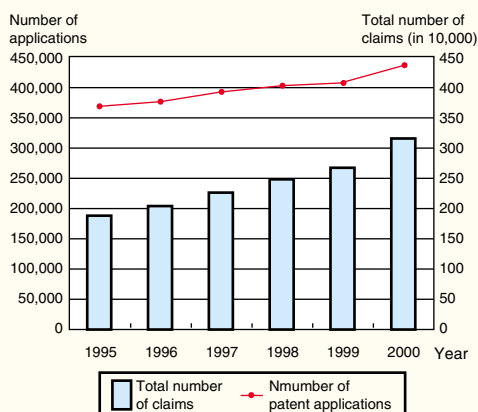


## (1) Rapid Changes of the situation that surrounded examination

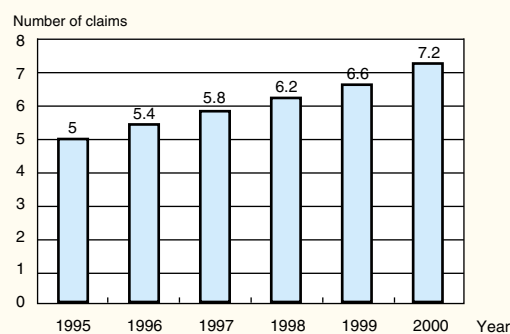
### [1] Increase in the number of applications

The number of patent applications filed in 2000 increased of 7.7% over the previous year, to 436,865. This represents a notable annual increase compared to recent years, and the number was the largest since the start of the patent system in Japan. Due to the number of claims per application also increased, the total number of claims increased of 17.5% over the previous year, to 3,145,000 (2000). This shows considerably higher growth than the number of applications itself. This sharp increase in the number of patent applications is not restricted to Japan. Exhibiting a similar tendency, the United States Patent and Trademark Office recorded an increase of 12.3% over the previous year, to 291,653 (2000), and the European Patent Office recorded an increase of 12.7% over the previous year, to 100,692 (2000). This is worldwide tendency that reflects the mounting importance of intellectual property in recent years.

Number of applications and total number of claims



The Average number of claims per application

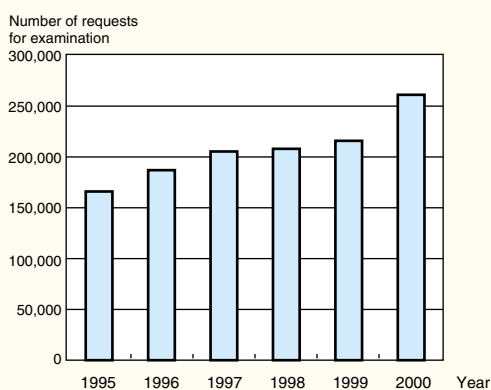


The number of requests for examination also showed a high increase of 20.4% over the previous year, reaching 261,000 in 2000. This extraordinary increase was not only due to an increase in the number of patent applications, but was accelerated by the shortening of the examination request period from 7 years to 3 years. This shortened period came into effect on October 1, 2001.

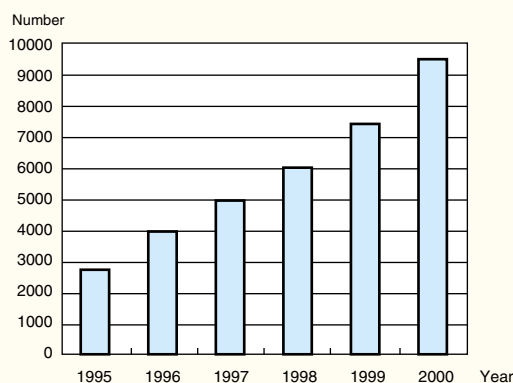
Furthermore, the time limit (January 2000) by which developing countries were obliged to conform to the Agreement on Trade Related Aspects of Intellectual Property Rights of

the World Trade Organization (WTO TRIPS) duly expired. As a result, patent protection is now expected to be enforced throughout the world in the same manner as it is in advanced countries. The number of international applications based on the Patent Cooperation Treaty (PCT applications) received by the JPO increased of 27.2% over the previous year to 9,447 (2000)

**The Number of requests for examination**



**The Number of international applications (PCT)**



## [2] Demand for precise examination

In the Intellectual Property Rights Round Table Meetings, held periodically since FY 1996 for the purpose of discussion between heads of enterprise and the JPO, Japanese industry has strongly demanded defined examination standards. Particularly, they seek more detailed examination including more stringent and defined inventive step requirements, better uniformity of judgment and unification of the examination levels of Japan, the USA and Europe.

According to "The Present Situation of Intellectual Property Rights in the Manufacturing Industry and Efforts Made by Enterprises" (October 2001, Manufacturing Industry Bureau, Ministry of Economy, Trade and Industry), which details the present intellectual property rights situation confronting Japanese manufacturing and highlights the concerns of enterprises, the recent shortening of the examination period has been welcomed. However, it quotes industry as stating that, "since the beginning of efforts to prompt examination, ... some industries and enterprises have complained that in some technical fields applications that would not have been granted patents in the past are now granted patents". Further problems resulting from the shortened examination period are enumerated, and the wish is expressed that inventive step requirements be rendered more stringent.

In response to these expressed concerns, the JPO is making efforts to rationalize inventive step judgment. As an indication of these efforts, the rejection rate (withdrawals, abandonment, etc.) increased from 36.2% in 1999 to 40.6% in 2000.

#### Examination disposal status(calendar years)

	Decisions to grant patents	Decision of rejection	Withdrawals and abandonment	Final decisions	Patent granting rate	Rejection deciding rate
1999	135,412	73,331	3,603	212,346	63.8%	36,2%
2000	116,279	75,347	4,034	195,660	59.4%	40,6%