

Part 2

Government Efforts in Intellectual Property Activities



Chapter 1

Efforts for Overall Intellectual Property



1. Current Status of Intellectual Property Strategies in Recent Years

Japan is facing structural issues such as severely restricted resources, environmental restrictions, the decrease in population, and intensified international competition. In order for Japan to strengthen international competitiveness and further achieve sustained economic growth under such circumstances, it is essential to create innovation, a source of added values, and intellectual property strategies as a basis for such innovation are becoming more and more important.

“The Intellectual Property Policy Headquarters”, headed by the Prime Minister, established in March 2003, formulates “Intellectual Property Strategic Program” every year. In June 2008, “the Intellectual Property Strategic Program 2008” was decided. Moreover, in FY2008, considerations were made on the basic conceptions of intellectual property strategies for the next five years (Phase III from FY2009 to FY2013). They have concluded that intellectual creative cycles should be expanded and innovated focusing on the utilization with the aim of “strengthening of global intellectual property competitiveness,” and that five basic conceptions should be set for the future, they are: 1) strengthening of intellectual property strategies for promoting innovation; 2) strengthening of global intellectual property strategies; 3) promotion of growth strategies of soft power industry; 4) securing of stability and predictability of intellectual property rights; and 5) establishment of the intellectual property system corresponding to the needs of users.

Moreover, the “New Economic Growth Strategy 2008 Revised Edition,” revised on September 19, 2008 (approved by the Cabinet) and reported to the Council on Fiscal and Economic Policy, includes a goal of “the establishment of a new intellectual property system which leads the world corresponding to the progress of open innovation,” thus regarding promotion of efforts such as: 1) prompt and timely patent examination corresponding to various needs of applicants; 2) the development of the state-of-the-art intellectual property system by the international harmonization of the patent system and the international work sharing; and 3) the development of the intellectual property infrastructure, as the goals to be achieved by the whole government.

Under these circumstances, the Ministry of Economy, Trade and Industry (METI), which plays a central role in intellectual property policies, is giving its total efforts to establishing a new intellectual property system which lead the world. Particularly, METI established the

“Patent System Study Group” in January 2009 exactly 50 years since the current Patent Act was promulgated in order to comprehensively deliberate from various viewpoints on how the patent system which promotes innovation should be taking into account the changes in the economic society in the past 50 years.

Chapter 2

Efforts Related to Patents

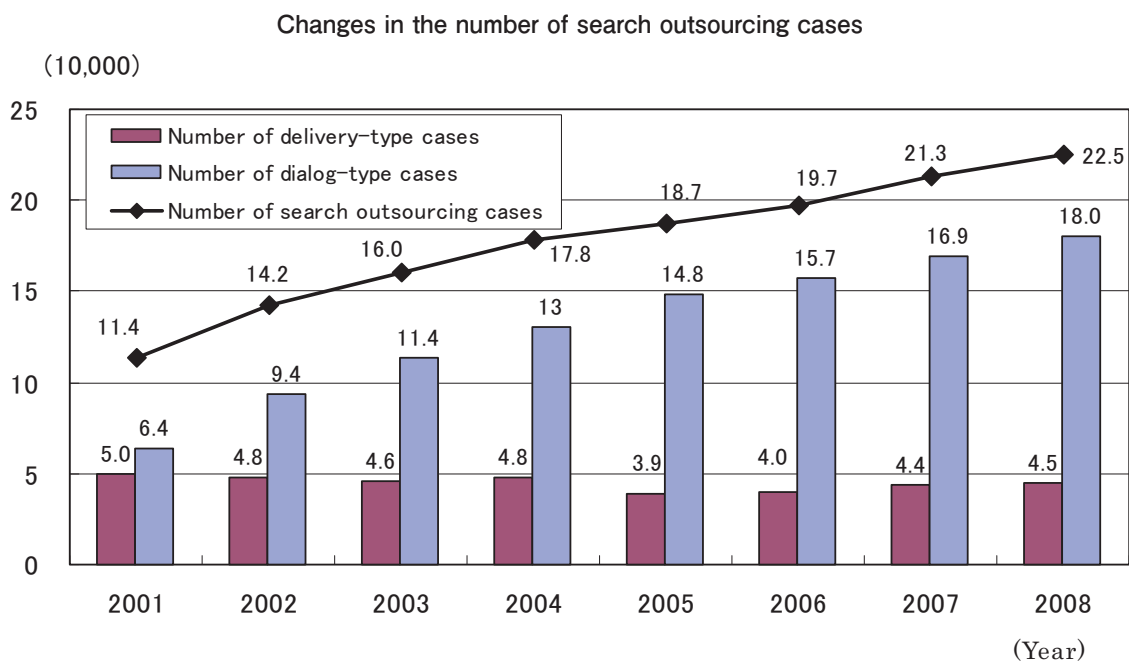


1. Promotion of Acceleration of Patent Examination

(1) Expansion in Volume of the Outsourcing of Prior Art Document Searches

The number of prior art document searches outsourced increased in FY2008 by 5.6% from FY2007 to 225,000 of which the dialogue-type outsourcing¹ with high examination efficiency accounted for 80% of the total number of prior art searches outsourced to 180,000, achieving the expanded outsourcing to private sectors and improvement of efficiency.

This expansion of outsourcing of prior art document searches is mainly due to the commencement of operation of new registered search organizations, the recruitment of searchers of the existing registered search organizations and increase in their processing capacity.



Note: "Delivery-type" is an outsourcing method in which the results of the search are reported by the search report.

¹ "Dialogue-type outsourcing" means an outsourcing method in which the patent examiner receives the report of the search result from the searcher together with the oral presentation of the searcher and on the basis of this report, when necessary, the patent examiner conducts further a supplementary search by the searcher.

Furthermore, for the purpose of further expansion of the number of registered search organizations, the JPO also strived to publicize the registered search organization system in FY2008, by holding explanatory meetings on the system and consultations with prospective new entrants. As a result, the number of registered search organizations came to a total of eight in addition to the existing six organizations in FY2008, with new entrant of private businesses such as Pasona Group Inc. and Protech Inc., respectively in division 10: automatic control since April 2008 and in division 23: semiconductor device since June 2008.

Further, among the existing organizations, Techno Search, Inc. and Technology Transfer Service Corp. have been additionally registered and started businesses, respectively in division 10: automatic control since December 2008 and in division 19: welfare and service apparatus since June 2008, so that together with the entry of newly registered search organizations, private sector activities have been furthermore utilized.

It is expected that the new entry of registered search organizations and the division additional registration of the existing organizations would increase in the future.

Registered search organization list (as of April 2009)

Name of registered search organization	Registered class	Search work practitioners
(Foundation) Industrial Property Cooperation Center	All classes	1,621
Techno Search, Inc.	10 (power machinery), 11 (motive machinery), 12 (transportation), 13 (general machinery), 14 (production machinery), 15 (conveyance and assembly), 18 (thermal component)	94
(Aggregate corporation) Japan Association for International Chemical Information	30 (organic compound)	22
Technology Transfer Service Corp.	8 (amusement), 19 (welfare and service apparatus)	32
Advanced Intellectual Property Research Institute Co., Ltd.	5 (opto device)	21
Patent Online Search Corp.	8 (amusement)	24
Pasona Group Inc.	10 (automatic control)	14
Protec Ltd.	23 (semiconductor device)	12

(2) Securing a Necessary Number of Examiners

The JPO has established, ahead of other countries, a paperless system for the procedures, from the filing of an application to the examiner's decision, and actively promoted the World's first outsourcing of prior art searches to private sectors, which is the achievement of the paperless system, as mentioned above. As a result, the examination efficiency in the JPO is already enhanced to a considerable degree, as seen in the fact that the number of applications examined per examiner in the JPO is about 2.5 times as many as in the USPTO and about 4.5 times as many as in the EPO.

While the JPO will inevitably continue to promote examination efficiency, it will be necessary to increase the number of patent examiners in order to greatly enhance its examination capability. The JPO has achieved the significant increase in the number of examiners including hiring about 500 fixed-term examiners in 5 years from FY2004 to FY2008. Moreover, in April 2008, the term of office (5 years) of the fixed-term examiners who were appointed in FY2004 expired, so the JPO reappointed them to maintain its examination capability.

Although the increase in examiners is not easy under the current government's policy of decreasing the number of public officers, it is necessary for the JPO to maintain and enhance

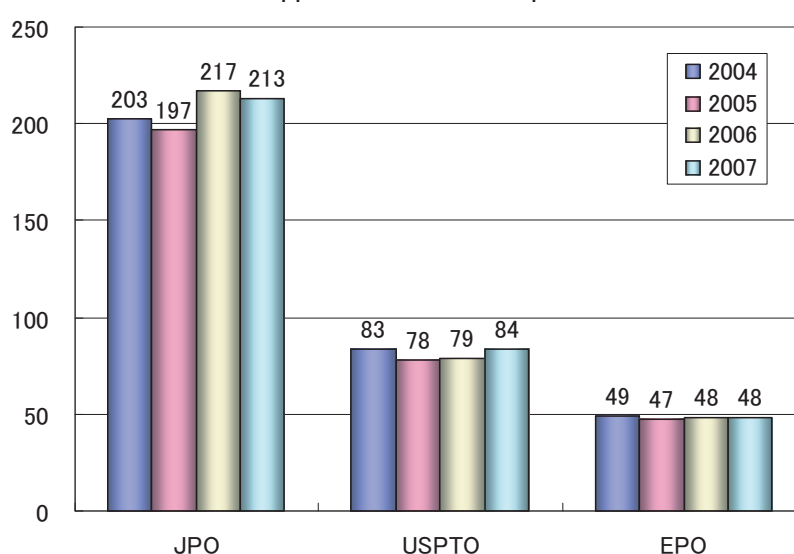
the necessary examination capability by continually striving to secure the necessary number of examiners in FY 2009 onwards for the purpose of eliminating pending applications.

Increase in the Number of Patent Examiners

FY	2006	2007	2008	2009
Regular examiners	1174 (+12)	1175 (+1)	1190 (+15)	1202 (+12)
Fixed-term examiners	294 (+98)	392 (+98)	490 (+98)	490
Total	1468 (+110)	1567 (+99)	1680 (+113)	1692 (+12)

Note: The numbers in the brackets indicate the increase and decrease from a previous year

Number of Applications Examined per Examiner



Note: Number of applications examined is equal to the number of first actions (the number of search reports in the case of the EPO) plus the number of international search reports.

