

Part
4

**International Trends
and Efforts**

International Trends and Efforts Relating to Patents

1. International Trends of Patent Applications

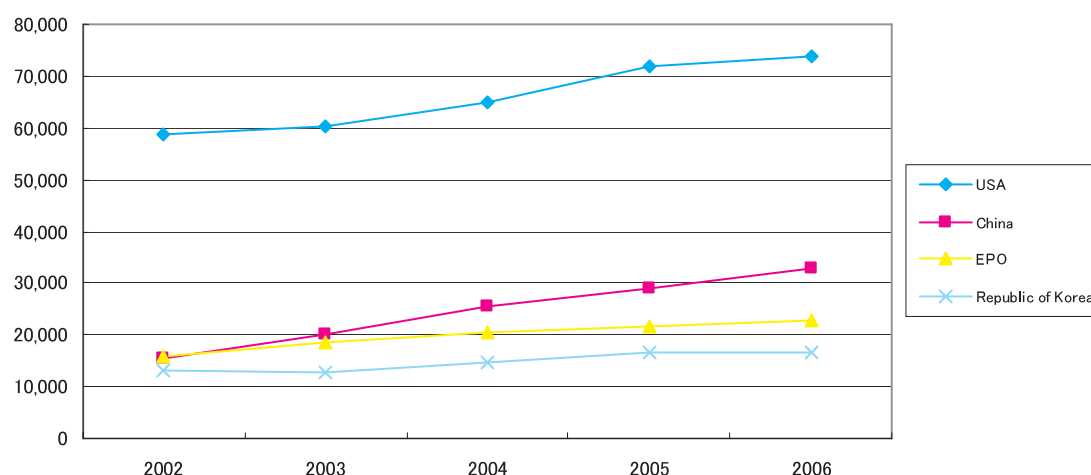
(1) Applications Filed with Foreign Offices by Japanese Applicants

The number of patent applications filed in major countries/organizations (United States, China, Republic of Korea and the EPO) by Japanese applicants in 2006 increased by a

total of 5% from the previous year.

Applications filed in the United States still account for the majority. However, looking at applications filed in China, the number there increased to 32,801 in 2006, up 14% from the 2005 level, and it has exceeded the number of applications filed with the EPO since 2003. This indicates Japanese companies' recent trend to attach more importance to China.

Number of Applications Filed with Offices (major countries) by Residents



| | 2002 | 2003 | 2004 | 2005 | 2006 |
|-------------------|---------|---------|---------|---------|---------|
| USA | 58,739 | 60,350 | 64,812 | 71,994 | 73,788 |
| China | 15,511 | 20,092 | 25,542 | 28,897 | 32,801 |
| EPO | 15,912 | 18,534 | 20,584 | 21,461 | 22,669 |
| Republic of Korea | 13,299 | 12,632 | 14,794 | 16,486 | 16,686 |
| Total | 103,461 | 111,608 | 125,732 | 138,838 | 145,944 |

Notes:

United States - The figures are the numbers of utility patent applications. The figure for 2006 is a preliminary figure for FY2006 (from October 2005 to September 2006).

Republic of Korea - The figure in 2006 is a preliminary figure.

Sources:

| | |
|-------------------|---|
| United States | 2002-2005: USPTO website at http://www.uspto.gov/web/offices/ac/ido/oeip/taf/appl_yr.htm 2006: Preliminary figure provided by the USPTO |
| EPO | 2002-2005: EPO, "Annual Report" 2006: EPO APPLICANT PANEL SURVEY 2006 |
| China | SIPO website at http://www.sipo.gov.cn/sipo/sjzx/ |
| Republic of Korea | 2002-2003: KIPO, "Annual Report" 2004-2006: http://www.kipo.go.kr/kpo/kor/ip_info/stat.jsp?catmenu=m04_05_01 |

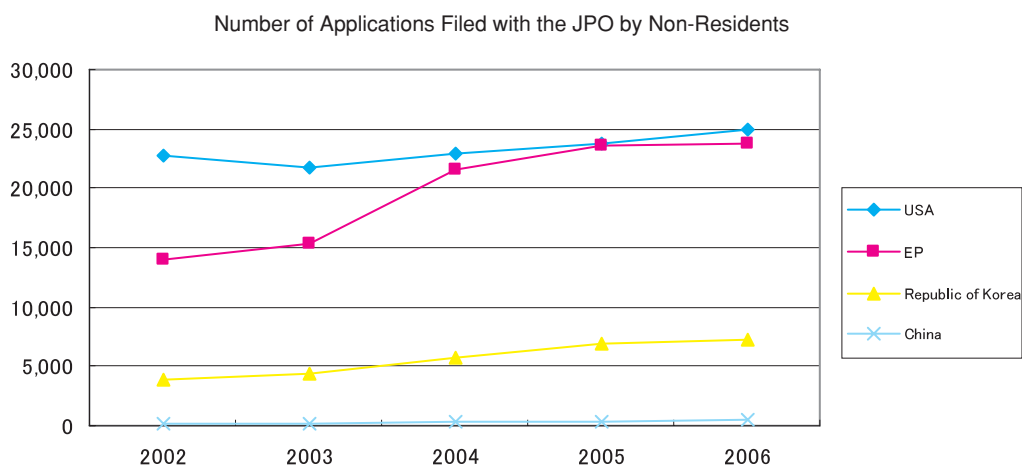
(2) Applications Filed with the JPO by Foreign Applicants

The number of patent applications filed with the JPO by foreign applicants, came to 61,614 in 2006, up 4% from 59,188 in 2005.

Applications filed by U.S. and European applicants accounted for about 80% of the total. The number of applications filed by applicants in Republic of Korea rapidly

increased to 7,220 in 2006, up 89% from 3,811 in 2000.

On the other hand, the number of applications filed by Chinese applicants fell far short of the figures for the United States, Europe, and Republic of Korea, although it increased by 234% to 505 in 2006, up from 151 in 2002.



| | 2002 | 2003 | 2004 | 2005 | 2006 | Percentage to total (2006) |
|-------------------|--------|--------|--------|--------|--------|----------------------------|
| USA | 22,714 | 21,682 | 22,995 | 23,811 | 24,961 | 40.5% |
| EP | 13,938 | 15,284 | 21,522 | 23,616 | 23,836 | 38.7% |
| Republic of Korea | 3,811 | 4,403 | 5,781 | 6,845 | 7,220 | 11.7% |
| China | 151 | 204 | 255 | 397 | 505 | 0.8% |
| Others | 10,972 | 11,508 | 4,112 | 4,449 | 5,092 | 8.3% |
| Total | 51,586 | 53,081 | 54,665 | 59,118 | 61,614 | 100.0% |

Notes:

- EP means applicants from the EPC member states as of the end of each year.
- The figures include the number of applications filed directly with the JPO and the number of PCT applications that have entered the national phase.
- Regarding the number of PCT applications that have entered the national phase, the figures for 2002 and 2003 were counted according to the Receiving Office, and the figures from 2004 to 2006 were counted according to applicants' nationality.

2. Small Group Forums on Patent Field

(1) Trilateral Conference by the JPO, the EPO and the USPTO

1) Background

Since the first Trilateral Conference in 1983, the Trilateral Offices (JPO-EPO-USPTO) have continuously held Trilateral meetings. The Trilateral Offices take it in turns to hold a Technical Meeting in spring and a Trilateral Conference in autumn. The JPO hosted the 24th Trilateral Conference in November 2006. The Trilateral Offices advance discussions at working groups held throughout the year, with a focus on the following three issues: "cooperation in examination through mutual exploitation," "efforts to reduce the procedural burden on applicants," and "efforts to harmonize systems and operations." The Trilateral Offices recently have also been working on a broad range of cooperation projects for developing countries.

The Trilateral Technical Meeting in May 2007 was held at the USPTO. The next Trilateral Conference will be held at the same place in November 2007.

2) Outline of Each Project

The contents and future plans for each project discussed at the Trilateral Conference in November 2006 and the Trilateral Technical Meeting in May 2007 are as follows.

a. Cooperation in Examination through Mutual Exploitation

○ Patent Prosecution Highway¹

At the Trilateral Conference in November

2006, the Trilateral Offices confirmed that the PPH facilitates applicants' early acquisition of rights overseas and reduces the examination workload of each patent office. The Trilateral Offices also confirmed the following points: 1) the EPO will give positive consideration to participating in the Pilot Program, based on the results of the Pilot Program between the JPO and the USPTO; 2) the Trilateral Offices will evaluate the current condition of the Pilot Program, and continue to review the PPH framework in order to take into consideration users' opinions and improve convenience; 3) the Trilateral Offices will consider introduction of the PPH with other patent offices, beyond the framework of the Trilateral Offices.

At the Trilateral Technical Meeting in May 2007, the JPO and the USPTO reported that they would expand the scope of the PPH to include PCT applications (the meeting held on May 18, 2007).

○ Enhanced Work-Sharing

At the Trilateral Conference in November 2006, the Trilateral Offices recognized the need to take enhanced and concrete measures to avoid duplication of work among the Offices and to reduce workload of the Offices and procedural/financial burden of users. To address these concerns, it was decided to expand the mandate of effective access and use of work results and entitle it the "Working Group on Enhanced Work-Sharing," which will undertake actions to further develop the mutual exploitation of search and examination results performed by other Offices, to the maximum extent practical.

¹ See Part 2, Chapter 2, 2. (5) 1).

○ Maximized Work-Sharing

The USPTO introduced a new work-sharing proposal for consideration and discussion in which Offices would focus on first-filed applications and take up second-filed applications only when search/examination information is available from the office of first filing. At the Trilateral Conference in November 2006, the EPO and the JPO stated that they would contribute actively to studying this possibility.

○ New Route¹

At the Trilateral Conference in November 2006, bearing in mind the EPO's reservations, the Trilateral Offices decided to continue to discuss the JPO proposal for a New Route while recognizing the importance of constructively exploring other options for users. The Trilateral Offices discussed a proposed Analogous New Route Pilot Project designed to evaluate the merits of the New Route framework. The JPO will further refine the proposal for the Offices to study further.

At the Trilateral Technical Meeting in May 2007, the JPO and the USPTO reached a basic understanding on launch of the Analogous New Route Pilot Project in November 2007.

○ Patent Prosecution Tri-Way²

The USPTO proposed a Trilateral search sharing project in which the Trilateral Offices would conduct, on the applicant's request, sequential but closely timed, complementary searches focusing on their respective documentation. At the Trilateral

Conference in November 2006, the Trilateral Offices confirmed that the USPTO's proposal was a useful option for those applicants who wished to obtain high quality search results. With a view to launching a pilot project, the Trilateral Offices will continue to discuss the Triway particularly from the viewpoint of workload reduction as well as the users' needs.

○ Common Search Templates

The Trilateral Offices are considering the evaluation of the usefulness of exchanging the search approach and the database information being used by examiners. At the Trilateral Conference in November 2006, the Trilateral Offices decided that they would choose the specific technical fields on which the basis of cooperation among the Trilateral Offices was established and consider starting a pilot project with the objective to create common search templates.

