered the long-distance courier industry, major freighters were already users of preceding competitors in the industry.

(3) Door-to-door home delivery services

In September 1973, Masao Ogura noticed four small United Parcel Service (UPS) trucks at an intersection in New York during his visit there. In that city, UPS assigned one truck to each block. This fact made him confident that the delivery of parcels from individual customers would be definitely profitable and he thought it would all depend on how to increase the number of parcels that one truck collects and delivers.[2] To achieve success, it was necessary to build a nationwide collection and delivery network, and differentiate their services from competitors.

At the end of August 1975, Ogura announced the "Main Points of TA-Q-BIN Development" to declare its entry into the door-to-door delivery market. As of 1975, the Post Office was virtually the only provider of door-to-door delivery services for individual customers. The reason why no private company attempted to enter this market was because it was commonly understood that such services were not profitable. If you dealt with commercial cargo, the daily or monthly shipment volume was fixed and transport routes were also fixed. Furthermore, orders were often large-scale. For these reasons, you could expect a certain level of profits. On the other hand, home delivery orders were small-scale and it could not be predicted when and where you would receive an order. Transport routes also varied and were not fixed. For these reasons, private companies believed that such services were not profitable. To solve these concerns, Ogura built a nationwide collection and delivery network based on the hub-and-spoke system and concurrently focused efforts on perfect streamlining.

Firstly, he put at least one hub, which Yamato Transport named "base (B)," in each prefecture, and two or three hubs in densely populated cities. Large trucks were operated every night between these bases. Near a base, a "center (C)" was built to serve as a spoke where parcels arriving there would be delivered to their destination or parcels would be collected from users. In addition, a "depot (D)" belonging to a center was set up to exclusively engage in receiving incoming parcels on an as-needed basis. He considered that, if this B-C-D network ran smoothly, any parcel could be delivered throughout Japan.[3]

However, it was not easy to actually build a nationwide network, which required substantial time and cost. To complement the insufficient network, therefore, the company used local shops, such as rice and sake stores, as agencies to receive parcels. It was comfortable and convenient for users to bring their parcels to a shop familiar to them, and shops serving as agencies were paid handling fees. Although initially reluctant and cautious to serve as agencies, local shops gradually accepted the offer, as TA-Q-BIN became recognized widely. In the

1980s, the number of this type of agency increased exponentially to become a part of the TA-Q-BIN network.

Ogura then started considering making full use of the advantages of door-to-door delivery services for individuals. Firstly, thanks to the smallness of parcel sizes, more parcels could be loaded on one truck than commercial cargo. According to the TA-Q-BIN commercialization plan prepared at the end of October 1975, an individual piece could not exceed one meter in length, width and height combined and 10 kilograms in weight. With this size and weight, one truck could carry many parcels. In addition, when comparing the delivery fee for a piece of the same size, that for TA-Q-BIN was higher than that for commercial cargo. As a result, the revenue from delivery fees per truck was higher. Furthermore, housewives never asked for a discount and paid in cash on the spot. To benefit from these advantages, it was necessary to collect as many as parcels as possible in one area. To acquire as many potential customers as possible, Ogura implemented as many measures as possible to differentiate TA-Q-BIN from the Post Office's services. One of the most emphasized features was "next-day delivery." It was common in those days to take about four to five days for a parcel to be delivered to its destination when a Post Office service was used. Yamato Transport made next-day delivery possible by the meticulous management of its network. The "next-day delivery" service had a great impact on users and soon spread through word-of-mouth. Yamato Transport also added new services one after another in 1983 and beyond, such as Ski TA-Q-BIN, Golf TA-Q-BIN and Cool TA-Q-BIN. The company also added convenience stores, which were rapidly growing in the same period, to TA-Q-BIN agencies, which successfully helped acquire more users. In 1980, a simplified bar code reader input device was adopted. This and other efforts to establish an information system for TA-Q-BIN were made to further improve customer trust. As a result, the spread of TA-Q-BIN was accelerated.