Sources: Calculated from the Trilateral Statistical Report and the respective offices' annual reports.

2. Promotion of Quality Management of Patent Examination

(1) Trends in the Quality of Patent Examination

Securing the accuracy of patent examinations is an essential requirement for preventing unnecessary ex-post disputes and unnecessary application competition and to maintain the sound patent system. In fact, a social demand for accelerating patent examination and maintaining and improving the quality and accuracy of patent examination is very strong.

High quality patent examination is a precondition of several ongoing studies to make use of results which were searched and/or examined by other Offices for the purpose of promoting international work sharing between the Trilateral Offices (the JPO, the USPTO and the EPO) or between the JPO, the SIPO, and the KIPO. It's a common problem at each Office to improve a framework and procedures for such high quality patent examination, so each Office makes efforts to maintain and improve patent examination quality.

In addition, regarding PCT applications, "the PCT International Search and Preliminary

Examination Guidelines (hereinafter referred to as “the PCT Guidelines”) provide the provision² with regard to the requirements for improving the quality of international search and preliminary examination. It also requires all International Searching Authorities and International Preliminary Examination Authorities, including the JPO (hereinafter referred to as “ISA” and “IPEA”) to implement high quality international search and preliminary examination by monitoring and measuring the compatibility of the PCT Guidelines, improving it continually, and establishing “the quality management system” including searches on customers.

(2) Measures for Maintaining and Improving the Quality of Patent Examination

The JPO has maintained and improved the quality of patent examination through both 1) “Quality Control” performed for each patent application at each Art Unit and 2) “Quality Management” exercised from a cross-sectional point of view.

1) Quality control of examination for each patent application

Each Art Unit at which applications of each technical field are examined strives to perform the “Quality Control” of examinations for proper examinations of individual cases based on the examination guidelines by unifying application of the judgment standards between each examiner through consultations between several examiners, checks of the content by a director, etc.

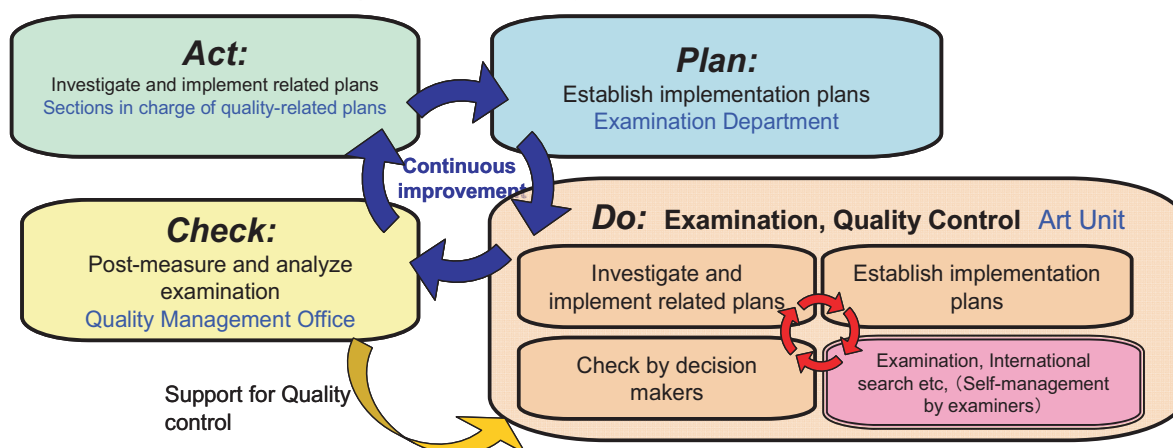
2) The Cross-sectional “Quality Management”

Furthermore, the “Quality Management Office” plays a central role in maintaining a quality management system and procedures to continuously improve the examination quality at the JPO as a whole based on a concept of the quality management cycle (PDCA cycle) of patent examination for the continuous improvement of examination quality. Under this concept, examination results are post-measured and analyzed objectively, and then the results are reflected on the implementation plan to maintain and improve examination quality.

To be specific, the Quality Management Office conducts the internal review on individual case by the third party in the JPO, collects User reviews, and analyzes related statistical information. In addition, these results of analysis are utilized for considerations on measures to improve examination quality by related departments, and the feedback is given to the Art Units and examiners for supporting the Quality Control at each Art Unit or for the examiner's self-managing.

² See PCT International Search and Preliminary Examination Guidelines, Part VII Quality Chapter 21 “Common Quality Framework for International Search and Preliminary Examination,” <http://www.wipo.int/pct/en/texts/pdf/ispe.pdf>

Basic Concept of Quality Management Cycle of Patent Examination



3. Efforts to Realize Patent Examinations that Meet the Needs of Applicants

Under the circumstances that applicants have various needs, such as acquiring patent rights regarding multiple aspects of products, acquiring patent rights rapidly, and acquiring patent rights strategically from the global perspective, the JPO implemented the following measures of patent examinations to support applicants' IP strategies.

(1) Promotion of Use of the Accelerated Examination System

In an effort to support global economic activities and utilization of R&D results at an early stage, the JPO has already conducted accelerated examination in response to the submission of "the explanation of circumstances concerning accelerated examination" with respect to (a) applications relating to inventions that have already been put into practice or planned to be put into practice within two years (working related applications), (b) applications which have foreign patent families (internationally filed applications), (c) applications filed by SMEs and venture businesses which are low in funds, or (d) applications filed by universities/TLOs and public research institutes which are expected to return their fruits to the society.

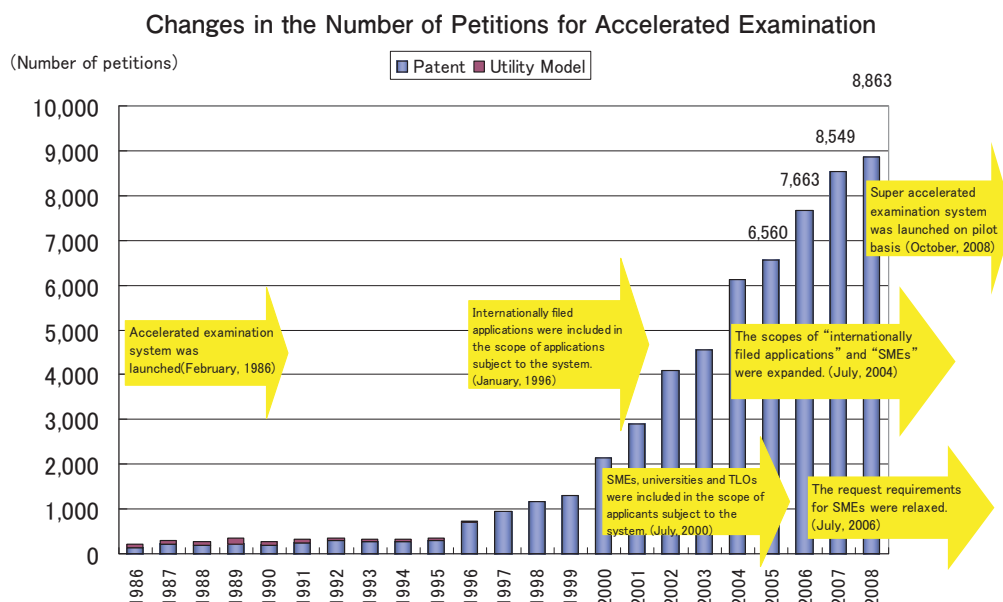
The JPO has been striving to improve the convenience of the system through the following measures: (a) expanding the scope of "internationally filed applications" and the scope of "SMEs" in 2004³; (b) reducing the burden of prior art search in the case of petitions from SME applicants, and revising the guideline⁴ to clarify the requirements for prior art search in the case of joint applications filed by large-scale business and SMEs, in July 2006. As a result of these efforts, the number of petitions for accelerated examination has been increasing every year.

In 2008, the average first action pendency for applications under the accelerated examination system was about 2.0 months from the petitions for accelerated examination, much shorter than the average for ordinary applications. The rate of decisions to grant a patent of the

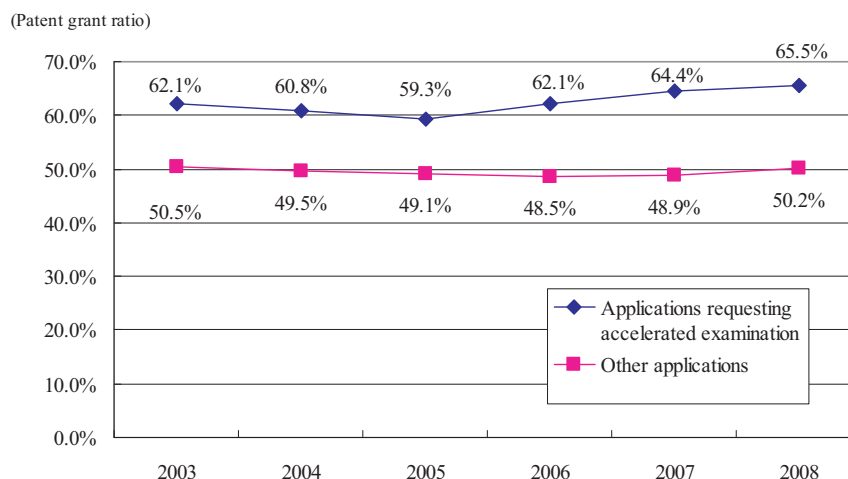
³ The scope of applications subject to "internationally filed applications" was expanded to include the corresponding national applications of PCT applications in the international phase. The scope of SMEs was expanded to the same extent as the scope of SMEs subject to the "Patent Prior Art Search Support System."

⁴ The guidelines were revised so that the system does not necessarily require SMEs to conduct prior art searches for disclosure of information on prior art, but only requires SMEs to fill out prior art documents they know when filing a request. This is also applicable in the case of joint applications filed along with a large-scale business if certain requirements are satisfied.

applications under the system has hovered more than 10 percentage points higher than that of whole applications. This seems to be attributable to the fact that applicants carefully selected their applications when petitioning for accelerated examination, as the target of the system includes working related applications and the system requires applicants to conduct prior art search before petitioning.