At the Trilateral Technical Meeting in May 2007, the JPO proposed one search template.

○ Import Guidelines

The Trilateral Offices have been discussing the importation of a document acquired from one Office through electronic access tools into a file wrapper of another Office. At the Trilateral Conference in November 2006, the Trilateral Offices confirmed that discussion would continue on the Import Guidelines, aiming at the expansion of the scope of documents which could mutually be imported, taking into consideration the

¹ The New Route is a plan to establish a timeframe, under which 1) an application filed with the first office is deemed to have been filed with the second office on the filing date in the first office, 2) the applicant is given a moratorium (of up to 30 months from the priority date) to consider, based on the search and examination results from the first office, whether they should enter into the examination procedure at the second office, and 3) the second office exploits the search and examination results carried out by the first office.

² The Patent Prosecution Tri-Way is a project proposed by the USPTO in 2005, under which the Trilateral Offices mutually complement their search results during a certain period so as to improve the quality of their searches.

benefit of users and the mutual exploitation of search and examination results. In this regard, the JPO and the USPTO confirmed to continue to discussion of various measures, such as electronic tools, should be continued, to facilitate compliance by applicants with the Information Disclosure Statement (IDS) in the U.S.

○ Dossier Access System¹

At the Trilateral Conference in November 2006, the Trilateral Offices reported usability evaluation results of the Dossier Access System conducted by examiners and confirmed that the system was remarkably useful for exploiting other offices' search and examination results. Realizing that information on the status of use by examiners is an important indicator not only for system improvement but also for analyses of the current status and future tasks concerning exploitation of other patent offices' search and examination results, the Trilateral Offices confirmed that sharing information should be continued.

○ Trilateral Patent Examiner Exchange

At the Trilateral Conference in November 2006, the Trilateral Offices confirmed that the understanding of the patent systems and examination practices of each Office and the mutual trust shared by the Offices would be the basis for promoting the mutual exploitation of search and examination results. Furthermore, the Trilateral Offices recognized Trilateral examiner exchanges to be very meaningful opportunities for engaging in and verifying the success of pilot projects, such as common search templates and

the Harmony projects on classification.

The results of the Trilateral Examiner Exchange held in April 2007 at the JPO were reported at the Trilateral Technical Meeting in May 2007.

○ Biotechnology

Concerning the Trilateral Search Guidebook in Biotechnology completed in May 2006, the Trilateral Offices has carried out necessary adjustments between each Office so as to publicize the information related to common search tools and databases of the Trilateral Offices.

At the Trilateral Technical Meeting in May 2007, the JPO reported that it had compiled and published the outline of the Biotechnology Working Group and the above guidebook which had been revised for publication.

The Trilateral Offices will continue to cooperate by exchanging search-related information, etc.

○ Harmonization of Classification

The Trilateral Offices have been considering harmonization of each patent office's classification (ECLA, USPC, and FI), and discussing to harmonize their views so that the Trilateral Offices will lead the management of the IPC.

At the Trilateral Conference in November 2006, the Trilateral Offices confirmed that the goal of this project is to adopt the trilaterally harmonized IPC advanced level classification and that Harmony Visits were significantly useful for promoting discussions on this project.

¹ The Dossier Access System, which allows for access to examination-related information (e.g., documents submitted by applicants and notices of reason for refusal) of the other offices, is used by examiners when referring to the search and examination results carried out by the other offices. See Part 2, Chapter 2, 2. (5) 2) (a).

○ Non-Patent Literature (NPL)

This project relates to access and handling of non-patent literature used for examination.

At the Trilateral Conference in November 2006, the Trilateral Offices decided to consider licensing-based approaches and exploring the use of Digital Object Identifiers (DOI), so that they could easily exchange non-patent literature cited by the examiners among the Trilateral Offices while respecting copyrights. The Trilateral Offices confirmed the recommendation of the working group for a basic approach to studying these issues.

b. Efforts to Reduce the Procedural Burden on Applicants

○ Standard Format

At the Trilateral Conference in November 2006, the Trilateral Offices have come to a common understanding with respect to the draft Standard Format of patent applications (contents and the order thereof in the specification) in response to a request from users, after holding intensive discussions at three Working Group meetings in 2006. The Trilateral Offices also confirmed that they would implement the related pilot project in April 2007 in co-operation with users. Furthermore, at the Working Group held in February 2007, the Trilateral Offices further discussed this project with the representatives of the user groups, and confirmed the revised draft Standard Format.

The Trilateral Offices, in cooperation with trilateral users, will launch the pilot project in April 2007 to examine it at a practical level, and aim for full implementation after conducting necessary preparation, such as amendments to each office's regulations.

○ Electronic Exchange of Priority Documents

This is a project for the mutual exchange of priority documents in electronic form among the offices. At the Trilateral Conference in November 2006, the JPO and the USPTO signed an agreement on the implementation of electronic exchange of priority documents between them (to be implemented in July 2007). This allows for electronic exchange of priority documents among the Trilateral Offices.

The Trilateral Offices also have been discussing the Digital Libraries Concept proposed by the WIPO, which will allow for exchange of priority documents with countries other than the Trilateral Offices.

○ Developing the PCT

This is a project for strategic discussions on the future direction of the PCT in order for the Trilateral Offices to actively promote development of the PCT. At the Trilateral Conference in November 2006, the JPO proposed that the Trilateral Offices should collect and exchange information on the PCT procedures processed by the International Bureau of WIPO and the Receiving Offices so that, based on this information, they will review duplication of work in the International Bureau and the Receiving Offices and aim for further efficient office operation by adopting electronic procedures. Taking into account the current situation in which the PCT is greatly used by trilateral users, the Trilateral Offices have confirmed that they should make a major contribution to further enhancing the PCT. They have also confirmed that the JPO will lead the project. Furthermore, the Trilateral Offices have decided to establish a WG to deal comprehensively with the issues related to the PCT.

c. Efforts to Harmonize Systems and Operations

○ Comparative Study on the Examination Practices

At the Trilateral Conference in November 2006, in order for applicants to prepare high quality patent applications, which leads to enhancing the examination quality, the Trilateral Offices decided to launch in March 2007 a comparative study on laws and case examples of each country regarding the description requirement as a first step and the inventive step/non-obviousness as a second step.

○ Comparative Study on New Technologies

The Trilateral Offices confirmed that they would carry out a comparative study concerning examination practices in the field of nanotechnology and continue to discuss the definition and the classification of nanotechnology.

○ Electronic Filing System

In this project, the Trilateral Offices have been discussing and examining the desirable electronic filing system in the future from the international perspective. At the Trilateral Conference in November 2006, the JPO pointed out problems inherent in the procedure for changing the electronic PCT application standard (Annex F) and gained understanding thereof from the EPO, the USPTO and the WIPO. The Trilateral Offices confirmed the revised plan in regards to this agenda. In addition, the JPO proposed a plan to introduce paragraph based amendments instead of current amendments by way of replacement of pages in terms of PCT electronic filing (XML). The Trilateral Offices and the WIPO decided to advance discussions toward implementation of this proposal.

○ International Harmonization of Information Systems

(i) Trilateral Document Access (TDA) System

At the Trilateral Conference in November 2006, the Trilateral Offices confirmed the TDA-File Wrapper Access (next-generation Dossier Access System) Service Level Agreement, which states the communication networks between each office in an emergency. Regarding the TDA change management process when upgrading the TDA system, a pilot procedure will be undertaken by the Trilateral Offices based on the draft proposal from the USPTO.

(ii) TRINet

This project discusses establishment of a network to exchange data among the Trilateral Offices and the management thereof. The Trilateral Offices held a Technical Working Group meeting at the EPO in January 2007 to consider the introduction and discussion of both ongoing and future TRINet projects and issues.

d. Other Efforts

○ Trilateral Statistical Report

At the Trilateral Conference in November 2006, the Trilateral Offices decided to continue to make efforts to improve the Trilateral Statistical Report. In particular, they decided to consider exchanging data, concerned with applications and granted patents, that has been divided by technical field and then subdivided by country of origin. The trilateral Offices decided to consider utilizing the aforementioned data in the Trilateral Statistical Report.

○ Public Awareness

At the Trilateral Conference in November 2006, the trilateral Offices discussed how to

continue to efficiently disseminate the results of the trilateral cooperation activities to users in 2007, and confirmed that they will jointly participate in the fairs and events to be held in the three regions.

○ Information Dissemination Policies

At the Trilateral Conference in November 2006, the Trilateral Offices underlined the strategic importance of information dissemination policies. In particular, the Trilateral Offices confirmed that Information Dissemination has increased relevance for applicants and the public.

The Trilateral Offices reaffirmed the importance of the Trilateral policy of free flow of information data at marginal cost and their willingness to apply it to any other country provided the reciprocity principle is respected.

At the Trilateral Technical Meeting in May 2007, the Trilateral Offices confirmed that its information dissemination policies should be formulated in anticipation of user needs and advances in IT over the next five years. They also confirmed that a joint statement should be made regarding their free information provision service via the Internet.

○ Technical Cooperation with Developing Countries

At the Trilateral Conference in November 2006, the Trilateral Offices confirmed the importance of each Office to continue exchanging information concerning technical cooperation with developing countries. They also confirmed that, on the basis of the experience of the seminars held in 2006, they would consider implementing a co-sponsored technical cooperation program for the third

party countries.

At the Trilateral Technical Meeting in May 2007, the JPO explained the progress of the discussions on a co-sponsored seminar in China regarding computer software patents.

○ Access to Chinese Documentation

At the Trilateral Conference in November 2006, the Trilateral Offices recognized the strategic importance of access to the Chinese documents for the examiners and the public. They also exchanged information on each office's access environment for the Chinese documents.

○ E-Learning

At the Trilateral Conference in November 2006, the Trilateral Offices prepared training materials for two different topics on a trial basis in 2006 in order to deepen the mutual understanding of the legislation, practice, search tools, and so on of each Office. It is intended that the e-learning contents be utilized as pre-training materials for Trilateral examiner exchanges. At the same time, the Trilateral Offices are aiming at publicizing those materials. Furthermore, the Trilateral Offices confirmed that they would proceed with the e-Learning project in 2007 and thereafter, and the Offices would collaborate in selecting topics and in sharing existing materials. The Trilateral Offices also confirmed the exploration of the possibility of establishing a substantially harmonized e-learning system.

○ Data exchange and Quality

At the Trilateral Conference in November 2006, the Trilateral Offices unanimously approved the idea proposed by the USPTO for "Media-less data exchange" which will enable the Trilateral Offices to exchange data

without media such as DVDs. In view of "data exchange" between the Offices and the conditions to forward such data to third parties the Trilateral Offices confirmed the start of discussion on possible modifications to the trilateral data exchange policy.

At the Trilateral Technical Meeting in May 2007, the Trilateral Offices confirmed the short-to-medium-term plan for the media-less data exchange.

