

# *P r e f a c e*



Japan receives the largest number of patent applications of any country, accepting as many as 420 thousand applications annually. With meager natural resources, Japan must strengthen its science and technology in order to survive international competition. It is therefore vital to create leading technologies and to establish the “Intellectual Creation Cycle” in which new technologies are promptly protected and fully exploited.

Great hopes are placed on intellectual property policy being the key to invigorating the Japanese economy. Within a year of the formulation of the Intellectual Property Policy Outline in July 2002, the Basic Law on Intellectual Property was enacted, the Intellectual Property Policy Headquarters was established, and the Intellectual Property Strategic Program was composed. Japan’s intellectual property policy has thus been evolving at a tremendous pace. Transforming Japan into an Intellectual Property-based nation is a national objective, and accordingly, the Japan Patent Office (JPO) has a crucial role to play in achieving this objective. As the Commissioner of the JPO, I remain fully committed to the issues that lie before us.

The primary task for the JPO at present is to raise Japan’s industrial competitiveness by providing the most timely and highest quality examination in the world. The number of request for patent examinations in recent years has exceeded our capacity to process them quickly, and the waiting period for the first office action to receive the result of a patent application has risen to twenty-four months. We have taken comprehensive measures to match the number of examinations requested and the number of examinations conducted, and by continuing our mid and long-term efforts, the JPO intends to match the number of patent examinations request and conduct each fiscal year. However, we must also process the existing backlog of 500 thousand cases and another 300 thousand cases anticipated in the short term, generating a total of 800 thousand pending examinations. To do this, we will 1) enhance the examination process, 2) optimize the structure of filing applications and requesting examinations, and 3) accelerate patent examinations by improving the underlying systems. The ultimate goal is to eliminate the waiting time for the first office action entirely. Specifically, we will significantly increase the number of patent examiners, employing an additional 500 individuals for a

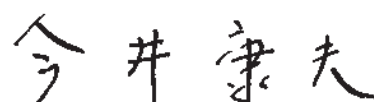
designated term (ten years) over the next five years (ninety-eight individuals to be employed in FY2004). We will also submit to the next ordinary session of the Diet a bill provisionally entitled “Bill for Accelerating Patent Examinations” requesting that relevant laws be amended to accelerate examinations.

At present, 49% of the applications filed for patents are not granted. An analysis reveals that patents are denied on the basis of prior art 8 years on average in advance of the new patent application, and approximately 80% are refused on the basis of prior art that could have been detected at the start of research and development. Private companies in Japan spend around 1.2 billion yen on research and development, but only 51% of patents applied for are granted, roughly meaning that patents cannot be acquired for almost half of all research and development conducted.

This means that the efficiency of research in this regard will be dramatically enhanced if enterprises conduct thorough searches of existing technologies before conducting research and development projects and if they continue to keep track of the latest technical developments. If the period of waiting for the first office action can be completely eliminated, enterprises can immediately know whether or not their research and development may result in a patent, avoid investing in unpromising fields, and concentrate their R&D resources in more promising fields where a patent is likely to be granted. Thus, it is important to shorten the patent examination period, not only to grant patents quickly but also to make R&D more efficient.

As economic activities expand globally, the number of applications to foreign countries is increasing, and the workload for handling international applications, placed on applicants and on the examiners at each patent office, has become serious. We will continue to take the lead in international cooperation in conducting examinations. We will, in order to act against the worsening counterfeit problems, appoint a councilor in charge of counterfeiting (at the director level) in the Ministry of Economy, Trade and Industry under the budget allocated for FY2004. We will also exploit the bilateral and multilateral frameworks, request governments to prosecute offenders strictly in countries where counterfeiting is rife, and help human resource development in the field of intellectual property in Asian countries.

This report has introduced the JPO’s intellectual property policy. We hope the information contained will contribute to international deliberations on intellectual property policy.



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