The Rate of Decisions to Grant a Patent under the Accelerated Examination System



(2) Commencement of the trial of the Super Accelerated Examination System

From the perspective of accommodating the applicants' various needs, the JPO established the "Super Accelerated Examination System" under which applications are examined more rapidly than under the conventional accelerated examination system. This system was launched on a pilot basis on October 1, 2008. The basic outlines of the Super Accelerated Examination System are that first action is finished within one month from the petition for super accelerated examination, and a subsequent examination is also finished within one month from the submission of written argument/amendment, thereby reducing the period from the petition to the final decision compared to the conventional accelerated examination system.

In the pilot phase, the system targets more important applications, which meet both “working related” requirement and “internationally filed” requirement out of the requirements for the conventional accelerated examination system. Furthermore, procedure after the petition for super accelerated examination is restricted to online, and PCT applications entering national phase (DO applications) are not targeted.

The number of petitions for super accelerated examination was 152 during six months from October 1, 2008 to March 31, 2009. The average first action pendency of applications under the super accelerated examination system in 2008 was about 20 days from the petition for super accelerated examination, which is one-third of the pendency under the conventional accelerated examination system.

The JPO will consider the expansion of the target of the system and strive to promote the system for the full-fledged introduction of the super accelerated examination system.

(3) Promotion of Interview Examination

- 1) In order to communicate smoothly between the examiner and the applicant or the attorney to contribute to the efficiency promotion of the examination procedure, the interview examination is conducted within the JPO.
- 2) Since FY1996, for SMEs, venture businesses, universities and TLOs in provincial areas, the JPO has implemented “circuit examinations” under which examiners visit the interview site in provincial areas, and meet the applicants directly to consult on the application and the technical content.

In 2008, the JPO conducted the circuit examinations for all of the 1,330 applications for which the request has been made.

(4) Steady Implementation of Consolidated Examination Program for Relevant Applications

The JPO has implemented consolidated examination program for relevant applications, where, the examiner systematically grasps the technical contents through technical explanation / interview, regarding the groups of applications which have technical relevance, and examines them collectively. By appropriately reviewing consolidated examination program for relevant applications to better suit needs, the JPO will continue to support applicants for the strategic acquisitions of patent rights.

(5) Provision of Predicted Period for Starting Patent Examination

In order to support the strategic patent management of the applicant and the attorney, since October 2003, the JPO has provided the predicted period for starting the examination for the application of which examination has not yet started (except the application before the publication thereof) per an applicant or an attorney through “Inquiry of predicted period for starting patent examination” on the website of the JPO. In addition, since May 2007, it's function has been extended so that the third party also can see the above predicted period.

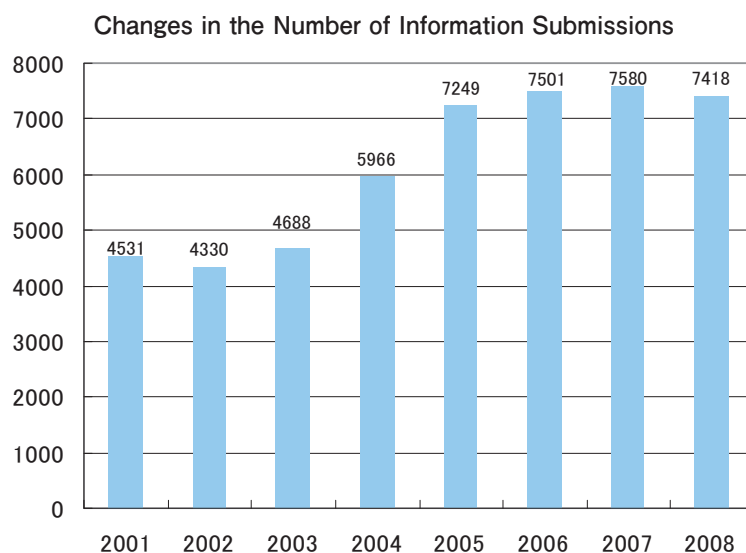
By providing the predicted period for starting the examination to encourage the applicant to investigate the necessity for protecting the right of the application, the JPO will support

the applicants to use timely, if necessary, the accelerated examination system, the circuit examination, submission of information, and the refund system on examination fee.

(6) Submission of Information by Third Parties

For enhancing the accuracy and promptness of the examination, the JPO accepts widely a submission of information. The submission of information accepts the information useful for the examination such as that the invention related to the patent application does not have novelty or inventive step, or that the invention does not fulfill the requirements for the description (Regulations under the Patent Law Section 13-2), and 76% of the submitted information has been utilized for Notification of Reason(s) for Refusal.

Though the information submissions had been limited to be made in writing, they have been able to be made through online since January 2009.



4. Promotion of International Cooperation for Patent Examination

Following the global increase of the patent applications under the background of ongoing economic globalization, the number of so-called duplicate applications which mean that the same invention is filed in multiple Offices, is increasing, and the examination load of each Office has been enlarged. Under such a situation, aiming at the establishment of a more substantial framework of international cooperation - a Virtual Global Patent Office – in which one invention can be efficiently and reliably examined and the applicant can protect the one invention efficiently and globally as an intellectual property, the JPO is promoting the work sharing of the patent examination with various Patent Offices.

(1) International Work Sharing in Patent Examination

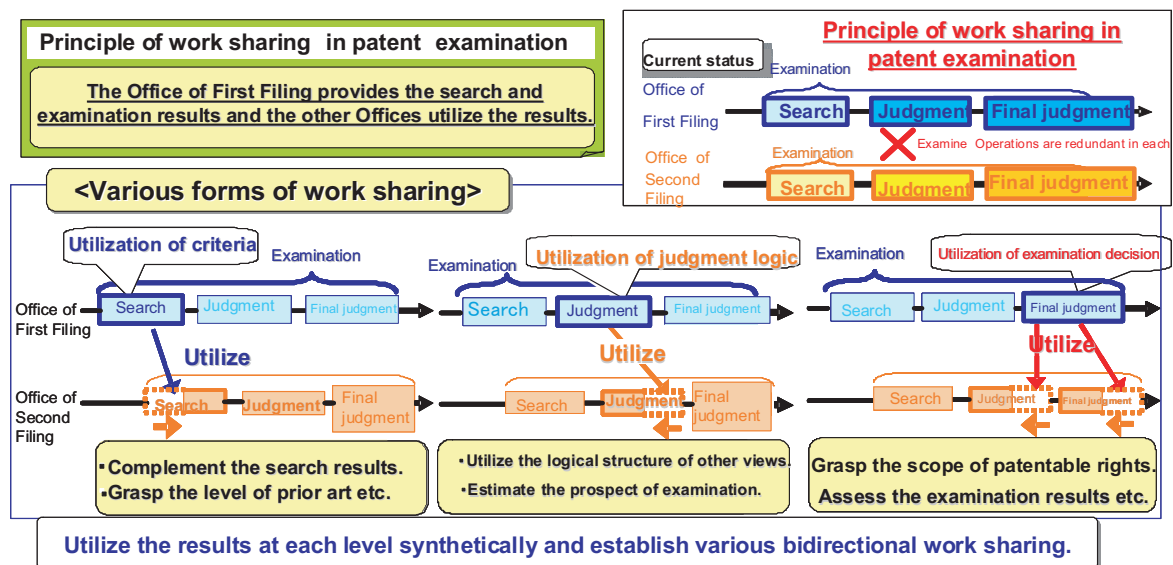
The principle of the work sharing of the patent examination is that the Office at which the application was filed first (Office of First Filing) releases the results of the search and examination first and the other Offices utilize the results in the examination. This has become a common view not only among the Trilateral Offices (the JPO, the USPTO and the EPO), but also among various

Offices such as the SIPO and the KIPO.

Here, the work sharing for making use of the search and examination results includes those at various levels such as (a) that making use of only the search results of prior art, (b) that making use of the logic of the judgment for the patentability in addition to the search results, and (c) that making use of all examination results including the final decision. The degree of the usefulness of them in the examination differs from each other. However, it is possible not only to promote the efficiency of the examination but also to make the examination results to be more appropriate by considering the validity of the examination results of the Office of First Filing at any level so that a valid part can eliminate the duplicate work. The Office of Second Filing complementally searches and examines an invalid part, thereby improving the examination quality.

Thus, it is important for the Office of First Filing to release the search and examination results at an early stage so that the Office of Second Filing can make use of the search and examination results of the Office of First Filing at the most appropriate level in order to promote the work sharing at various levels.

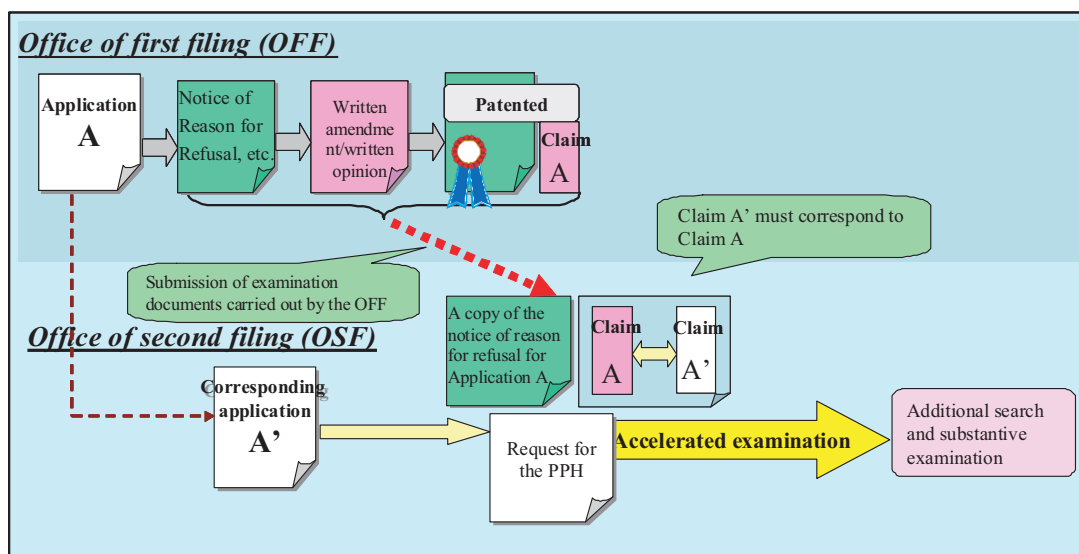
Concept of work sharing in patent examination



1) Patent Prosecution Highway (PPH)

The Patent Prosecution Highway (PPH) is a framework for allowing, on request by the applicant, accelerated examination in the Office of Second Filing with simplified procedures, with respect to the application whose claims are determined to be patentable in the Office of First Filing. This framework supports an efficient acquisition of a stable and strong patent right in multiple Offices through the making use at the above level (c), that is, the making use of all examination results including the final decision in the Office of Second Filing.