○ Linguistic Tools

At the Trilateral Conference in November 2006, the Trilateral Offices came to an agreement to continue to cooperate on translation feedback for the JPO system. The Trilateral Offices affirmed the importance of exchanging information about research regarding a search system for a database containing various language documents with machine translation.

○ Patent Related Economic Analyses

At the Trilateral Conference in November 2006, the Trilateral Offices reaffirmed the increasing importance of the economics of patents. The Trilateral Offices confirmed that work on a study should be proceeded with concerning the role of fees as drivers of workload.

(2) The Meeting of Heads of Patent Offices

1) Background

The JPO, the EPO, the USPTO, the Korean Intellectual Property Office (KIPO) and the State Intellectual Property Office of the People's Republic of China (SIPO) held a first commissioners meeting in Hawaii in May 2007.

Although small group meetings among major

patent offices, such as Trilateral Meetings (JPO-EPO-USPTO) (see Part 4, Chapter 1, 2. (1)) and Trilateral Policy Dialogue Meeting among JPO, KIPO and SIPO, have been held, this was the first attempt for the five patent offices to hold a joint meeting.

These five patent offices receive 1.2 million patent applications, 73% of the global filings of 1.6 million, and account for the top five in the world. Furthermore, patent filings activities by applicants from Japan, the United States, China, Republic of Korea, and the EPC member states account for 84% of the whole worldwide patent filing activities.¹ (The total GDP of these countries accounts for 77% of world GDP.²)

It would create a strong message of enhanced efforts toward intellectual property protection to show the world such large-scale offices as these five cooperating to address the issue that the world patent systems are facing.

Especially, the SIPO's active participation in the international cooperation framework for grant of patent is expected to improve the intellectual property systems and practices, thus also benefiting applicants seeking intellectual property protection in China.

In terms of the relations among the five offices, their interdependence has been growing, as seen in the current situation that 30% of patent applications filed with the five offices are those filed by applicants from the other 4 countries/regions. This shows that filing patent applications duplicately with two or more patent offices with respect to one invention is accelerating, reflecting global expansion of businesses. Cooperation by the five patent offices to reduce the

¹ Based on the figures for 2004. Source: WIPO Statistics

² Source: IMF website

procedural burden of such duplicately filed applications will greatly benefit applicants seeking global-scale protection.

2) Outline of the discussion

As regards common issues facing the large-scale patent offices and solutions thereto, the five heads held policy dialogue with free exchange of views. As a result, the offices confirmed the importance of their roles in the world and the necessity of cooperation by the five offices to respond to the increasing number of patent applications.

They also confirmed, according to the confirmed schedules, the information exchange regarding each office's proposals and efforts for the themes below.

- 1) Countermeasures for rapidly increasing the number of patent applications throughout the world (quality production and productivity)
- 2) Reducing the procedural burden of duplicately filed applications (mutual exploitation of search and examination results, standard format)
- 3) Comparative study on patent examination practices
- 4) Measures for further dissemination and utilization of patent information
- 5) Promoting efficiency in patent procedures by introducing information technology
- 6) Securing transparency in the patent administration through statistical information exchange

International Trends and Efforts Relating to Designs

Amid an increasing number of serious counterfeiting cases, mainly in Asian countries, along with the economic background for recent globalization of business activities and rapid industrial development in Asian countries, the importance of international protection of designs has been growing in consideration of the characteristic of designs that are easily counterfeited.

However, each country determines the registrability of designs based on its own design system, that varies from country to country, which poses a great burden for Japanese companies. Under such circumstances, with the objectives of harmonization with

other countries to support acquisition of design rights abroad, the JPO holds Design Examiners' Meetings with the SIPO, the KIPO and the OHIM that are attracting applicants worldwide. In Design Examiners' Meetings, they exchange views on the trends of their design systems and determination of similarity¹.

The Standing Committee on the Law of Trademarks, Industrial Designs and Geographical Indications (SCT) of the WIPO, has started a discussion with the aim of harmonizing design systems, and is promoting simplification of design registration procedures.

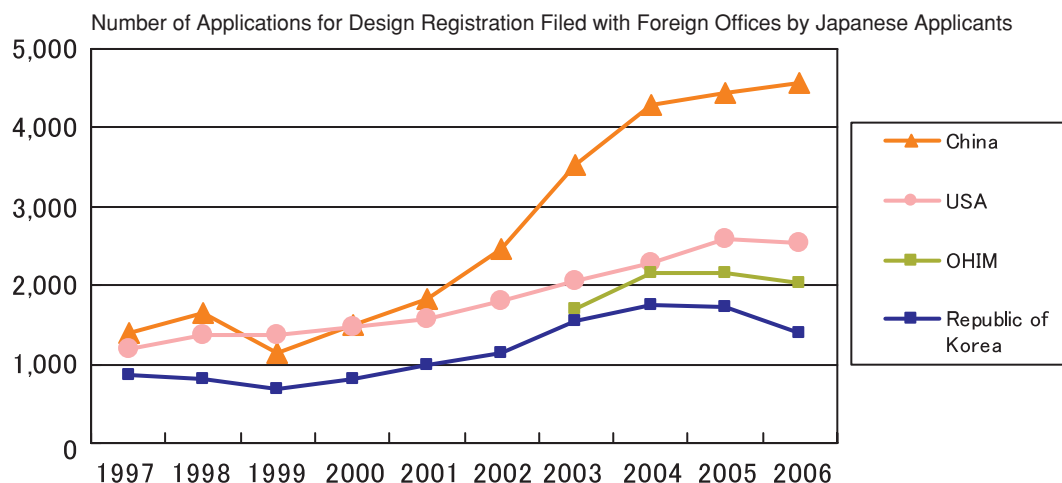
¹ Determination whether or not the design is similar to the prior designs, based on the requirement of novelty

1. International Trends of Applications for Design Registration

(1) Applications Filed with Foreign Offices by Japanese Applicants

The number of applications for design

registration filed with SIPO by Japanese applicants has been increasing. On the other hand, the numbers of applications for design registration filed with the USPTO and the OHIM, which had previously been on a rise, has remained at the same level, and that with the KIPO has taken a downward turn.



| | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 |
|-------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| China | 1,400 | 1,650 | 1,148 | 1,501 | 1,837 | 2,459 | 3,522 | 4,299 | 4,437 | 4,569 |
| United States | 1,189 | 1,364 | 1,362 | 1,466 | 1,568 | 1,790 | 2,060 | 2,290 | 2,590 | 2,539 |
| OHIM | — | — | — | — | — | — | 1,510 | 2,141 | 2,163 | 2,041 |
| Republic of Korea | 875 | 810 | 680 | 812 | 981 | 1,131 | 1,558 | 1,746 | 1,718 | 1,398 |

Notes:

United States - The figures are the numbers of design patent applications. The figure for 2006 is a preliminary figure for FY2006 (from October 2005 to September 2006).

OHIM - The figures are the number of applications filed with the OHIM.

Sources:

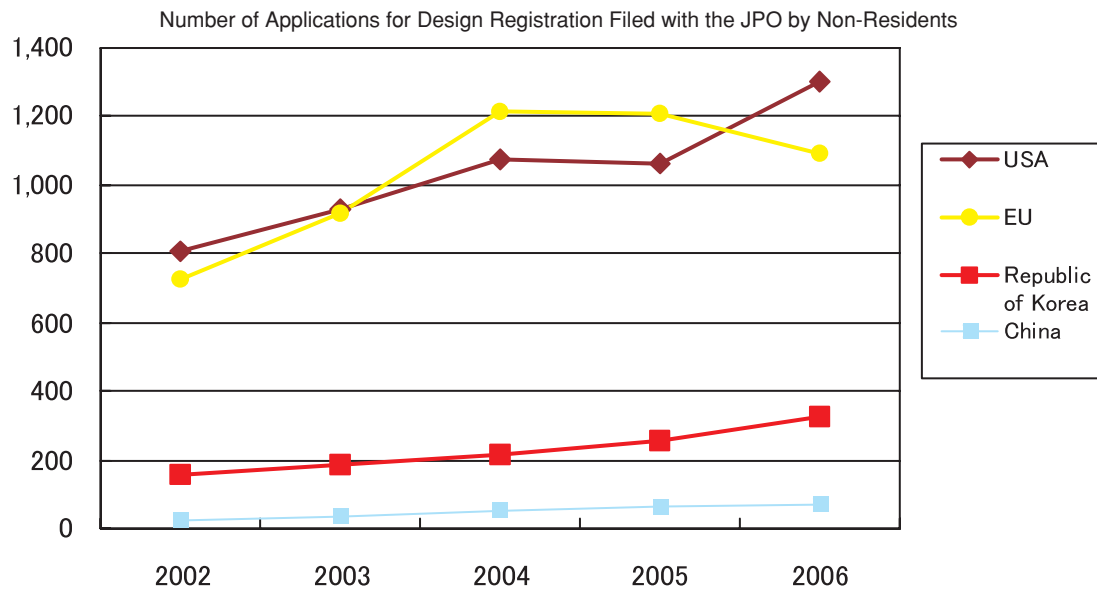
China SIPO website at <http://www.sipo.gov.cn/sipo/sjzx/>
 OHIM "Annual Report 2003," "Annual Report 2004," "Annual Report 2005"
 Republic of Korea KIPO website at http://www.kipo.go.kr/kpo2/user.tdf?a=user.eng.refermeter.BoardApp&c=1001&board_id=statistics&movePage=ek060300&catmenu=ek60300
 United States 1997-2002: WIPO statistics
 2003-2006: USPTO data

(2) Applications Filed with the JPO by Foreign Applicants

The number of applications for design registration filed with the JPO by U.S. applicants increased by 26% from 1,062 in 2005 to 1,304 in 2006.

On the other hand, the number of applications for design registration filed by

applicants from the EU member states decreased by 10% from 1,211 in 2005 to 1,091 in 2006. Meanwhile, although the numbers of applications for design registration filed by applicants in Republic of Korea and China have been on a rise, the numbers are still far below those by U.S. applicants and applicants from the EU member states.



| | 2002 | 2003 | 2004 | 2005 | 2006 |
|-------------------|-------|-------|-------|-------|-------|
| United States | 805 | 932 | 1,076 | 1,062 | 1,304 |
| EU | 728 | 918 | 1,213 | 1,211 | 1,091 |
| Republic of Korea | 154 | 184 | 216 | 254 | 327 |
| China | 26 | 36 | 53 | 62 | 69 |
| Others | 636 | 623 | 633 | 919 | 839 |
| Total | 2,349 | 2,693 | 3,191 | 3,508 | 3,630 |

Notes:

The figures for EU are the total number of applications filed with the JPO by applicants from EU member states. In and after 2004, the figures include the number of applications filed by applicants from 10 Central and East European countries that became EU member states in May 2004.

