

# Part 2

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## Government Efforts in Intellectual Property Activities



# Chapter 1

## Efforts Undertaken for Intellectual Property



### 1. Current Status of Intellectual Property Strategies in Recent Years

Recently, due to advances in globalization and the remarkable development of emerging countries, the competition over added value has become more intense not only among companies but also countries. Under this circumstance, it is vital to create innovation, which is the source of added value, to enhance the competitiveness of Japanese industries in international markets and to support economic growth. As the basis for creating innovation, and moreover, in terms of the services provided by Japan, the Intellectual Property (IP) System is of increasing importance.

Based on this, the "New Growth Strategy ~ Blueprint for Revitalizing Japan ~ " that was forged by the Cabinet on June 18, 2010, mentions the importance of promoting the utilization of IP to encourage innovation.

Moreover, the "Comprehensive Emergency Economic Measures in Response to the Yen's Appreciation and Deflation," which the Cabinet also agreed upon on October 8, 2010, mentions the importance of strengthening support for overseas patent applications as one means to promote the expansion activities of local SMEs.

In addition, "The Intellectual Property Promotion Plan 2011" established by "The Intellectual Property Policy Headquarters," headed by the Prime Minister, states the four main strategies by which IP can support new challenges in the global network era: (i) furthering international standardization; (ii) enhancing competitiveness in IP innovations; (iii) creating the most advanced digital network; and (iv) promoting "Cool Japan." Among these strategies, the second strategy clearly refers to enhancing the competitiveness of the Japanese "Intellectual Property System" and promoting the use of "knowledge" produced in Japan, along with enhancing competitiveness based on IP and international standardization.

Bearing these facts in mind, the JPO is working to provide a much more user-friendly IP System for a wide range of entities such as SMEs and universities, while appropriately responding to the changes in the environment surrounding the IP System. As part of such efforts, the Patent Act and other Acts are planned to be revised, and the studies made at the Patent System Subcommittee, Design System Subcommittee and Trademark System Subcommittee, which are under the Intellectual Property Policy Committee of the Industrial Structure Council, were

summarized and reported to the Intellectual Property Policy Committee on February 16, 2011.

The "Draft Act on Partial Revision of the Patent Act, etc.," which was drafted on the basis of the above-mentioned report on April 1, 2011, was presented to the 177th ordinary session of the Diet after being agreed by the Cabinet on March 11, 2011. The bill was first passed at the plenary session of the House of Councilors on April 15, after the reasons for proposing the bill were explained at the Committee on Economy and Industry of the House of Councilors on April 12, and the question and answer session and voting were held on April 14. Later, the bill was passed and enacted at the plenary session of the House of Representatives on May 31 after the reasons for proposing the bill were explained at the Committee on Economy and Industry of the House of Representatives on May 25, and the question and answer session and voting took place on May 27. Then, the Act on Partial Revision of the Patent Act was issued on June 8.

# Chapter 2

## Efforts Related to Patents

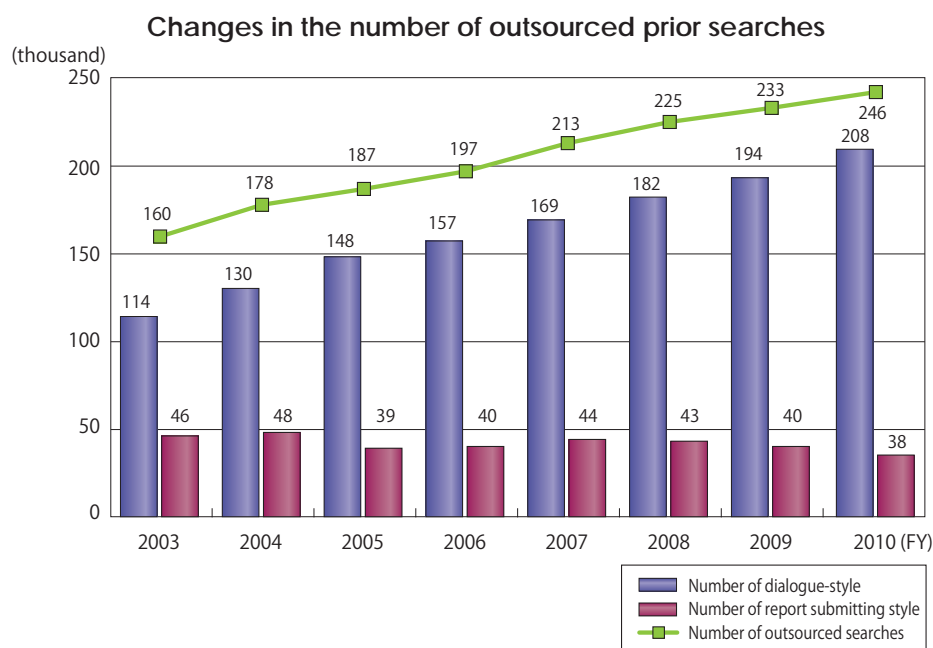


### 1. Speeding Up Patent Examination

#### (1) Expansion and Enhancement of the Outsourcing of Prior Art Document Searches

From FY2009 to FY2010, the number of prior art document searches outsourced increased by 5.6% to 246 thousand, of which dialogue-style outsourcing with high examination efficiency accounted for 84.6%, or 208 thousand searches, which increased the amount outsourced to private sectors and improved efficiency.