Outline of the Patent Prosecution Highway



The applicant for the PPH can receive three major benefits by using the Patent Prosecution Highway.

The first benefit is the improvement of patent quality. In the USPTO, the grant rate is usually 44%, while the grant rate of applications from Japan to the USA using the PPH is as high as 95% (as of the end of 2008). The predictability of acquisition of a patent becomes higher for the applicant and it is possible to acquire a more stable right as examiners in the JPO and the USPTO examine the application based on the same claims in principle.

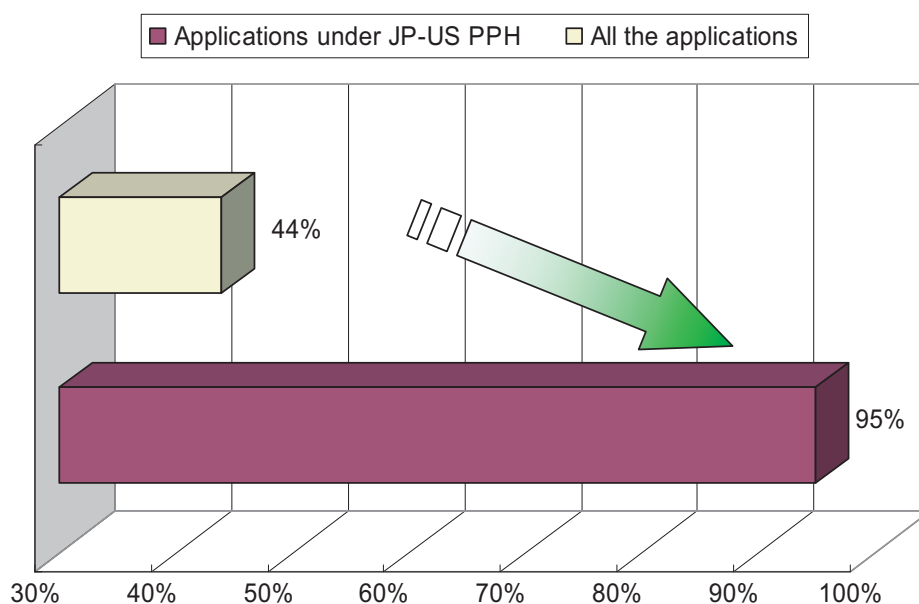
The second benefit is acceleration of examinations. For example, in the USPTO, the average examination pendency from the filing of an application to the commencement of examination is usually about 2 years, while the examination pendency of the PPH applications from the acceptance of the PPH request to the commencement of the examination is reduced to 2~3 months. In addition, the average pendency from the commencement of examination to the final decision is usually about 6.6 months, while that of applications using the PPH is reduced to about 3.8 months (as of the end of 2008).

The third benefit is cost reduction for acquiring a right. It can be assumed that a reason for refusal already notified at the Office of First Filing has been solved through the examination by the Office of the First Filing, so that it is not notified redundantly in the Office of Second Filing. As a result, the number of communications between the examiner and the applicant reduces, thereby reducing the cost. This enables the applicant to save the costs for acquiring a patent and invest the saved costs in further R&D.

On the other hand, examiners can examine applications using the examination results of other Offices so that it is possible to reduce the work load and to dedicate the examination capacity to other applications.

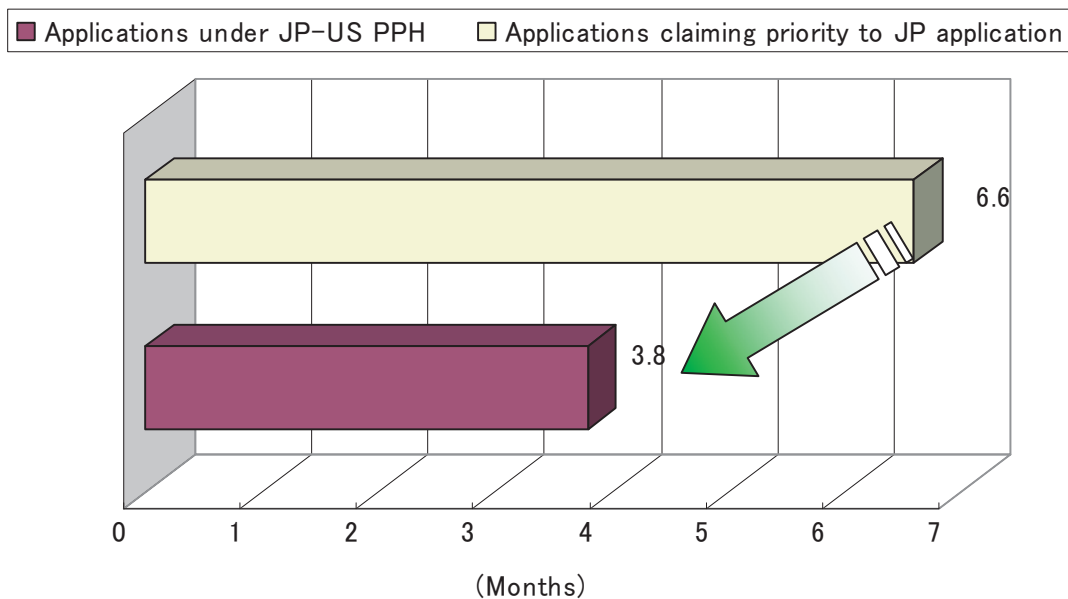
Merit of Use of the PPH (Grant rate) (as of the end of 2008)

Grant Rate at the USPTO

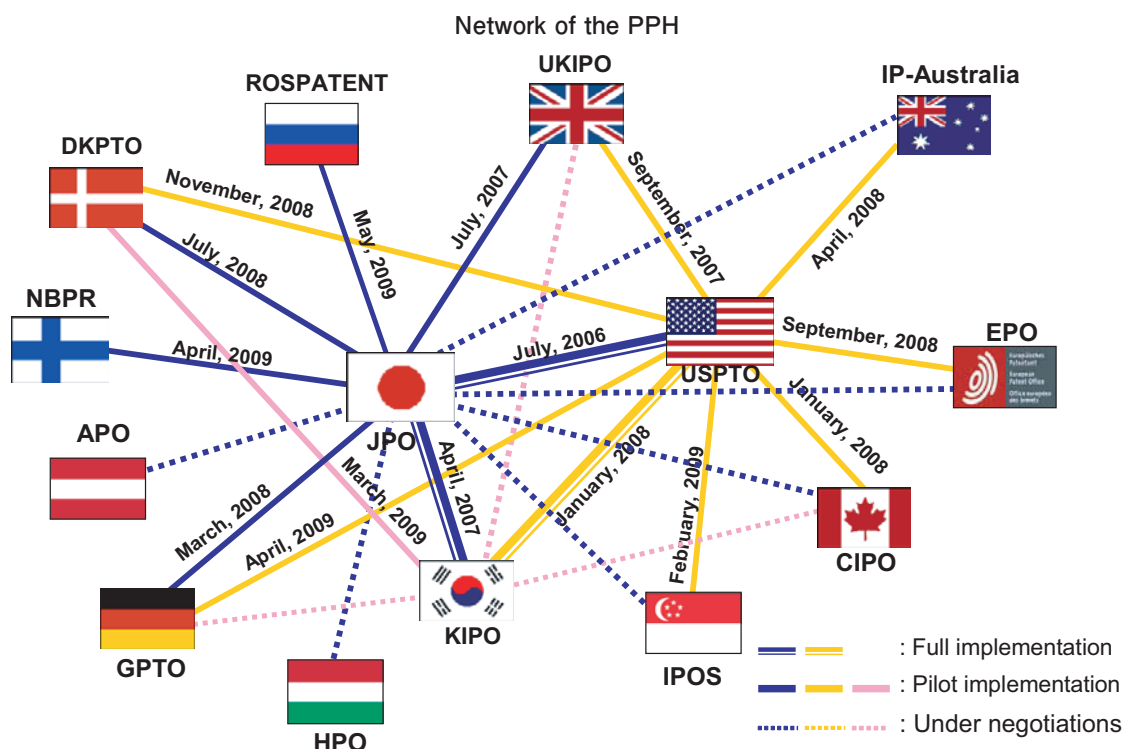


Merit of Use of the PPH (average pendency to final action) (as of the end of 2008)

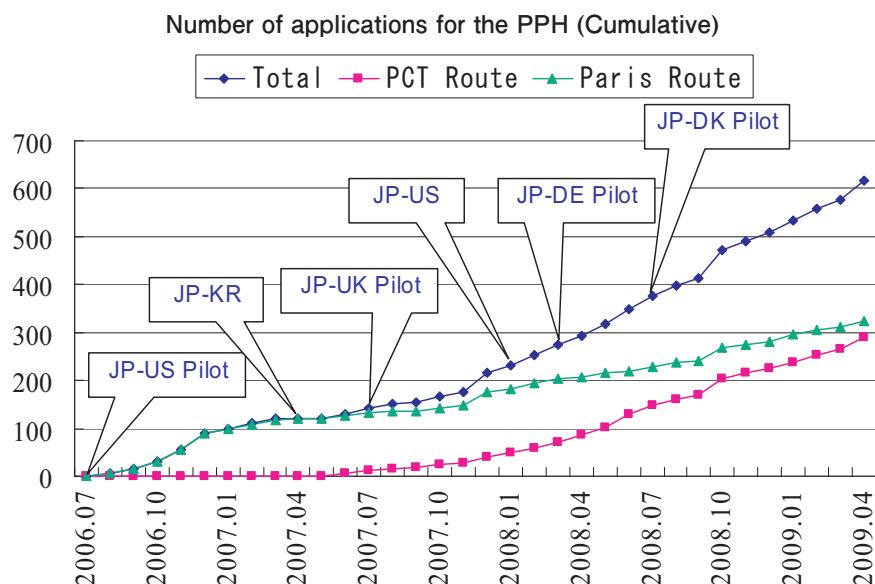
Average Pendency from FA to Final Action at the USPTO



As of May 2009, the full or pilot implementations of the PPH programs between JPO-USPTO, JPO-KIPO, JPO-UKIPO, JPO-GPTO, JPO-DKPTO, JPO-NBPR, and JPO-ROSPATENT have been conducted. The number of Offices with which the JPO conducts the PPH is expected to be expanded in the future, including such countries as Austria, Singapore, Hungary and the EPO.