2. Examiners' Meetings in Cooperation with Foreign Intellectual Property Offices

(1) JPO-SIPO Meeting on Appeals and Trials (Design)

At the 11th Commissioners' Meeting between the JPO and the SIPO in November 2004, the commissioners agreed to start holding meetings between the Examination Department and the Appeals Department of the JPO and the Patent Reexamination Board of SIPO (corresponds to the Appeals Department of the JPO) from the design field in order to strengthen interaction between examiners at the JPO and the SIPO and enhance the effectiveness thereof. In response to this, the first JPO-SIPO Meeting on Appeals and Trials (Design) was held in Japan in August 2005.

In July 2006, the second JPO-SIPO Meeting on Appeals and Trials (Design) was held in Beijing, China, in which the two offices shared information on each country's design examination and appeals/trials practices and exchanged views on the revisions made to their design systems.

China will make revisions to the Patent Law (equivalent to the Patent Act, the Utility Model Act and the Design Act of Japan) in 2008. At the next meeting, the two offices will exchange views in light of those revisions (see Part 4, Chapter 4, 1. (3)).

(2) JPO-KIPO Industrial Design Examiners' Meeting

With the aim of achieving a mutual understanding of the design registration systems in Japan and Republic of Korea and exchanging information regarding examination methods, etc., the JPO-KIPO Industrial Design Examiners' Meeting has been held once every

year since its first meeting in 2001.

In 2006, the 6th JPO-KIPO Industrial Design Examiners' Meeting was held in Daejeon Metropolitan City, Republic of Korea, and participants exchanged information on the current state of design registration systems and examination information databases in the JPO and the KIPO as well as trends in the revision of the design system and design classification. In addition, a case study was conducted on examination practices, including the determination of similarity in design examination.

The JPO and the KIPO will continue to strengthen cooperation with each other through opportunities like the above.

(3) JPO-OHIM Design Examiners' Meeting

On April 1, 2003, the Office for Harmonization in the Internal Market (OHIM) started design registration operations based on the Council Regulation (EC) No 6/2002 of 12 December 2001 on Community designs. The JPO and the OHIM have been holding JPO-OHIM Design Examiners' Meetings since 2003 to exchange information. The next JPO-OHIM Design Examiners' Meeting will be held in Tokyo on June 14, 2007.

International Trends and Efforts Relating to Trademarks

Amid intensifying international competition among businesses in line with the globalization of the economy, it has become increasingly important to establish high-value international brands and protect them in an active and expeditious manner using the trademark systems. However, as trademark systems differ one country to another, applicants need to perform filing procedures for each country, in principle, which poses a great burden for them.

In order to support companies' international expansion under such

circumstances, it is necessary to create an environment that allows for acquisition of stable trademark rights worldwide and appropriate protection of those trademark rights. Therefore, the JPO, while utilizing opportunities to cooperate with the WIPO and the other Trilateral Offices, promotes review of the Madrid Protocol, expansion of the number of member countries, harmonization of the trademark systems of the member countries, and reduction of procedural burden of applicants.

1. International Trends of Trademark Applications

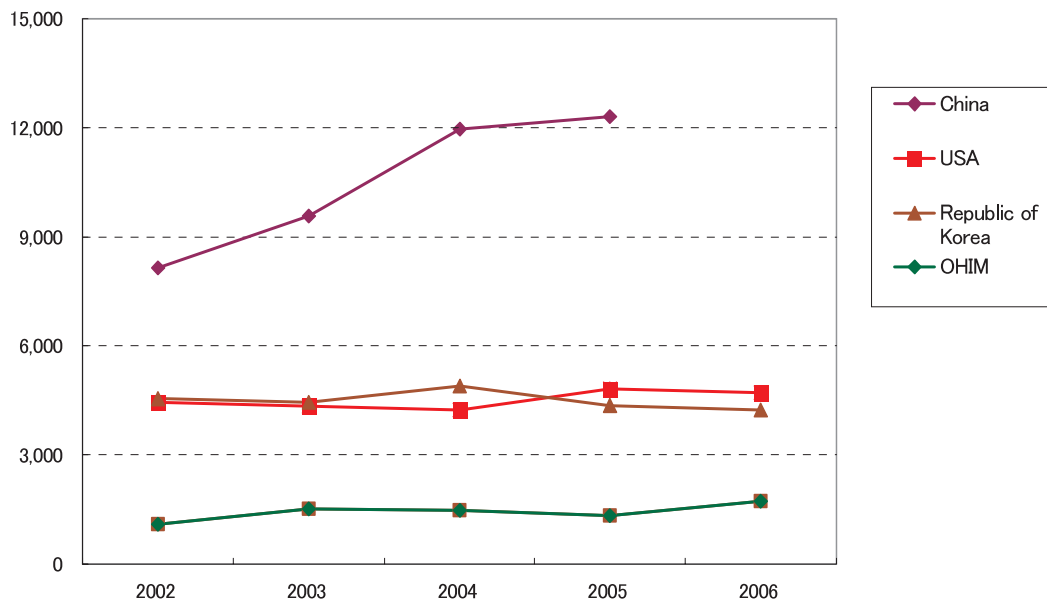
(1) Applications Filed with Foreign Offices by Japanese Applicants

The number of trademark applications filed with the USPTO, the KIPO and the OHIM by

Japanese applicants continued to remain at the same level.

On the other hand, the number of trademark applications filed with the CTMO has been increasing for the last few years, showing the recent tendency of Japanese companies to focus on China.

Number of Applications Filed with Foreign Offices (Major Countries/Regions) by Japanese Applicants



Note: China adopts one classification per application system.

| | 2002 | 2003 | 2004 | 2005 | 2006 |
|-------------------|-------|-------|--------|--------|-------|
| China | 8,155 | 9,573 | 11,945 | 12,305 | N/A |
| United States | 4,450 | 4,342 | 4,239 | 4,824 | 4,705 |
| Republic of Korea | 4,543 | 4,452 | 4,899 | 4,353 | 4,245 |
| OHIM | 1,098 | 1,530 | 1,487 | 1,330 | 1,733 |

Notes: The figure for China in 2006 was not disclosed at the time of creation of this report.

Sources:

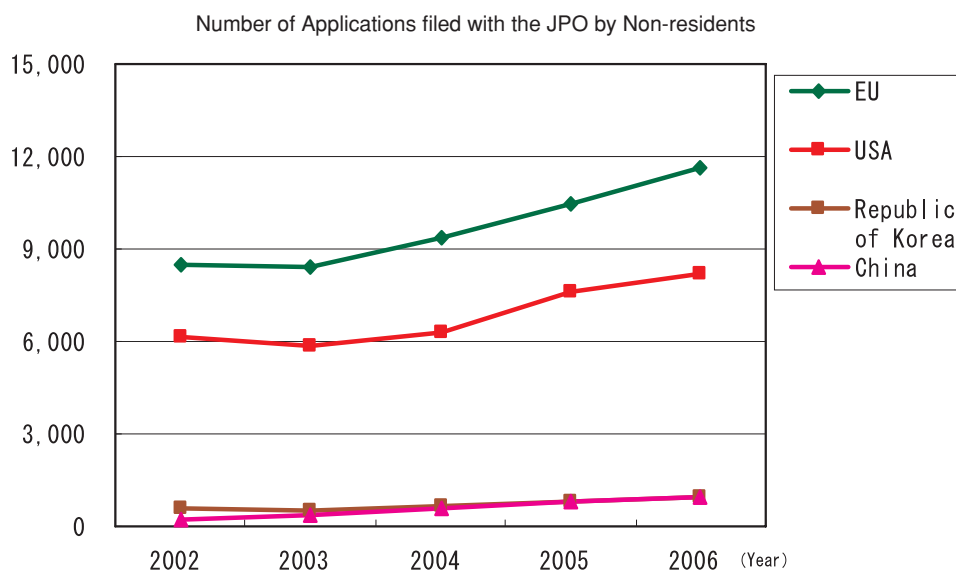
| | |
|-------------------|---|
| China | Trademark Office of China, "Annual Report" |
| United States | USPTO, "Annual Report" |
| Republic of Korea | 2002-2005: KIPO, "Annual Report" |
| | 2006: KIPO website at http://www.kipo.go.kr/kpo/kor/ip_info/stat.jsp?catmenu=m04_05_01 |
| OHIM | OHIM, "Annual Report" |

(2) Applications Filed with the JPO by Foreign Applicants

The number of trademark applications filed with the JPO by applicants from the EU member states, the United States, Republic of Korea, and China came to 21,613, an increase of 9.8% compared to 19,690 in 2005.

The numbers of trademark applications

filed with the JPO by applicants from the above states/countries are on a rise overall. In particular, regarding those filed by Chinese applicants, although the number is small, the number of trademark applications filed in 2006 increased five times from 190 in 2002 to 916.



| | 2002 | 2003 | 2004 | 2005 | 2006 |
|-------------------|--------------|--------------|--------------|---------------|---------------|
| EU | 8,517(4,131) | 8,381(4,059) | 9,346(4,888) | 10,477(5,679) | 11,604(6,366) |
| United States | 6,172(-) | 5,874(11) | 6,294(650) | 7,623(1,538) | 8,160(1,891) |
| Republic of Korea | 555(-) | 501(16) | 675(50) | 798(54) | 933(126) |
| China | 190(78) | 356(162) | 573(360) | 792(544) | 916(631) |

Notes:

- The figures for the "EU" are sums calculated by extracting the numbers for the EU member states from the figures in Chapter 4, (2) 1) and Chapter 3 (15) of Statistical Data. (The EU member states are those as of January 1, 2007.)
- Figures in parentheses are the numbers of international applications for trademark registration out of the total.

(3) Trends of International Trademark Applications under the Madrid Protocol

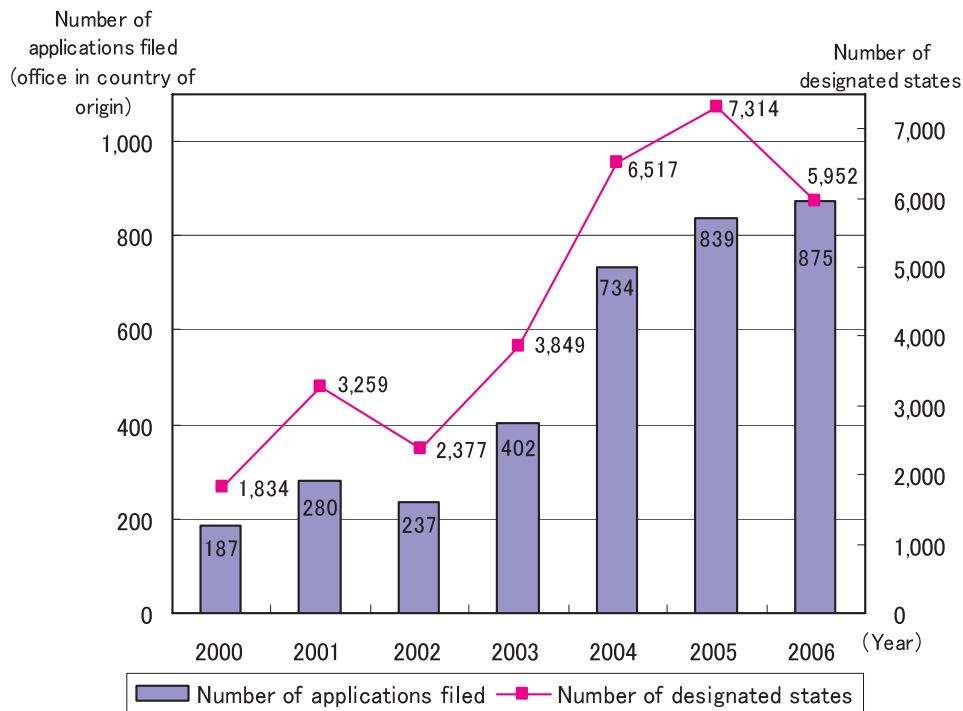
a. Application for International Registration¹ (filed with foreign offices by Japanese applicants)

Since the rapid increase in 2004 due to the accession of Republic of Korea, the United States and the EU to the Madrid Protocol, although the number of applications has been on a rise, the number of designated

states took a downward turn in 2006. This is attributable to that fact that while the number of applications designating the EU showed an increase, the number of applications designating each European country decreased.