There still remained a major obstacle. The Road Transport Vehicle Act required providers of fixed-route trucking services to obtain a license for each area. As of 1976, Yamato Transport held licenses for almost all areas in the Kanto region but none in the region extending north from Sendai in Tohoku or in the region south of Fukuoka in Kyushu. It was essential to obtain licenses for these regions in order to build a nationwide delivery service network but obtaining them was not easy, because of strong opposition from local delivery service companies. In addition, the then Ministry of Transport was cautious of approving licenses for trucking businesses and therefore it took a tremendously long time for the ministry to make a final decision about whether to grant licenses or not. In 1986, Yamato Transport finally filed a suit against the Ministry of Transport. As a result, its applications for licenses for a fixed-route trucking business were approved one after another. Service areas covered by the company only accounted for 22.7% of the country's land area in 1978, which increased to 79.7% in 1984 and 99.5% in 1990.[4] The nationwide network was thus completed.

Another issue that needed to be addressed was the setting of new delivery fees. Yamato Transport independently filed an application for approval of a new delivery fee system with the Ministry of Transport. Because this type of application for approval was not used conventionally, the ministry rejected the application. Yamato Transport then took drastic measures in May 1983: It placed an advertisement in the newspaper stating, "We have to postpone the introduction of new delivery fees for our services because the Ministry of Transport has not approved our application for them." In response, 20 other companies, including Nippon Express Co., Ltd., filed applications for approval for reduced delivery fees all at once. The Ministry eventually approved their new delivery fees.

After these obstacles were overcome, the delivery volume of TA-Q-BIN steadily increased

(See Figure 1). In February 1979, Yamato Transport dissolved its partnership with Mitsukoshi, which had been the oldest and largest customer of Yamato Transport from 1923 and the volume of sales to Mitsukoshi accounted for 5% of total sales. After the dissolution, Yamato Transport focused its business exclusively on door-to-door delivery services for individual customers.

Beginning around 1981, as it became clear that door-to-door delivery services for individuals were profitable, other companies in the courier industry entered the door-to-door delivery service market one after another.

Ten years later, in fiscal year 1986, the total annual number of delivered parcels in the market of door-to-door delivery services reached 612 million, and in fiscal year 2013, 3,637 million. The network continues to expand worldwide.

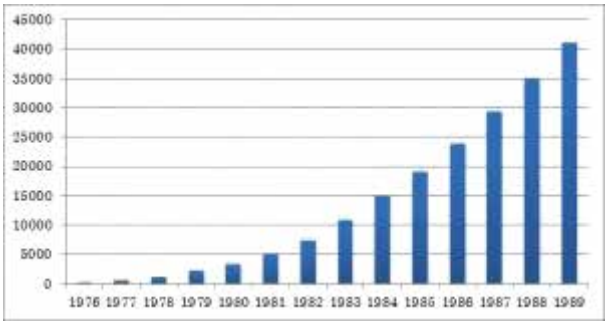

Figure 1: Change in the number of parcels delivered using the TA-Q-BIN service (unit: 10,000 pieces) Source: Prepared based on Yamato Transport Co., Ltd. Yamato Unyu 70-nen-shi (Yamato Transport's 70-year history); 1991: 280

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Happenings in Japan (Four-Flame Cartoon)

Information of Human Resource Development Project Website.

JPO Website: Cooperation in Human Resource Development

The Japan Patent Office (JPO) website includes various kinds of information on Intellectual Property, as well as additional contents, including a section titled "JPO Cooperation in Human Resource Development." This section includes various contents such as information and reports regarding our training courses, IPR textbooks in English, and activity reports from alumni of our training courses. In addition, trainees may stay connected to us, as well as each other, through the Facebook page (link in our website).

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http://www.jpo.go.jp/torikumi_e/kokusai_e/training/index.html

Please view these contents before participation in the training and after returning home.

The main contents of the "JPO Cooperation in Human Resource Development" section is introduced below.

■IPR Textbook

With the "IPR Textbook" you can browse, free of charge, IP texts that have been translated into English. You can search by system or by category, simply by checking the boxes

that interest you. Of course you can also search by entering keywords.