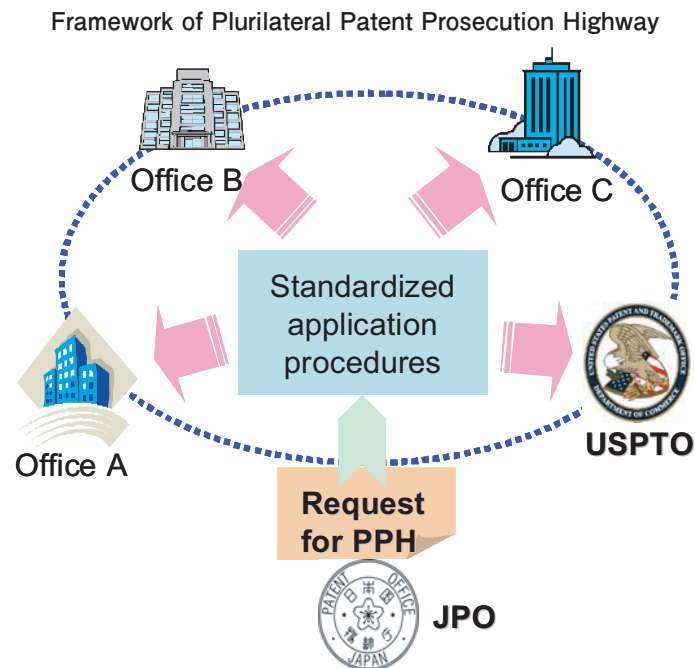
Regarding the PPH in the full implementation, as of the end of April 2009, 963 requests to the USPTO and the 516 requests to the JPO have been filed in the US-JP PPH. 242 requests to the KIPO and 52 requests to the JPO have been filed in the KR-JP PPH. The PPH with other countries has also been steadily increasing.



In order for the PPH to be more user-friendly, the Commissioners of 10 Patent Offices which were implementing the PPH got together at Denmark at the suggestion of JPO in February 2009. And, the Plurilateral Patent Prosecution Highway Meeting was held with JPO and DKPTO as a joint chair.

In this meeting, current status of the PPH of each Patent Office was reported and future

issues were discussed. Through this Plurilateral Patent Prosecution Highway Meeting, it is planned to standardize the requirements for the PPH in the future.



2) JP-FIRST (JP-Fast Information Release Strategy)

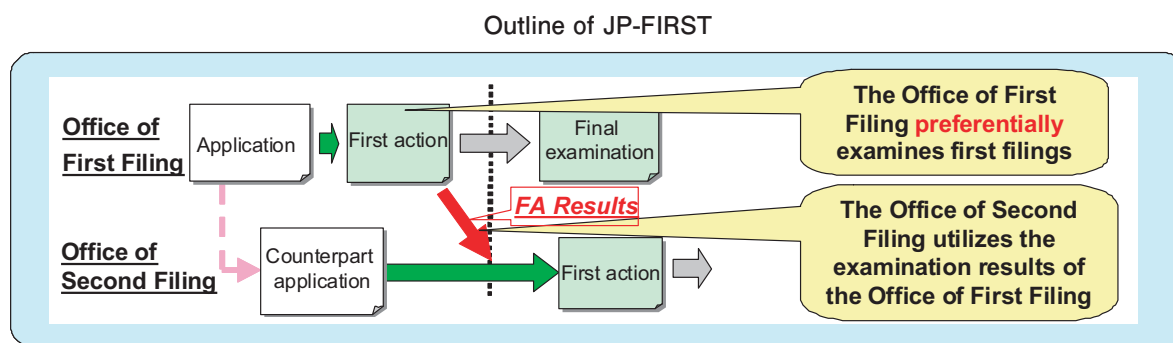
As described above, the principle of the work sharing of the patent examination is that the Office at which the application was filed first (Office of First Filing) releases the results of the search and examination first and the other Offices utilize the results in the examination. However, due to the prolonged examination pendency in the JPO, examination results as first action by the JPO as Office of First Filing sometimes could not be provided before initiation of the examination in other Patent Office as Office of Second Filing so that the utilization at the above level (b), that is, the making use of the search and examination results could not be achieved.

JP-FIRST has been implemented since April 2008 in order to solve the above problem, taking into consideration the patent system of the JPO such as the examination request system and a framework of PCT for conducting the international search.

JP-FIRST is a framework in which:

- The JPO prioritizes the examination of the patent application for which the examination has been requested within 2 years from the filing date among the patent applications which are the bases for priority under the Paris Convention (with the proviso that the applications which are the bases for the PCT application are not subject to JP-FIRST).
- The JPO conducts the examination in principle within 6 months from the later date of the examination request date and the publication date, that is no later Than 30 months after the filing date.

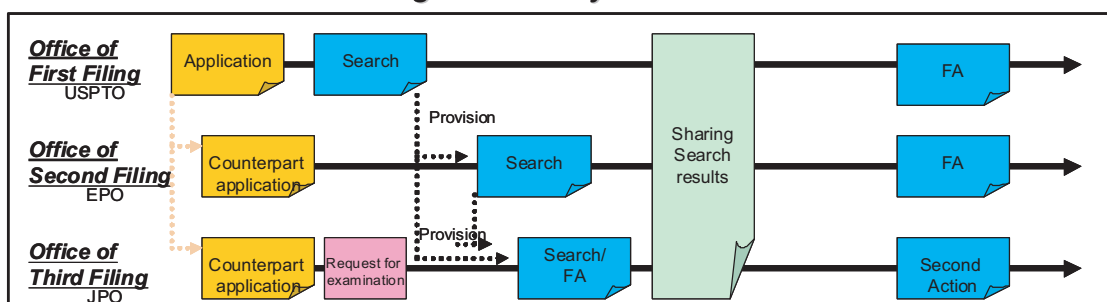
It is expected to support an appropriate patent acquisition in the foreign Offices and to alleviate the whole examination load in various Offices as a whole by providing the results of the first action of the JPO at an early stage to promote the utilization of these results in the foreign Offices.



3) Triway

Triway is a system that the Offices of Second and Third Filing promptly search and examine utilizing the search results of the Office of First Filing. Redundant work among Offices can be eliminated and the applicant can obtain the search results (examination results) of three Offices almost at the same time, allowing him or her to respond to each Office (amendments, etc.) taking those results into consideration. The trial of Triway has started on July 28, 2008 among the JPO, the EPO and the USPTO and continues for 1 year. Applications subject to the Triway are those filed with the USPTO as the Office of First Filing and filed or to be filed to the EPO or the JPO through the Paris route, where the claims of each Office are sufficiently corresponding and the applicant wishes to participate in the trial.

~ Image of Triway ~



4) Simultaneous Processing of International Search and National Examination of PCT Applications

The PCT is a framework in which by conducting the international search at the international phase, a designated Office can make use of the content of the international search at the national phase for search and examination. Through the discussion on a possibility of fusing the international phase procedures and the national phase procedures at the maximum level in a long term view, the written opinion would be made together with the international search report for the applications filed after January 2004.

The JPO has been conducting the measure in which in the case where the same invention is filed nationally prior to the PCT application and the national application is being requested for examination, the PCT international search and the examination of the national application are processed simultaneously. In addition, the JPO is making efforts for enabling the nearly simultaneous processing of the PCT international search and the examination of the national application by encouraging not only the early entry into the national phase but also the request

for the accelerated examination with respect to PCT international applications filed with the JPO as the receiving Office. Concerning the former measure, the efficiency of the examination in the JPO is enhanced, so that the JPO refunds the international search fee partially to alleviate the burden of applicants' cost for PCT international application.

(2) Efforts for Promoting Work Sharing of Patent Examination

1) International Examiner Exchange Program

In order to promote the work sharing of the patent examination, it is important to build the mutual trust for the search and examination results of each Office, to harmonize the quality of the examination including the examination judgment at high level, to enhance the mutual understanding of the search DB/tools for the prior arts, and to harmonize the patent classification. From these perspectives, the JPO has been holding the examiner exchange program in which Patent Offices mutually dispatch their examiners of each technical field to the other Patent Offices.

In FY2008, the JPO held bilateral examiner exchange programs with the EPO (sent 16 persons; accepted 14 persons) and the KIPO (sent 3 persons; accepted 2 persons), and a newly started exchange program with the SIPO (sent 3 persons), as well as has held the Trilateral Examiner Exchange, where examiners from the Trilateral Offices gathered and discussed the matters concerning patent examination (sent 4 persons; accepted 8 persons). In addition, the JPO held the harmony visit for considering the patent classification harmonization (sent 14 persons).

2) Comparative Study on Examination Practice

Unless the each Office's examination quality including the examination judgment and examination guidelines are harmonized, the utilization of the search and examination results of other Offices is limited and the work sharing does not effectively function. Therefore, it is important to compare the examination practice on the inventive step, description requirements and search methods, etc.

The Trilateral Offices (the JPO, the USPTO and the EPO) are conducting comparative studies on such examination practices. In December 2007, the Trilateral Offices published the results of the comparative studies on the legislation and examination guidelines for the description requirements in the Trilateral Offices. In addition, the Trilateral Offices have conducted also the comparative studies specialized in a specific technology field such as biotechnology, and as a result, published "Trilateral Search Guidebook in Biotechnology Ver.2" in January 2008.