The major designated states are China, the United States and Republic of Korea according to annual findings.

Number of Applications for International Registration (filed with foreign offices by Japanese applicants)

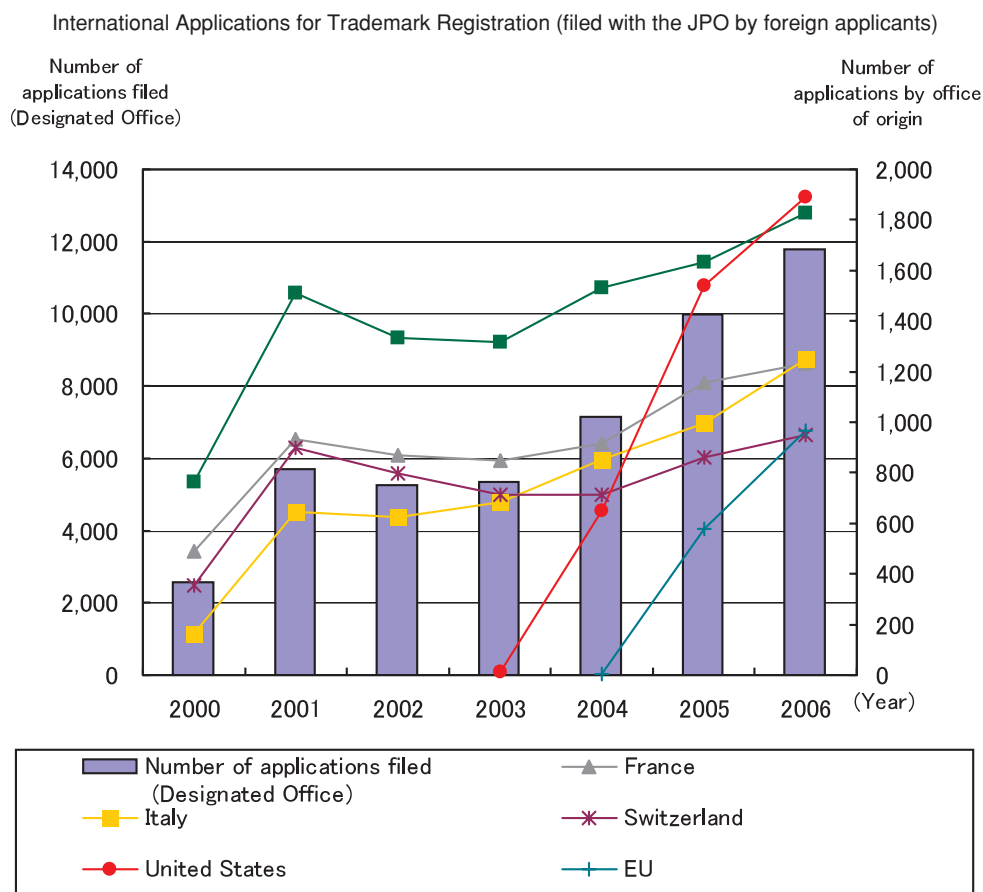


¹ International applications abroad filed with the JPO as the Office of origin. See Article 68-2 of the Trademark Act.

b. International Application for Trademark Registration¹
(filed with the JPO by foreign applicants)

Although the number of applications had remained at the same level until 2003, it has been on the increase since 2004. The number of applications in 2006 came to 11,794, up 18% from the 2005 level. In the past, major

countries of origin that chose Japan as a designated state were Germany, France, Italy, and Switzerland. However, the numbers of applications originating from the United States and the EU have also been increasing. In 2006, the United States led the rankings, surpassing Germany.



Notes: The United States and the EU joined the Madrid Protocol in November 2003 and in October 2004, respectively.

¹ International applications filed by foreign applicants designating the JPO. See Article 68-10 of the Trademark Act.

2. Trilateral Cooperation in the Trademark Field

The First Trademark Trilateral Cooperation Meeting was held in Arlington in the United States, in May 2001, with the aim of improving trademark registration systems and the operations thereof through exchange of information and opinions on related matters between the three offices of Japan, the United States and Europe (JPO, USPTO and OHIM). The meeting has been held once every year since then.

At the fifth meeting held in Alicante, Spain, in December 2006, the three offices discussed issues relating to the Trilateral Identification Manual Project, cooperation with China, and the Madrid Protocol.

In the discussion on the Trilateral Identification Manual Project, they agreed to further advance this project. The three offices also agreed that, out of the list of new identifications of goods and services selected by each office, they would select those acceptable for all the three offices and add them to the Trilateral List, which contains identifications of goods and services that the three offices have agreed to accept.

Furthermore, from the standpoint that growth in the number of participants in the Trilateral Identification Manual Project will boost the use value of the Trilateral List, the three offices agreed to accept participation by countries other than the three countries and to include proposals from those countries into the list of new identifications of goods and services to examine acceptable identifications. In the discussion on cooperation with China, in consideration of the situation that China has seen significant growth in the number of trademark applications, the three offices

agreed to provide China with information considered beneficial to China, out of information on the projects and activities conducted by the Trademark Trilateral Cooperation Meeting. In the discussion on the Madrid Protocol, the three offices confirmed that they would review the requirements for international applications for trademark registration and discuss how to increase the number of participants in the Madrid Protocol. They also affirmed the importance of the Trilateral Identification Manual Project in terms of solving problems concerning identifications of goods and services.

International Efforts to Protect Intellectual Property

1. Cooperation with Asian Countries

With the economic growth and globalization of corporate activities in China, India and other Asian countries, economic interdependence between Japan and the Asian countries has become increasingly strong. In these circumstances in which Japanese companies have become more dependent on overseas markets on the whole, Asia has become especially important. Asian countries make up an important region, which brings significant business opportunities to Japanese companies in the form of production bases and sales markets.

The level of protection of intellectual property rights in Asian countries, however, is not high enough compared to advanced countries such as European countries and the United States. As the obligation to implement the TRIPS Agreement has become effective since January 2000, the minimum legal framework has been established in the Asian countries. However, the underpinnings of the operation system remain fragile, and delays in examinations and floods of counterfeit products are seen on a daily basis. In addition, there is growing concern that patent infringement cases involving Japanese companies will increase as a result of development of industrial technologies in countries such as China and Republic of Korea. It is essential to improve the level of protection of intellectual property rights in Asian countries and reduce the costs

incurred in the acquisition and exercise of rights in order to maintain economic growth in Asia and enable Japanese companies to take full advantage of business opportunities in Asia.

Based on this standpoint, the JPO has been promoting vigorous cooperative activities with intellectual property offices in Asian countries. The JPO endeavors to effectively exploit multilateral (such as APEC), bilateral (such as EPA) and other various frameworks to request the introduction of new systems and the reinforcement of operations of existing systems with the aim of improving the level of the protection of intellectual property rights in the Asian countries. In addition, the JPO also provides support for human resources development and computerization in order to assist in the establishment of the systems required to achieve these goals. It is necessary to continue to actively promote the strengthening of cooperation with the intellectual property offices in Asian countries as it is to also contribute to enhancing Japan's presence in multilateral frameworks and other frameworks of several countries.

(1) Promotion of conclusion of Economic Partnership Agreement (EPA) and Free Trade Agreement (FTA)

In recent years, Japan has been actively promoting the conclusion of Economic Partnership Agreements (EPAs) and Free Trade Agreements (FTAs), mainly with Asian

countries, in anticipation of realizing economic integration in Asia. As part of such a movement, the JPO has been conducting negotiations while including the field of intellectual property in the range of Economic Partnership Agreements. In the field of intellectual property, Japan aims for: 1) effective and uniform intellectual property protection, 2) efficient and transparent operation of systems, and 3) sufficient and effective enforcement of intellectual property rights, taking into consideration trade relations and the scale of intellectual property related problems.

1) Japan-Singapore EPA

The Japan-Singapore EPA (Agreement between Japan and the Republic of Singapore for a New-Age Economic Partnership), the first EPA of Japan, came into force in November 2002. This agreement contains a chapter on intellectual property, which provides that: 1) applicants who have applied for a patent for the same invention in Japan and Singapore may acquire a patent in Singapore through a simple procedure and at a reasonable fee, if they submit the information on the patent examination results in Japan, and their English translation to the Intellectual Property Office of Singapore (effective as of August 2002), and 2) the SurfIP, intellectual property information search portal of the Intellectual Property Office of Singapore, and the database of the Industrial Property Digital Library (IPDL) of the JPO, will be linked.

2) Japan-Mexico EPA

The Japan-Mexico EPA (Agreement between Japan and the United Mexican States for the Strengthening of the Economic Partnership), which became effective in April 2005,

provides in a chapter on "trade in goods" that the countries shall mutually protect geographical indications for spirits as referred to in the TRIPS Agreement. In the Joint Statement on the occasion of the signing of the said agreement, the leaders confirmed that the governments of both countries would take necessary actions to eradicate counterfeit and pirated products infringing intellectual property rights and that the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks contributed to effective and global protection of trademarks. In addition, the Mexican government reaffirmed its willingness to undertake every effort to ratify the protocol.

3) Japan-Malaysia EPA

Based on an agreement reached at the Japan-Malaysia Summit Meeting in December 2003, Japan started negotiations with Malaysia for the conclusion of the Japan-Malaysia EPA (Agreement between the Government of Japan and the Government of Malaysia for an Economic Partnership) in January 2004. As a result of vigorous discussions between the two countries, the prime ministers of the two countries signed the Japan-Malaysia EPA in December 2005, and the agreement became effective in July 2006. This agreement sets out that both parties shall establish a system of publication of unexamined patent applications, thereby ensuring that applications be published 18 months after the filing date. The agreement also stipulates that both parties shall establish a preferential examination/accelerated examination systems to expedite the patent examination process. In terms of designs, the agreement contains a provision

adding designs published via the Internet before the filing date to the information which could deny novelty. In regards to trademarks, it contains a provision protecting trademarks well-known in other countries to prevent trademark counterfeiting. Moreover, the agreement included an obligation to inform the right holder of the names and addresses of the importer and the consignee of the infringing goods, which is only an adoptive provision under the TRIPS Agreement, thus enhancing enforcement of intellectual property rights.