The "IPR Textbook" is full of useful contents, so please try using it.

http://www.jpo.go.jp/torikumi_e/kokusai_e/training/textbook/index.html

■E-learning

These e-learning materials have been created as part of the JPO's Cooperation in Human Resource Development Program. Through these, users can access videos via web-streaming, as well as complete multiple-choice quizzes to check their learning outcome.

The "E-learning" is full of useful contents, so please try using it.

http://www.jpo.go.jp/torikumi_e/kokusai_e/training/e-learning/index.html

■Facebook

We also provide information on training on our Facebook (link is on the JPO Website). Please have a look.

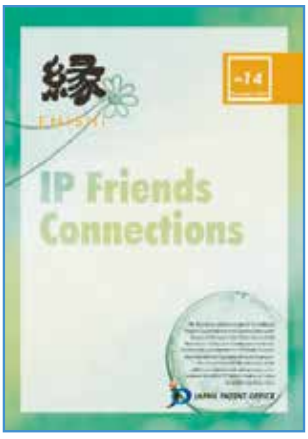
https://www.facebook.com/The-Japan-Patent-Office-Cooperation-in-Human-Resource-Development-139419119425571/

■縁 "Enishi –IP Friends' Connections"

The JPO regularly collects articles for the magazine "Enishi –IP Friends' Connections" on topics including IP-related information in our alumni's home countries, feedback regarding our training courses, etc. Contributed manuscripts are published on our website three times a year. Anyone who has participated in our training courses is welcome to contribute.

This magazine also includes additional contents such as articles from Japanese lecturers, IP-related information in Japan, and a column written by the director general of APIC.

http://www.jpo.go.jp/torikumi_e/kokusai_e/training/enishi/index.html



Editors' Note

Hi! It's Mitty. How are you? I'm in charge of editing the magazine "ENISHI" again this year. Recently, the Japanese *bento* has gained international attention. For one, it is available as school lunch in most public elementary schools and junior high schools in Japan's compulsory education system.
The school lunches include many local products and foods from around Japan, and even as adults, we Japanese people never get tired of talking about the differences between food from this place and that. We also usually bring a *bento* lunch box when we go to events in high school, college, and so on. Just as each school lunch is different all across Japan, in the same way, every family's lunch box is different—it's like a treasure box giving us a glimpse of how that family's home cooking tastes.

I used to take the *bento* lunch box for granted, and it wasn't until I began preparing them myself that I realized how lavish my mother's had been. She had put so much care into making them for me. You can acutely feel the love of the person who has put the time and effort into making your meal—in Japanese this familiar cuisine is called *ofukuro no aji*, or "your mother's cooking" (literally "mother's flavor").
These days, you can even get many different varieties of *bento* lunch boxes at the convenience store, but it can never match that familiar *ofukuro no aji*.
Having said that, there is in fact an exhaustive selection of common Japanese local food at the convenience store, so please try it when you come to Japan.

Hello, I am Hiroko Oriyama with APIC and I have been working with Mitty on the staff of the "Enishi" magazine since June this year. Since Mr. Ogiya's column was about *hanabi*, I would like to talk a little about *kakigori*, the summer desert essential to enjoying *hanabi*.
During summer, we love to go to fireworks festivals with families and friends. Eating colorful *kakigori* while watching massive hanabi light up the night sky is one our favorite summer pastimes.
Kakigori is a Japanese shaved ice dessert flavored with syrup and sweeteners. It's similar to the "snow cone" found in North America and Taiwan.
The history of *kakigori* dates back to the Heian era, over a thousand years ago. In an era when ice was valuable, it was a dessert for the privileged class.
Popular flavors include strawberry, melon, lemon, green tea, and even soy sauce in some local areas. Toppings like sweet beans, condensed milk, and ice cream are also popular. When eating colorful *kakigori*, the surface of your tongue changes color. Children love to stick out their colored tongues and tease each other about them.
Kakigori is a Japanese summer tradition, but these days there are some shops which offer it year round. We hope you enjoy *kakogori* during your visit to Japan!

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