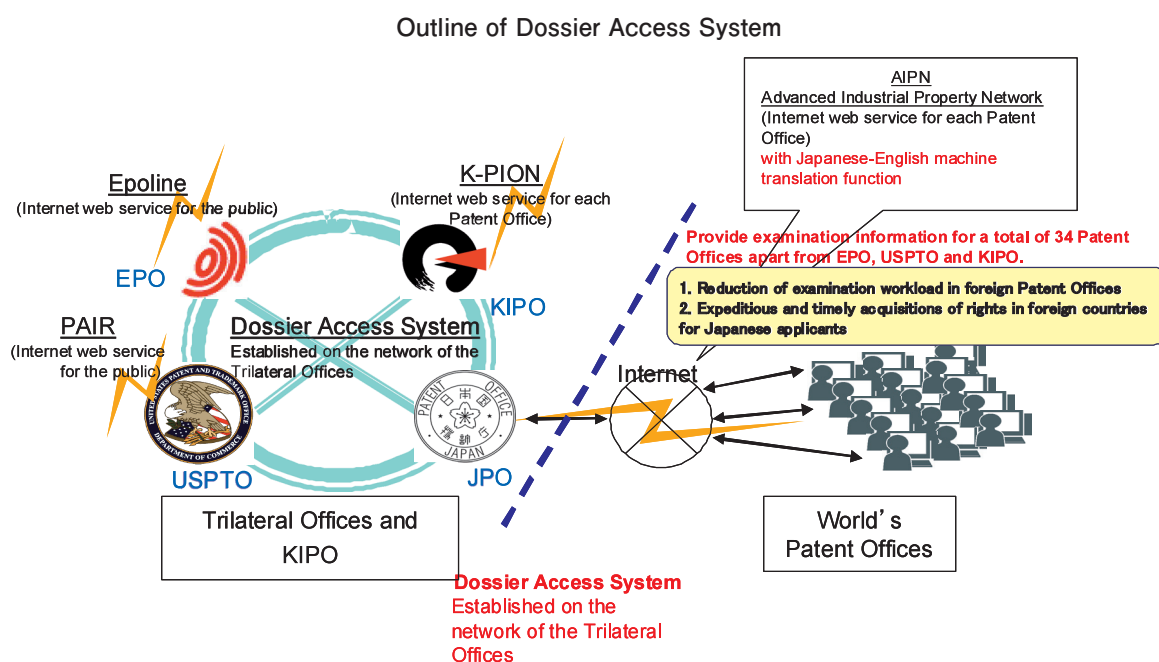
3) Cooperation for Enhancement of Quality of Patent Examination

In order to enhance the quality of the patent examination, Patent Offices are exchanging the information on the measures of the quality management of the patent examination and the measures for improving the application quality by the applicant.

4) Improvement of the Dossier Access System

In order to utilize the results of search and examination of other Offices, the JPO is making efforts for improving the Dossier Access System which enables examiners in each Office to access online to the examination-related information (e.g., documents submitted by applicants and notifications of reasons for refusal) of the other Offices.

As of April 2009, the examination-related information of the JPO is provided to 34 foreign Offices via the dedicated network or the Internet, as well as the examiners of the JPO can access online to the examination-related information of the USPTO, the EPO and the KIPO via the dedicated network.



Chapter 3

Efforts Related to Design



1. Clarification of the Details of the Determination in Design Examinations

In order to respond to strong demands from design registration system users to “clarify the details of the determination in design examinations”, the JPO has been striving for clarification of examination details by conducting a trial practice to describe the additional brief reason for determination of similarity on the “notification of reasons for refusal based on Article 9(1) (prior application) of the Design Act” from October 2004.

Since FY2007, as another trial practice, the JPO has started to notify of reasons for refusal based on Article 3(1)(iii) of the Design Act (novelty) in order to clarify examination details by describing the reason for determination of similarity on the notification of reasons for refusal. Also in 2009 continuously, aimed at the notification of reasons for refusal falling under the prior art and the novelty, by describing the reasons for the determination, we make efforts to clarify the examination contents.

2. Provision of Design-related Information

(1) Publication of Design Examination Schedules

The JPO has made available “the Design Examination Schedule” on its website so that the design registration system users can consult it for planning to develop their products.

The Design Examination Schedule provides applicants with a rough indication of date to receive examination results for their applications for design registration, allowing the design registration system users to utilize the information for the purpose of their business activities.

This Table indicates expected examination schedules for applications for design registration filed on a particular date, and is updated every quarter year by adding information on finalized examinations.

(2) Provision of Similar Design Information

In order to provide useful information regarding the determination of similarity of designs, on March 27, 2006, the JPO launched the “similar design information” service in the Industrial Property Digital Library, by which a user can easily search the relationship between a principal design and

similar or related designs.

The service allows users to refer cases registered as a similar design or a related design by Japanese Design Classification. This service helps users grasp the determination standards, such as what sort of designs are considered similar in examination.

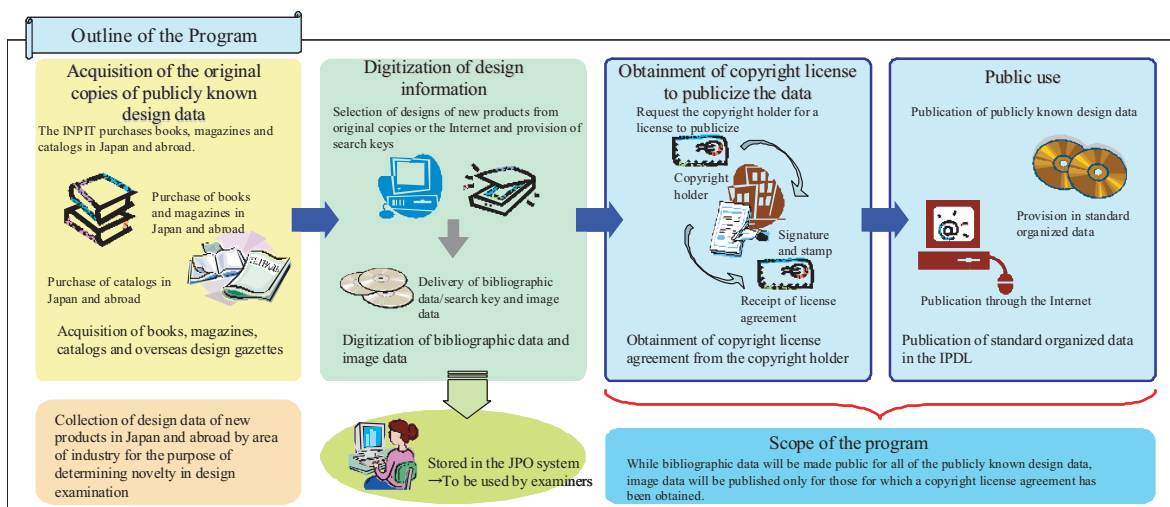
(3) Publication of Publicly Known Design Database

For the purpose of determining novelty and creativity in design examination, the JPO has collected and selected designs of new products from national and international books, magazines, catalogs and the Internet, and digitized bibliographic data and photos or figures of those products as major examination materials.

Publication of the publicly known design data allows the design registration users to utilize it for design development as well as for prior design search and design right search, which is expected to promote creation of further creative and value-added designs in Japan.

In March 2006, the JPO launched the “publicly known design inquiry” service in the IPDL to allow users to view, based on publicly known data serial number, the bibliographic data and images of publicly known designs collected from the Internet. In FY2007, the JPO started a program to obtain copyright licenses for the publicly known design data to be digitized by the JPO. Once licensed, the publicly known data will be made available through the IPDL, etc.

Outline of the Publication Program of the Publicly Known Design Database



3. Accelerated Examination for Anti-Counterfeiting Measures

The accelerated examination system for designs was introduced on December 15, 1987. Under this system, the accelerated design examination is conducted for 1) an application for design with an urgent need for registering the design and 2) an application that is also being filed from overseas.

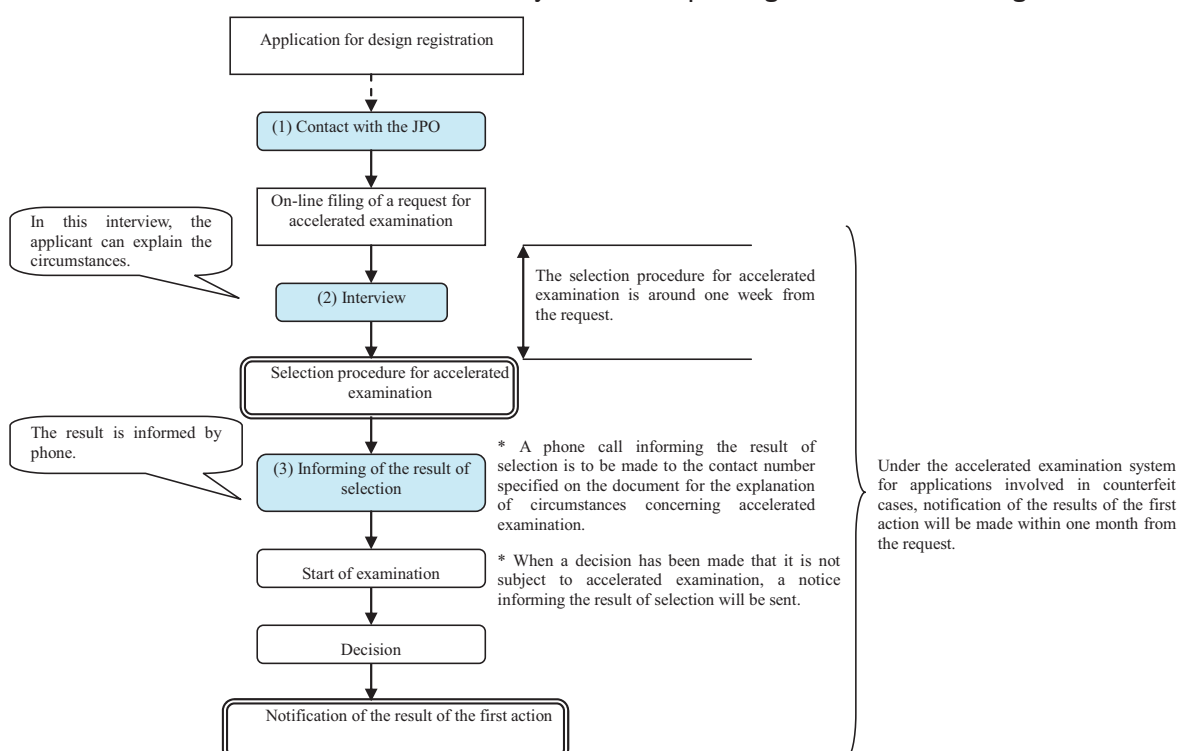
However, with the increasing importance of design rights as a countermeasure against counterfeiting in recent years, the “accelerated examination system for responding to anti-counterfeiting measures” was introduced in April 2005 in order to further enhance the effectiveness of design right against counterfeiting.

Under this system, if counterfeiting occurs, notification of the results of the first action will be made within one month from the request for accelerated examination, as long as no deficiency has been found in the application.

<Applications subject to the accelerated examination system for responding to anti-counterfeiting measures>

A design application is deemed to be subject to this system “if it is an application for exploited design (exploited by the applicant) with an urgent need for registering the design, and a third party is apparently using or is making preparations to a significant degree to use, without the consent of the applicant or a licensee, a design identical or similar to the design in the application.”