4) Japan-the Philippines EPA

Based on an agreement reached at the Japan-the Philippines Summit Meeting in December 2003, Japan started negotiations with the Philippines for the conclusion of the Japan-Philippines EPA (Agreement between Japan and the Republic of the Philippines for an Economic Partnership) in February 2004. As a result of vigorous discussions between the two countries, the prime ministers of the two countries signed the Japan- the Philippines EPA in September 2006. The agreement will become effective as soon as the ratification procedures for the both countries are completed. With the aim of facilitating industrial property rights acquisition in the Philippines, the agreement sets out simplified procedures, such as prohibition in principle of a request for the authentication of signatures or other means of self-identification on documents to be submitted to the Philippines Patent Office. The agreement also included a provision to allow applicants to request the patent office of the other country to conduct accelerated examination for their patent applications. Furthermore, according to the obligation under the TRIPS Agreement, the agreement sets out expansion

of the scopes of trademark rights and copyrights to include the suspension by the customs authority of the release of infringing goods and criminal procedures and penalties to be applied to counterfeiting and piracy, so as to enhance enforcement of intellectual property rights.

5) Japan-Thailand EPA

Based on an agreement reached at the Japan-Thailand Summit Meeting in December 2003, Japan started negotiations with Thailand for the conclusion of the Japan-Thailand EPA (Agreement between Japan and the Kingdom of Thailand for an Economic Partnership) in February 2004. As a result of vigorous discussions between the two countries, the prime ministers of the two countries signed the Japan-Thailand EPA in April 2007. The agreement will become effective as soon as the ratification procedures for the both countries are completed. The agreement expanded the reasons constituting a bar to novelty by stipulating that a publicly known invention and design, and an invention made available to the public via the Internet outside Thailand shall lose novelty. The agreement also includes a provision to protect a trademark well-known abroad. Furthermore, with the aim of enhancing the border measure, the agreement expanded the scope of infringing goods subject to prohibition of re-exportation, to include goods infringing copyrights and related rights, although the scope only includes goods infringing trademark rights under the TRIPS Agreement. The Agreement also stipulates that the custom authorities may initiate border measures ex officio against infringing goods. Moreover, with the objectives of enhancing enforcement, the agreement extended the scope of rights

subject to criminal procedures and penalties, which only includes trademark rights, copyrights, and related rights under the TRIPS agreement, to include the whole intellectual property rights (patents, utility models, industrial designs, trademarks, copyrights and related rights, layout-designs of integrated circuits and rights relating to new varieties of plants). The Agreement also stipulates that competent authorities may initiate criminal proceedings, without the need for a formal complaint by the right holder.

6) Japan- Chile EPA

Based on an agreement reached at the Japan- Chile Summit Meeting in November 2005, Japan started negotiations with Chile for the conclusion of the Japan-Chile EPA (Agreement between Japan and the Republic of Chile for a Strategic Economic Partnership) in February 2006. As a result of vigorous discussions between the two countries, the prime ministers of the two countries signed the Japan-Chile EPA in March 2007. The agreement will become effective as soon as the ratification procedures for the both countries are completed. The agreement makes it obligatory to ensure an opportunity for interested parties to oppose an application or a registration of a trademark, which is only an adoptive provision under the TRIPS agreement. Furthermore, with the aim of enhancing enforcement, the agreement extended the scope of infringing goods subject to suspension by its customs authority, to include goods infringing patent rights, utility model rights and industrial design rights which are destined for importation, in addition to trademark rights and copyrights stipulated under the TRIPS agreement. This is also applied to infringing goods destined for

exportation.

7) Others

In addition to these agreements, negotiations for an EPA with Indonesia and Brunei Darussalam have already reached an overall consensus.

Furthermore, Japan is now conducting negotiations for a Comprehensive Economic Partnership Agreement with the ASEAN, and for an EPA with Republic of Korea, Vietnam, India, Australia and Switzerland.

(2) Efforts by the Intellectual Property Rights Experts Group (IPEG) within the Framework of the Asia-Pacific Economic Cooperation (APEC)

APEC, consisting of 21 countries and regions in the Asia-Pacific region, is a regional forum aiming for the liberation and facilitation of trade and investment as well as economic and technical cooperation. At the APEC Economic Leaders' Meeting in Osaka held in 1995, intellectual property rights were adopted as one of the 15 priority areas concerning the liberation and facilitation of trade and investment, and the IPEG was established as a forum of experts specializing in the area. The IPEG carries out activities in accordance with the new Collective Action Plan (CAP) formulated in 2001 in response to the full implementation of the TRIPS Agreement, in order to promote the liberation and facilitation of trade and investment.

For specific activities, the IPEG holds seminars and symposia sponsored jointly by the public and private sectors, in addition to periodic meetings that are usually held twice every year. At the 24th IPEG Meeting held in January 2007, Japan proposed the APEC Cooperative Initiative on Patent Acquisition

Procedure, which includes efforts to be made for simplified patent procedures, examination cooperation, and improvement of patent examination capability in the APEC region, so as to allow applicants to acquire stable patent rights in more simplified and expeditious manner. In response to this proposal, South Korea and Singapore declared the intention to become cosponsors of this proposal. Furthermore, Japan introduced the Anti-Counterfeiting Campaign as a part of efforts made related to the Guidelines for Public Awareness for anti-piracy and counterfeiting measures, which was agreed upon in November 2006. Thus, Japan called for further efforts by APEC for anti-counterfeiting measures.

(3) Cooperation for Legal Amendment in China

Following the second amendment made in 2000, China is currently preparing for the third amendment to its Patent Law (equivalent to the Patent Act, Utility Model Act and the Design Act of Japan). In July 2006, draft amendments by the State Intellectual Property Office of the People's Republic of China (SIPO) were made available for public comments. The proposed changes in the draft third amendment included some of the matters that Japan had requested be introduced, such as adoption of the rule that public knowledge/use anywhere in the world denies the novelty; introduction of the new requirement of non-ease of creativity on the registration of Design Patent; and the requirement to furnish a search report when exercising a Design Patent right, thus reflecting Japan's proposals made through a government and private-sector joint mission and Commissioners Meetings.

The JPO received the Study Team from China and held, in cooperation with Japanese

industry, a four-day opinion exchange and symposium. The two countries had a vigorous exchange of views on issues of mutual interest. In response to the results of the opinion exchange, the JPO, jointly with Japanese industry, submitted its comments on the draft third amendment in October 2006. At the Commissioners Meeting between the JPO and the SIPO held in November 2006, the JPO again requested the major matters proposed in its comments.

The SIPO submitted revised draft amendments to the State Council at the end of 2006. In response to the request from the State Council for comments on the revised draft amendments, the JPO, jointly with Japanese industry, submitted its comments in March 2007.

Regarding the Trademark Law of China, which is also currently under amendment, in July 2006, the JPO submitted its comments on the draft amendments under consideration at the Trademark Office of China, in response to the request for the Japanese government's comments.

2. Cooperation in Developing Countries

Improvement of the trade and investment environment in developing countries through reinforcement of protection of intellectual property will not only reduce business costs for Japanese enterprises engaged in businesses in those countries but also contribute to continuous growth of the world economy through the development of developing countries themselves with the increase of direct investment. The JPO has thus provided vigorous support for the education of human resources and information technology to reinforce protection of intellectual property in developing countries mostly in Asia.

With the obligation to execute the TRIPS Agreement having taken effect for developing countries as of January 2000, a minimum of improvements seems to have been made to the legal systems in the developing countries. However, it is important to extend assistance to developing countries focusing on further improvements to their legal systems as well as operation systems which remain fragile. Because the levels of protection of intellectual property and the conditions of trade and investment by Japan are significantly different for each developing country, it is essential to draw detailed plans that meet the conditions of each country.

(1) Cooperation in the Development of Human Resources

1) Dispatch of experts

The JPO dispatches experts and seminar

speakers specialized in various areas of intellectual property rights to developing countries through WIPO Funds-in-Trust/Japan¹ and the Japan International Cooperation Agency (JICA). The dispatched experts mainly provide on-site instructions regarding examination practices, computerization, and so forth.

2) Acceptance of trainees

The JPO has accepted a total of 2,576 government and civilian trainees from 42 countries and one region in the Asia-Pacific Region during the period from April 1996 to March 2007. The JPO is also supporting activities of the alumni associations of the trainees, which significantly contribute to the building of human networks between Japan and developing countries.

In FY2006, for the purpose of improving the examination level in developing countries, the JPO implemented a new training program, "Training Course for Patent Examiners on Specified Technologies (Pharmaceutical Technology, Biotechnology, Computer Program)," in which patent examiners learn the latest technology trends and the Examination Guidelines of Japan. The JPO also newly established an alumni association in India, where a great number of Japanese companies are expanding their businesses.

3) Acceptance of long-term trainees (Intellectual Property Fellowship)

The JPO invites those who are taking or who will be taking leadership in the field of intellectual property in the developing countries to Japan for six months as part of

¹ Since 1987, the Japanese Government has been providing voluntary contributions to the WIPO. "WIPO Funds-in-Trust/Japan" was established with these voluntary funds and it is used to finance various projects every year for WIPO member countries in the Economic and Social Commission for Asia and the Pacific (ESCAP), such as the holding of Intellectual Property (IP) office conferences or symposia, acceptance of trainees and Intellectual Property Rights (IPR) research students, dispatch of JPO officers and support for automation and modernization of IP Offices.

the WIPO Funds-in-Trust/Japan operations to offer an opportunity for self-initiated studies on intellectual property.

The JPO accepted one long-term fellow from China (SIPO) and one from Malaysia in FY 2006.

The JPO also accepts long-term fellow for six months independently and accepted one trainee from India (Ministry of Commerce and Industry) and the Philippines respectively in FY 2006.

4) Forums, Symposia, etc.

The achievements of the major meetings managed by the WIPO Funds-in-Trust/Japan are as follows:

○WIPO National Seminar (the Philippines, May 2006)

Theme: "The Role of Marks, Brands and the Madrid System in Economic Development"

This seminar aimed to enhance understanding of the role of trademarks and brands, provide information and exchange opinions on the operational aspects of the Madrid System, and provide guidance on how to make best use of the system. About 50 Philippine government officials and people engaged in IP participated in the seminar.

○WIPO Asia and the Pacific Sub-Regional Colloquium (India, June 2006)

Theme: "The Judiciary on Protection of Intellectual Property Rights"

This workshop aimed to provide an opportunity for people engaged in law to share information and exchange opinions on the role of IP in economic development, the role of judicial institutions for the effective enforcement of IP rights, each country's circumstances, and recent international efforts. About 80 people from 19 countries participated in the workshop.

○WIPO -ASEAN Workshop (Indonesia, July 2006)

Theme: "The Automation of Intellectual Property Offices (IPO) and the Development of Intellectual Property Databases"

This workshop aimed to share experiences on the optimal automation processes of ASEAN countries, which are at the same stage of development in terms of technology. It also aimed to promote mutual understanding of mechanization in the future through lectures and opinion exchange on challenges involved in automating IP offices, including the development of appropriate IP databases. About 25 people from 10 countries participated in the workshop.

○WIPO Asia Sub-Regional Workshop (Sri Lanka, August 2006)

Theme: "The Role of Intellectual Property in the Effective Functioning of Technology Management Offices"

This workshop aimed to promote efficient and effective IP management through exchange of information and views on integration of IP asset management and technology management, and technology management in research institutions. About 50 people from 13 countries participated in the workshop.

○WIPO National Seminar (Mongolia, August 2006)

Theme: "The Enforcement of Intellectual Property Rights for Customs Officials"

This seminar aimed to exchange opinions by introducing the latest situation in each country on the impact of counterfeits and piracy of intellectual property in the society and economy, and to understand the role of international organizations and government organizations. About 50 Mongolian government officials (custom office, police

agency and court judges) and people engaged in IP participated in the seminar.

○WIPO National Seminar (Malaysia, September 2006)

Theme: "Enhancing Awareness and Building Capacity of Small and Medium-sized Enterprises (SMEs) to Benefit from the Intellectual Property System"

This seminar aimed to establish a framework to support SMEs, promote technology transfer by patent licensing activities inside and outside the country, and disseminate IP information for the above purposes, in order to promote use of the IP systems. About 50 people from Malaysian SMEs, universities and the Intellectual Property Office participated in the seminar.

○Singapore-WIPO-JPO Regional Workshop (Singapore, October 2006)

Theme: "Patent Drafting"

This workshop was held as a kind of training program, with the aim of promoting appropriate and smooth patent acquisition procedures in developing countries, in which engineers from universities and R&D institutions, and patent attorneys from patent agencies were trained in drafting patent application documents. About 40 trainees from 15 countries participated in the workshop. This was the WIPO Funds-in-Trust/Japan's first attempt at holding a ten-day seminar in the third party countries.

○WIPO Regional Workshop (China, November 2006)

Theme: "Operationalization of the Madrid System in Developing Countries"

This workshop aimed to provide and disseminate information on the Madrid System and effective use thereof, so as to promote

accession by developing countries to the Madrid System. 27 people from 16 countries and about 150 people from Chinese companies participated in the workshop.

○WIPO Inter-regional Workshop (Indonesia, February 2007)

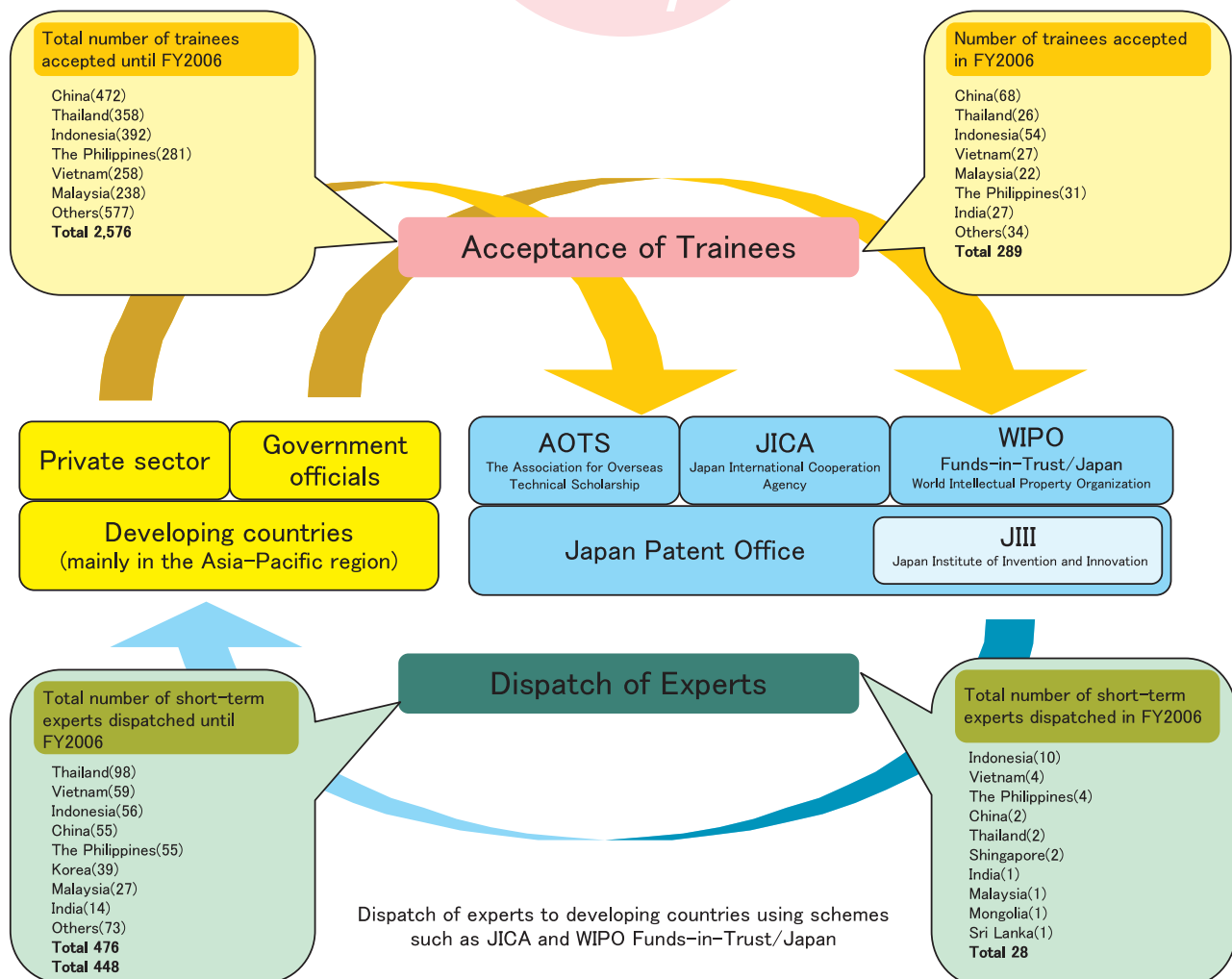
Theme: "Intellectual Property and Public Awareness"

This workshop invited government officials from South Africa, Brazil and Peru, in addition to those from Asia-Pacific countries which are usually covered by the WIPO Funds-in-Trust/Japan activities. This workshop aimed to exchange information and views on each country's experiences and efforts in raising public awareness on IP, thereby encouraging government officials of each country to conduct IP promotion activities. About 70 people from 26 countries participated in the workshop.

○WIPO Asia and the Pacific Sub-Regional Workshop (Vietnam, March 2007)

Theme: "The Role of Automation Processes in Effective Management of Intellectual Property Offices and Their Business Services"

This workshop aimed to raise awareness on the importance of IP management and benefits thereof in developing countries, by addressing issues related to automation processes that contribute to efficient system management and operation of IP Offices, and exchanging views on the best practices thereof. About 40 people engaged in IP in the IP Offices from 18 countries participated in the workshop.



(2) Cooperation in Information Technology

In Indonesia, the JPO supported the establishment of Industrial Property Digital Library (IPDL) system carried out from June 2005 at the Directorate General of Intellectual Property Rights (DGIPR) through dispatching five short-term experts under a JICA development study scheme. The IPDL service (<http://ipdl.dgip.go.id>) was launched in February 2007.

In the Philippines, the JPO supported to establish a patent administration system at the Intellectual Property Office of the Philippines (IP Phil) under the JICA scheme from May 1999 to May 2003 (four years). The JPO dispatched long-term experts for technology transfer and human resource development. The follow-up cooperation project was carried out from November 2004 to

March 2007 and the JPO dispatched four short-term experts during this period.

In Vietnam, the JPO was engaged in the structuring of the administrative processing system from April 2000 to June 2004 (4 years and 3 months) for the National Office of Intellectual Property of Vietnam (NOIP) under the JICA scheme. Based on the results, the JPO has been cooperating in building search systems, electronic filing systems and information systems since January 2005, for which the JPO dispatched 2 long-term experts for the development of human resources. The Industrial Property Digital Library (IPDL) (<http://iplib.noip.gov.vn>), for which the JPO had been providing support as a part of activities to help establish information provision systems, was launched in February 2007.

In Thailand, the JPO supported the Department of Intellectual Property of Thailand (DIP) to establish a search system (IPDL) from 1995 to 1999 under the JICA scheme. The JPO established an administrative processing system for patents, utility models and industrial designs under the WIPO scheme from April 2001 to March 2005. Starting from 2006, the DIP expanded the stored data and started operating the administrative processing system and the search system to which new functions were added.

(3) Cooperation in the Examination Process

1) Establishment of an Advanced Industrial Property Network (AIPN)

AIPN refers to a system for providing examination-related information in Japan to the intellectual property offices overseas. It aims to reduce the duplication of workload at intellectual property offices overseas through effective utilization of the results of examinations of corresponding patent applications in Japan and to expedite the acquisition of rights at these offices. The JPO has been making efforts to disseminate the AIPN in order to promote cooperation in patent examination with other countries adopting the substantive examination principle.

Specifically, the JPO established a system that enables examiners at intellectual property offices overseas to obtain examination documents information on legal status, information on cited documents, information relating to the examination of post-grant claims, and patent family information relating to corresponding Japanese patents through the Internet, and has been providing such information to the examiners. As of August 2007, the AIPN was

available to 29 countries/organizations.

2) Provision of Results of Design Examinations

In order to support the acceleration of the substantive examination process for applications for design registration in developing countries, the JPO offers to cooperate by providing the results of examinations of applications for design registration filed in Japan (only for registered applications) to the patent office of the country subject to cooperation with respect to applications for design registration that were filed both in Japan and the corresponding country (Department of Intellectual Property of Thailand: started in January 2002; National Office of Intellectual Property of Vietnam: started in September 2002).

3. Measures against Counterfeiting

(1) Damages caused by Counterfeiting and Countermeasures in the Industrial World

In recent years, the damage caused by the counterfeiting in foreign markets has become increasingly severe. In the East Asian region, in particular, which includes China, Taiwan, and Republic of Korea, large numbers of products imitating those produced by Japanese companies have been manufactured, due to the insufficient protection of intellectual property rights and the development of industrial technology.

Furthermore, in the midst of economic globalization, counterfeits manufactured mainly in those Asian countries/regions have entered the markets in the entire Asia including Japan, Europe and North America, resulting in further increases in the damage caused by counterfeiting.