Outline of the Accelerated Examination System for Responding to Anti-Counterfeiting Measure



4. Amendments to Examination Standards on Design Applications

Among the existing “examination standards on design applications,” Section 7, Chapter 4 “Designs including images specified in Article 2(2) of the Design Act,” and Section 10 “Procedures for claiming priority under the Paris Convention” were amended, and then publicized and put into practice on October 31, 2008.

To be specific, responding to a request for publicizing the judgment criteria for “identicalness of design” in approval or disapproval of the effect of priority under the Paris Convention, the JPO organized various specific cases for further clarification with regard to a basic concept of “identicalness of design” in approval or disapproval of the effect of priority and a variety of specific cases where the design described in priority certificate and the design in the application for design registration in Japan are different.

Regarding the examination standards for designs including images, responding to a request

for clarification of the content of the revision of the examination standards on design applications in April 2007, the JPO expanded the content of the examination standards of designs including images and clarified guidelines for their operation with regard to a case where plural operated images of mobile telephones, a newly added category subject to protection, are explored.

Before the revision, discussions were held at the First Working Group for Design Examination Standards in the Design System Sub-committee, Intellectual Property Policy Committee, Industrial Structure Council held in July 2008, and opinions were collected from and outside the JPO. Based on those discussions and opinions, necessary amendments were made, and they were approved at the Second Working Group for Design Examination Standards.

In addition to the revision of the examination standards on design application, the cases of image registration were created and publicized. Then, the registered cases based on the above examination standards, which are useful for understanding the standards are publicized.

Chapter 4

Efforts Related to Trademarks

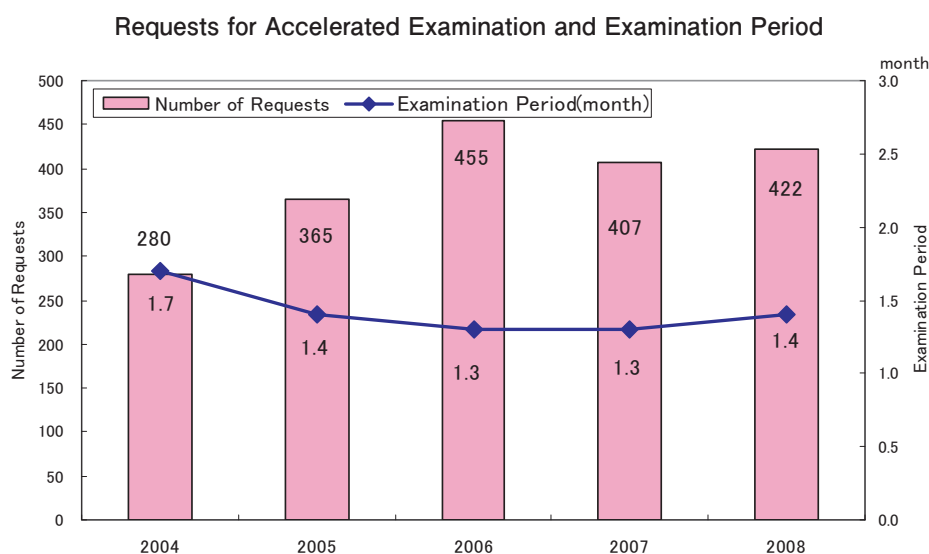


1. Implementation of Accelerated Examination Based on Applicant Needs

In response to the needs for accelerated examination of applications that are involved in counterfeiting and infringement cases and to the globalization of economic activities, the JPO has implemented an accelerated examination system in which the examination process is accelerated when there is an urgent need to register a trademark in September 1997. This system examines applications which meet the prescribed requirements upon the applicant's request prior to regular examination.

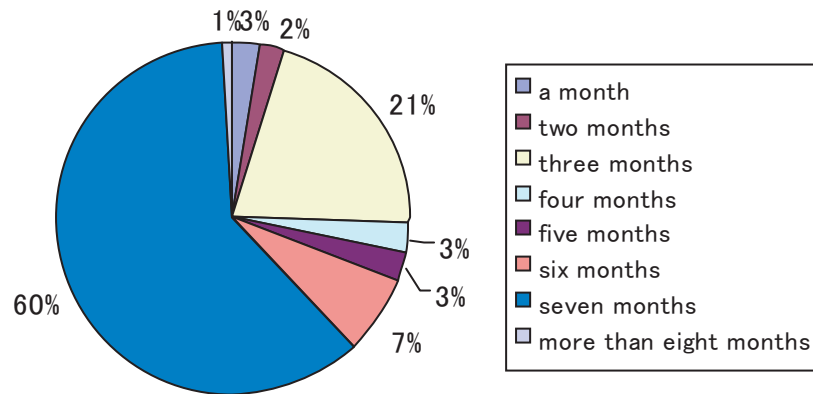
While the number of requests in 2008 came to 422, the period from the request to the date when the notification of the first examination result is dispatched was 1.4 months on average.

In addition, according to the results of the questionnaire on the trends of trademark application conducted in FY2005, 25% of respondents answered that “the appropriate examination pendency” is within 3 months, while 60% of them answered around 7 months. These results show the needs for accelerated acquisition of right and in order to respond to more needs of accelerated acquisition of rights, the range of applications subject to accelerated examination was expanded in February 2009.



Note: Examination period: Period from the date of request for the accelerated examination until the first action

Appropriate examination pendency according to the questionnaire results conducted in FY2005



Source: "Study on the Trends of Trademark Application in FY2005 (March 2006)"

2. Efforts Related to Regionally-Based Collective Trademarks

(1) Introduction of Regionally-Based Collective Trademark System

In order to provide thorough protection for regional brands that combine the region name and the product (service) name, the Trademark Act was partially amended in 2005, and the regionally-based collective trademark system was introduced in April 2006.

This system has been introduced aiming at such an effect that in regional efforts to stimulate local economies, local trade associations will actively use this system, which leads to a sustainable stimulation of local economies.

This system will (i) allow a trademark that combines a region name and a product (service) name to be registered more quickly and eliminate free riding of the mark; and (ii) provide an incentive for business operators intending to conduct regional branding activities to register their trademarks, and lead to invigorating the region. Further, (iii) by utilizing effectively the registered regionally-based collective trademark and by managing the brand thoroughly etc., it is expected that a region brand in a developing stage gains national eminence.

(2) Status of Applications and Registrations for Regionally-Based Collective Trademark

1) Status of Applications

Having started accepting applications for regionally-based collective trademarks on April 1, 2006, the JPO has accepted 878 applications as of the end of March 2009. Looking at the number of applications by field, agricultural products were dominant, followed by industrial products, processed food (including confectioneries and noodles), and others including liquors and hot springs.

By region, 37 from Hokkaido, 69 from Tohoku, 82 from Kanto, 58 from Koshinetsu, 59 from Hokuriku, 107 from Tokai, 250 from Kinki, 55 from Chugoku, 29 from Shikoku, 90 from Kyushu, 38 from Okinawa, and 4 from overseas.

2) Status of Registrations

The JPO dispatched notifications of its decision to grant registration with respect to 425

applications by the end of March 2009.

(3) Publicity Activities for the Regionally-Based Collective Trademark System

As an effort to publicize the regionally-based collective trademark system, since FY2005, the JPO held explanatory meetings to outline the legal revision nationwide, examination and implementation. Besides them, with the aim of publicizing and promoting the use of the system, it also distributed an easy-to-understand pamphlet on filing procedures and registration requirements for regionally-based collective trademarks at the above explanatory meetings at related organizations.

In addition, in FY2008, in order to promote the further spread of the regionally-based collective trademark system, the JPO published in June a pamphlet entitled, “Regionally-based collective trademark 2008” introducing the contents of 371 products or services for which the trademarks has been registered until the end of FY2007.

(4) Brand Strategy of the Regionally-Based Collective Trademark

Even if the right of the regionally-based collective trademark is acquired, there are some cases where the right is not effectively utilized. Although there are various reasons for that, the major reason is that the regionally-based collective trademark was filed without having sufficient discussions on the regional brand strategy in many cases.

In filing a regionally-based collective trademark, it is desirable that not only parties concerned of the association but also various organizations and associations which involve in the stimulation of the local economy deliberate on filing of the regionally-based collective trademark as a part of the regional brand strategy.

It is necessary to reconfirm the concept of the regional brand strategy among various regional parties concerned and continue discussions even after the registration of the regionally-based collective trademark. It should be kept in mind that registration of a regionally-based collective trademark is not a goal but a start of the regional brand strategy.

In addition, in order to nurture the regional brand with the aim of stimulating the local economy, it is important to acquire trust and reliability of the regionally-based collective trademark as a “brand” and maintain them. Thus, management of the regionally-based collective trademark and management of the quality of products and services are essential. It is desirable to construct a structure that the regionally-based collective trademarks and the regional brands are managed in an integrated way. Assignment of personnel in charge and management by organizations such as committees and councils are thought to be useful.

As a specific management method, formulation of the standards on the use of regionally-based collective trademarks and thorough compliance with them, such as creation and distribution of seals, stickers and posters indicating the registration of the “regionally-based collective trademark,” are also effective.

Chapter 5

Efforts Related to Appeals and Trials



1. Efforts to Improve the Quality of Appeal/Trial Examination

Since precise examination is required in the appeal/trial proceedings, the JPO makes efforts to further improve the quality of appeal/trial examination by reviewing the court judgments in lawsuits against the JPO Appeals Department's decisions and those related to the validity of rights in infringement lawsuits, and giving consideration to the evidentiary materials with regard to the appeal for invalidation of rights submitted in patent-infringement lawsuits in trials for invalidation, which are acquired by exchanging information with the party concerned and courts.

The JPO also ensures better communication with the demandants through active use of appeal/trial examination by interviews, and actively conducts oral proceedings in principle and circuit appeal⁵ in order to raise credibility of the party concerned in a trial for invalidation, sort out the issues in an expeditious way, and conduct accurate proceedings. Further, in the appeal against examiner's decision of refusal, the so-called "hearing for reconsideration by examiner before appeal" has been delivered since FY2005 as a measure for inviting the appellant to give his/her opinion on the report for the reconsideration by examiner before appeal formulated by the original instance examiner⁶. As a measure for ensuring smooth communications between the appellant and the appeals examiner and for contributing to the improvement of the quality of the appeal, all cases on which reports by an examiner before appeal were made are subject to "hearing for reconsideration by examiner before appeal" in principle since FY2008.

In addition, with the aim of clarifying the judgment standards with regard to the inventive step and the description requirements of an invention, the JPO, with participants from industries and parties concerned of the patent business etc., held the "Patentability Conference" to conduct case studies, and summarized and published the results thereof.

In addition to those efforts mentioned, since the end of FY2007, the JPO has recruited judicial competent persons as "appeal/trial adviser" so that advises on advanced judicial issues can be obtained and by utilizing the judicial competent persons as an instructor for the training etc. In addition, the "appeal/trial adviser meeting" by appeal/trial advisers is held to obtain suggestions

⁵ See Part 3, Chapter 1, 1., (4), 2)

⁶ An examiner who made a decision of refusal subject to request for the appeal against examiner's decision of refusal.

on the future role of the appeal and trial system and its operation, and the operation in Appeals Department will be furthermore appropriated.

2. Measures for Timely Trials

The JPO preferentially examines post-grant trials, such as trials for invalidation, to other trials, as there is a social demand to ensure the effectiveness of the protection by quickly settling disputes over the validity of industrial property rights. In 2008, the average period for trial examination for invalidation was 9.5 months for patents, 7 months for designs and 11 months for trademarks.

The JPO is aiming to achieve efficient appeal/trial examinations in pre-grant appeals and trials, such as appeals against examiner's decision of refusal, by paying attention to the appeal/trial pendency, by implementing a "consolidated appeal examination" of related cases of the same appellant and by utilizing the assistant for the appeal examiner's work with a central focus on appeals against examiner's decision of refusal for the patent for which the number of requests has surged following the increase of the number of examination processing, since it is useful for the applicant or the third party to judge promptly the consequence of the rights. In addition, by confirming the intention of maintaining the appeal examination of the appellant through the "hearing for reconsideration by examiner before appeal" in above 1, the JPO aims at the efficient processing of the appeals examination case through revising the request for the appeal examination no longer required.

With regard to appeals against examiner's decision of refusal that satisfy specific requirements⁷, the JPO implements an accelerated appeal examination system in which it conducts the appeal examination of the case in an accelerated manner upon request. In 2008, 302 requests were made for patents, 1 request for designs and 3 requests for trademarks. Among them, for all requests for patents, the dispatch of appeal decision within 10 months which was set as a target to be achieved by the JPO in FY2008, has been achieved as of the end of December.

3. Efforts to Reform the Structure of Appeals in the Patent System

In the patent system, following the increase of the number of the examination processing, it is concerned that the period for the appeal examination pendency becomes long-term. Under such a situation, an invention essentially patentable is not granted in the examination phase and is transferred to the appeals against examiner's decision of refusal, which not only is a demerit for the applicant, but also leads to the increase of the number of essentially unnecessary appeal examinations, so that it leads to the disadvantage for the whole users of the system such as other

⁷ With regard to patents, appeals against the examiner's decision relating to patent applications that satisfy any one of the following requirements are subject to accelerated appeal examination: (i) an application for an invention that is already being exploited by the appellant; (ii) an application that is also being filed overseas; (iii) an application filed by an SME, individual university, TLO or public research institution; or (iv) an application for an invention that has been commercially exploited by a party other than the appellant (a third party) during the period after the laying open of the application and before the appeal decision.

In addition, with regard to designs and trademarks, appeals against the examiner's decision relating to applications that satisfy the same requirements as those for the accelerated examination are subject to accelerated appeal examination.

requesters for the examination and appeal examination and the third party bearing the load of supervising the applications related to the own business.

Therefore, the Appeals Department aims at decreasing the number of request cases for the appeal against examiner's decision of refusal transferred to appeals and trials by increasing the rate of the applications granted at least in the reconsideration by examiner before appeal to promote an accelerated and accurate appeal examination.

(1) Appeal Examination Having High Foreseeability

In order to enable to make a sharp distinction between requesting or not requesting the appeal examination, it is important to enhance the credibility of the appeal examination and the foreseeability of the result of the appeal examination. Particularly in the lawsuit against appeal decision, the rate of the appeal decision which is maintained has been maintained at high level for several years, and also in the future, the Appeals Department will aim to conduct stricter and high-quality appeal examination based on court rulings relating to patentability, such as the level of inventive step required, in lawsuits against the JPO Appeals Department's decisions.

(2) Unifying Judgment Standards of Examination and Appeal Examination

After making strict and improving the appeal examination as described above, by pursuing the unification of the judgment standards of the examination and appeal examination through an appropriate feed back on the results of the appeal examination in the Appeals Department to the Examination Department. This makes it possible that an application for which the decision of refusal cannot be maintained in the appeal examination will be granted at least in the reconsideration by examiner before appeal, so that the right for the invention having patentability will be accelerated protected and the number of cases transferred into the Appeals Department will decrease.

(3) Strict Appeal Procedures

In order to establish practices that would fix the granting of rights or the issuing of refusals as much as possible at the examination phase, adequate counterarguments and amendments by the applicant are necessary to be made at least before the request for appeal examination.

Thus, based on the efforts shown in the above (1) and (2), in the case where an applicant has not made adequate counterarguments and amendments at the phase before the request for appeal examination, the Appeal Department imposes strict rules on the appeal proceeding, such as imposing restrictions on the applicant's opportunity to make amendments at the appeal phase, and aims to achieve fair appeal examinations. Such practices would promote the accelerated granting of rights for essentially patentable inventions, which is expected to reduce both the burden and costs to the applicants and the JPO.

(4) Publicity of Appeal Examination Policy of the Examination Department

The JPO aims to publicize the appeal examination policies of the above (1) to (3) of the Examination Department in FY2009 to users of the systems such as applicants for trials using

opportunities such as interviews, consultation with private businesses and explanatory meetings for parties concerned.

(5) Publicity of “Patentability Conference” Report

Since FY2006, the JPO has held the “Patentability Conference” consisting of concerned parties of the patent business such as the industrial world, patent attorneys and lawyers to externalize and clarify the judgment standards of the novelty and the inventive step by considering individual case of the validity of judgment on appeals/trials with regard to the novelty and the inventive step. The discussion results are publicized on the JPO website as a report for its publicity. Since FY2008, the description requirements have become subject to consideration, and it was changed to the “Patentability Conference.”

Also in FY2009, the conference was held to enhance the predictability of the granting of rights and maintenance of rights for users of the system.

By the efforts of above (1) to (5), 1) the amending rate at the phase of the reconsideration by examiner before appeal has increased gradually (while in 2004, for the applications for which the reconsideration by examiner before appeal has been requested, the amending rate was 42%, in 2008, it was 50%⁸). In addition, 2) the appeal denial rate⁹ for decisions in appeals against examiners' decisions of refusal tends to increase (while in 2004, it was 46%, in 2008, it was 54%) and 3) the rate of maintaining the appeal decision in the lawsuit against appeal decision in the above appeal examination case is maintained at such a high rate as 80 to 90%.

4. Promotion of a Paperless Appeal/Trial Environment

With regards to appeals against examiners' decisions of refusal, the JPO has achieved a paperless environment systematic from the examination phase by a paperless appeal system launched in January 2000. It also conducts operations related to drafting and approval in a paperless form for inter-parties trials.

The JPO will also in the future conduct higher-quality support of the aspects of the plan related to the computer system for the efforts for accelerated and accurate appeal/trial examination, including promoting paperless operations for inter-parties trials, and will aim at further sophistication of the environment for the appeal/trial examination by the JPO operation base system which is planned to start its operation in January 2012.

5. Efforts in Line with Amendments of the Industrial Property System

(1) Efforts in Line with Amendments of Design Act in 2006

Since in April 2007, the amended Design Act entered into force, particularly the definition of the design was revised, so that the range related to the screen design subject to the protection has been extended. Then the standards for design examination were partially amended in October

⁸ Except the application for which the reconsideration by examiner before appeal has been not yet finished.

⁹ See Part 1, Chapter 1, 5., (1),2)

2008. The demand for an appeal against examiner's refusal for the application corresponding thereto is expected to increase in the future. In order to respond appropriately to this demand, the Appeals Department will strengthen the appeal examination infrastructure carefully.

(2) Efforts in Line with Amendments of Trademarks Act in 2005 and 2006

The regionally-based collective trademarks system and the trademarks system for retail and wholesale services started in April 2006 and April 2007, respectively. The Appeal Department has made efforts for the improved appeal/trial examination by strengthening the appeal/trial examination infrastructure such as providing a collegial body specific for the demand for the appeal/trial based on both of the new systems.

(3) Efforts in Line with Amendments of Patent Act and other IP-related Acts in 2008

The Amended Patent Act entered into force in April 2009, and the period for the filing an appeal against an examiner's decision of refusal in the patent system was extended to within 3 months, and the amendment of the claims, descriptions or drawings was changed to be accepted only in the same time as the request for appeal against examiner's decision of refusal¹⁰.

By this amendments, a period to consider amendments was extended from the conventional period of "within 60 days" (a period of within 30 days in which the appeal examination can be filed + a period of within 30 days in which the amendment of claims, etc after the filing for the appeal examination can be submitted) to "within 3 months", so that it is expected that the filing an appeal after the thorough consideration of the amendment content becomes easier than ever.

In the case of such a request for the appeal examination with thoroughly considered amendments, the probability that the application is decided to be granted in the phase of the reconsideration by examiner before appeal becomes higher, so that it contributes both to an accelerated right acquisition and to an efficient processing of the whole JPO. The JPO continues to publicize such intention of an amendment of the system to the users of the system.

6. Strengthening of the System of Counter Duties

The JPO has been making efforts to improve the support system of the Appeals Department in order to respond promptly and accurately to inquiries and opinions on the appeal proceedings from users and to grasp the external needs. Moreover, the JPO reflects opinions from users on the operation and measures of the Appeal Department appropriately with the aim of proving high-quality services responding to users' needs in line with the "Vision for the Future Course of the Japan Patent Office¹¹".

¹⁰ With respect to appeals against examiner's decision of refusal and appeals against examiner's ruling to dismiss an amendment in the design system and the trademark system, by the law amendment in 2008, the demand period was extended to within 3 months, with proviso that as differing from in the case of the patent system, the change in the period in which the application can be amended, was not made.

¹¹ A vision of the JPO formulated as an action guideline with regard to a desirable organization based on the organization mission, "leads the international discussions and contributes to the structure of the global intellectual property system in order to respond to the environmental change in the intellectual property right and provides high-quality services responding to the users' needs".