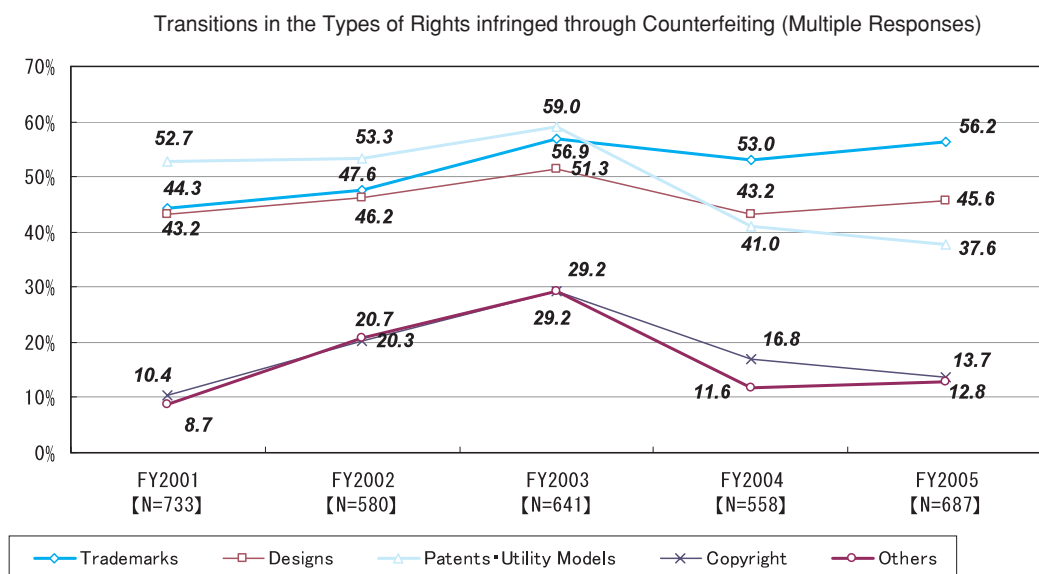
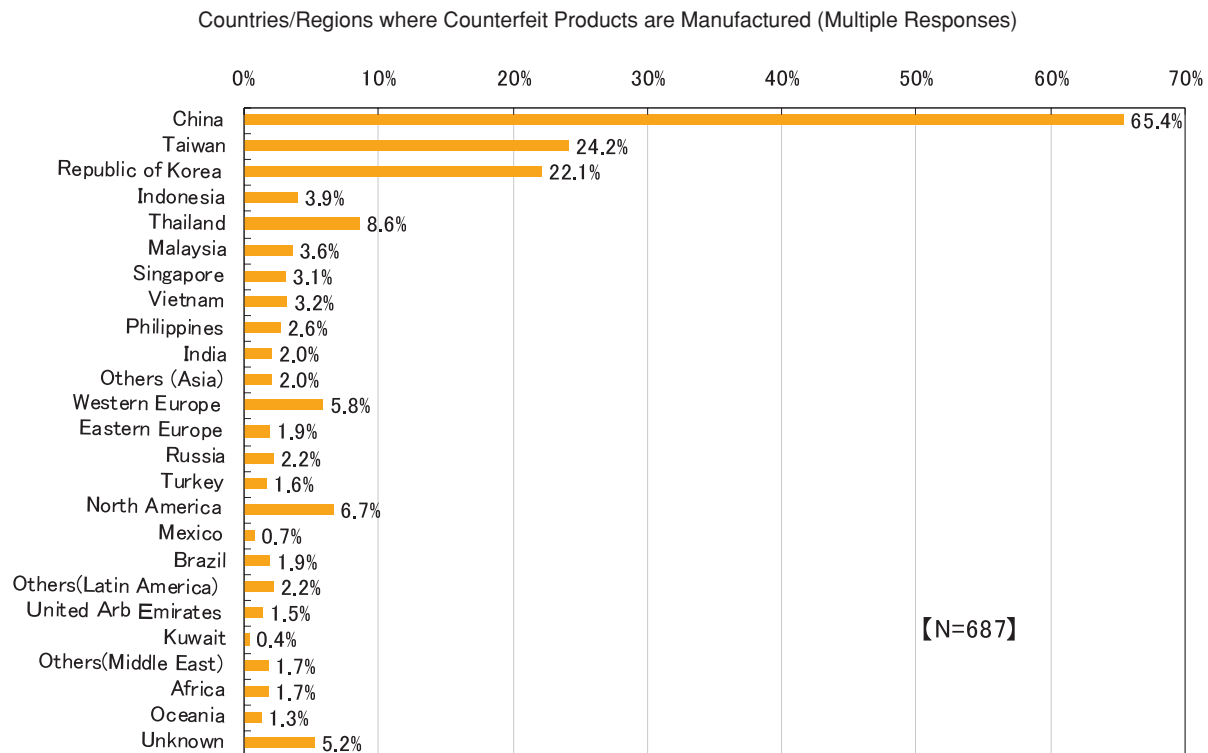
The flood of counterfeits has had a negative impact on Japanese companies, causing a loss of foreign markets, deterioration of brand image, and increase in the number of problems concerning product liability. To deal with this negative impact, it has been necessary for Japanese companies to actively take measures against counterfeits when undertaking business abroad.

Some Japanese companies and industry groups have been taking active anti-counterfeiting measures. For example, some organizations, after independently conducting vigorous investigative activities to identify the manufacturers and distribution channels of counterfeits, have been requesting local regulatory authorities to crack down on

counterfeiters. However, such measures require persistent effort, and in many cases, sufficient measures cannot be taken due to personnel and financial constraints. It is also undeniable that there is a limit to the ability of individual companies and industrial groups to negotiate with local governments and regulatory authorities.

Under these circumstances, the International Intellectual Property Protection Forum (IIPPF)¹ was established in April 2002 to promote cross-industry cooperation to reinforce anti-counterfeiting measures in collaboration with the Japanese government. The following projects have been undertaken by the IIPPF: (1) Submission of requests to governments of countries where IPR infringement has been serious to reinforce anti-counterfeiting measures, (2) Information exchange and survey research, and (3) Human resource development in countries where IPR infringement has been serious.

¹ As of March 2007, 193 companies and groups (86 groups and 107 companies) were participating in the forum.



Notes: Figures in [N] are the total number of companies that replied "suffered from counterfeiting damages" in the survey conducted in each year.

Source: JPO, FY 2006 Survey Report on Losses Caused by Counterfeiting

(2) JPO Efforts to Stop Counterfeiting

Chapter 4

In light of the increasing seriousness of counterfeiting overseas, the JPO has been taking various measures.

1) Collaboration with Industry

The JPO supports industry through strengthening of the collaboration with the International Intellectual Property Protection Forum.

The collaborative efforts of the International Intellectual Protection Forum and the government have resulted in public-private joint missions being dispatched, four times thus far, to the central and local governments of China to request the strengthening of anti-counterfeiting measures. In addition to requests for the development of legal systems and the improvement of their operations, the third and fourth missions offered cooperation through seminars and training about efficient and effective enforcement.

In response to the proposal made by the SIPO during the period of the fourth public-private joint mission dispatched in June 2006, the JPO received the Study Team for draft amendments of the Chinese Patent Law (equivalent to the Patent Act, the Utility Model Act and the Design Act of Japan) in September 2006. The JPO, in cooperation with Japanese industries, held a symposium and opinion exchange on the draft amendments with the Study Team (see also Part 4, Chapter 4, 1. (3)).

2) Approaches toward Governments of Countries/Regions where Counterfeiting is Serious

The JPO has been requesting that the governments of countries and regions where the damage caused by counterfeiting is

serious, including China, Taiwan and South Korea, reinforce their countries' measures against counterfeits through bilateral meetings, such as meetings between the heads of two patent offices.

In addition, the JPO emphasizes the importance of reinforcing anti-counterfeiting measures through multilateral meetings such as the WTO, APEC, OECD, G8 and WIPO, as well as through cooperative efforts with the United States and advanced countries in Europe. Under APEC, the APEC Anti-Counterfeiting and Piracy Initiative, which was proposed by the cosponsors, Japan, the United States and South Korea at the APEC Trade Minister's Meeting in June 2005 with the aim of enhancing intellectual property protection, was agreed upon. Furthermore, at the G8 Summit in Gleneagles in 2005, former Prime Minister Junichiro Koizumi advocated that an international agreement be created to prevent the proliferation of IPR infringement. The ministries and agencies concerned are now working together towards early realization of the agreement to prevent the proliferation of counterfeiting and piracy.

3) Support for Countries/Regions where Counterfeiting is Serious

In order to improve the effectiveness of enforcement in the countries and regions where serious damage is caused by counterfeiting, the JPO has been providing appropriate training to the local authorities concerned, including customs, police, and the courts. The JPO conducts training on an annual basis in Japan for the officials of these regulatory authorities in Asian countries and holds seminars in the countries of these officials as well.

4) Collection and Provision of Information

In order to understand the situation surrounding the damages suffered by Japanese companies overseas, the JPO conducts an annual survey and publishes the results in the "Survey Report on Losses Caused by Counterfeiting." In addition, the JPO also provides "Manuals on Measures against Counterfeits," which contain useful information regarding anti-counterfeiting measures in the countries and regions where counterfeiting frequently occurs, and "Collections of Case Examples/Court Precedents of Intellectual Property Right Infringements," which contains actual cases, court precedents relating to IPR infringement, and informative comments. Furthermore, the JPO holds seminars inside and outside of Japan for Japanese companies in order to provide them with the information necessary to take measures against counterfeits.

Campaigns," with the objective of further raising public awareness on the importance of intellectual property rights and informing the public that counterfeiting and piracy are social ills, so as to prevent circulation of counterfeit and pirated goods.

5) Consultation Services

The JPO offers consultation services regarding measures to take against counterfeiting and strives to provide the information necessary to take such measures.

6) Cooperation with National Regulatory Authorities / Countermeasures at the Border

With the aim of effectively cracking down on counterfeiting and piracy within Japan, the JPO cooperates with Japanese law enforcement authorities by (1) answering inquiries about infringement cases from such authorities and (2) providing training to Japanese customs officials.

7) Raising Consumer Awareness ("Anti-Counterfeiting Campaigns")

The JPO organizes "Anti-Counterfeiting

Column: Anti-Counterfeiting Campaigns

In order to raise consumer awareness on the importance of intellectual property protection and eradication of counterfeit goods, the JPO has been implementing "Anti-Counterfeiting Campaigns" since FY2003.

During the FY2006 campaign, in cooperation with related ministries and agencies, the JPO emphasized a message that a part of the sales may be used for organized crimes, so that the sense to voluntarily stop buying counterfeit goods can be fostered among the public. In December, a tourist season around the New Year holidays when people have more opportunities to come across counterfeit goods overseas, the JPO implemented intensive advertising activities through TV commercials, posters displayed at stations and airports, and exhibitions of genuine and counterfeit goods.



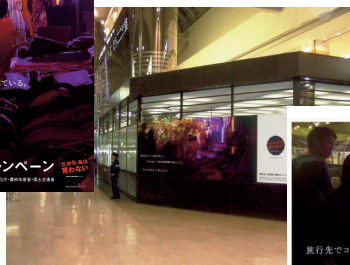
Logo



TV commercial



Posters



Minister Amari's visit to the exhibition held at the lobby of the METI building (December 15, 2006)