This expansion and enhancement of outsourcing of prior art document searches is mainly due to the commencement of operation of registered search organizations commencing operations in other technical fields, the recruitment of searchers at existing registered search organizations, and the increase in their processing capacity.



## Notes:

1. "Dialogue-style outsourcing" is an outsourcing method in which the patent examiner receives as report on the prior art search result from the searcher, together with an oral presentation by the searcher based on the report in order to raise the understanding of the examiner on the details of the invention and prior art documents.
2. "Report submitting style" is an outsourcing method in which the results of the search are reported by the submitting search report.

Furthermore, for the purpose of further increasing the number of registered search organizations in charge searching prior art documents, the JPO also worked on publicizing the registered search organization system in FY2010, doing so by holding consultations with prospective new entrants, which led Samurai Network Co., Ltd. to be newly registered in field 33 (data processing) in November 2010, and the number of registered search organizations to reach 9 in total. Among the existing organizations, Advanced Intellectual Property Research Institute Co., Ltd. has started operations in field 4 (applied optics) and field 6 (business machinery) since April 2010, and Pasona Group Inc. in field 3 (material analysis) since April 2010 and in field 33 (data processing) since September 2010. Moreover, Koga Research Institute Inc. has been additionally registered in field 21 (metal processing) since August 2010, Samurai Network Co., Ltd. in field 32 (interface) since December 2010, Techno Search, Inc. in field 17 (living related machinery) and field 19 (nursing, medical treatment and service apparatus) since January 2011, Pasona Group Inc. in field 7 (natural resources), field 27 (organic chemistry), field 28 (polymer), and field 34 (transmission systems) since January 2011, and Advanced Intellectual Property Research Institute Co., Ltd. in field 1 (measurement) and field 22 (metals and electrochemistry) since January 2011, to expand the scope of acceptable technical fields.

Registrations of new search organizations and registrations of additional technical fields for the existing organizations will increase in the future.

Registered search organization list (as of April 2011)

Name of registered search organization	Registered technical field	Number of searchers
(General incorporated foundation ) Industrial Property Cooperation Center	Field 1~40 (All fields)	1,544
Techno Search, Inc.	10(automatic control), 11(motive machinery), 12(transportation), 13(general machinery), 14(production machinery), 15(logistics and assembling), 17(living related machinery), 18(heating, refrigerating and air-conditioning engineering), 19(nursing, medical treatment and service apparatus)	110
(General Incorporated Association) Japan Association for International Chemical Information	30 (organic compound)	26
Technology Transfer Service Corp.	3(material analysis), 8(amusement), 19(nursing, medical treatment and service apparatus)	48
Advanced Intellectual Property Research Institute Co., Ltd.	1(measurement), 4(applied optics), 5 (optical devices), 6(business machinery), 22(metals and electrochemistry)	82
Patent Online Search Corp.	8 (amusement)	28
Pasona Group Inc.	3(material analysis), 7(natural resources), 10(automatic control), 27(organic chemistry), 28(polymer), 29(plastic engineering), 33(data processing), 34(transmission systems)	102
Koga Research Institute Inc.	21(metal processing), 23 (semiconductor)	22
Samurai Network Co.Ltd	32(interface), 33(data processing)	19

## (2) Ensuring for the Necessary Number of Examiners

Ahead of offices in other countries, the JPO introduced a paperless system for handling patent procedures, from the filing of an application to the decision making by examiners, and was the world's first office to outsource prior art searches to private sector organizations, as mentioned in above (1). As a result, the examination efficiency in the JPO has already been enhanced to a considerable degree, as seen in the fact that the number of applications examined per examiner of the JPO is about 2.8 times as much as that of the USPTO and about 4.5 times as much as that of the EPO.

While the JPO is working to raise the efficiency of the examination process, it still will need to increase the number of patent examiners so as to greatly enhance its capability in terms of examinations. The JPO has significantly increased the number of examiners by hiring around 490 fixed-term examiners in five years, from FY2004 to FY2008.<sup>1</sup> Moreover, since FY2009, the fixed-term examiners who completed the five-year term were re-hired to maintain the JPO's examination capabilities.

With regard to the increase in examiners, JPO needs to maintain and enhance its examination capabilities by continually ensuring that it has the necessary number of examiners in FY2011 and onwards so as to be able to promptly grant rights in response to users' needs.

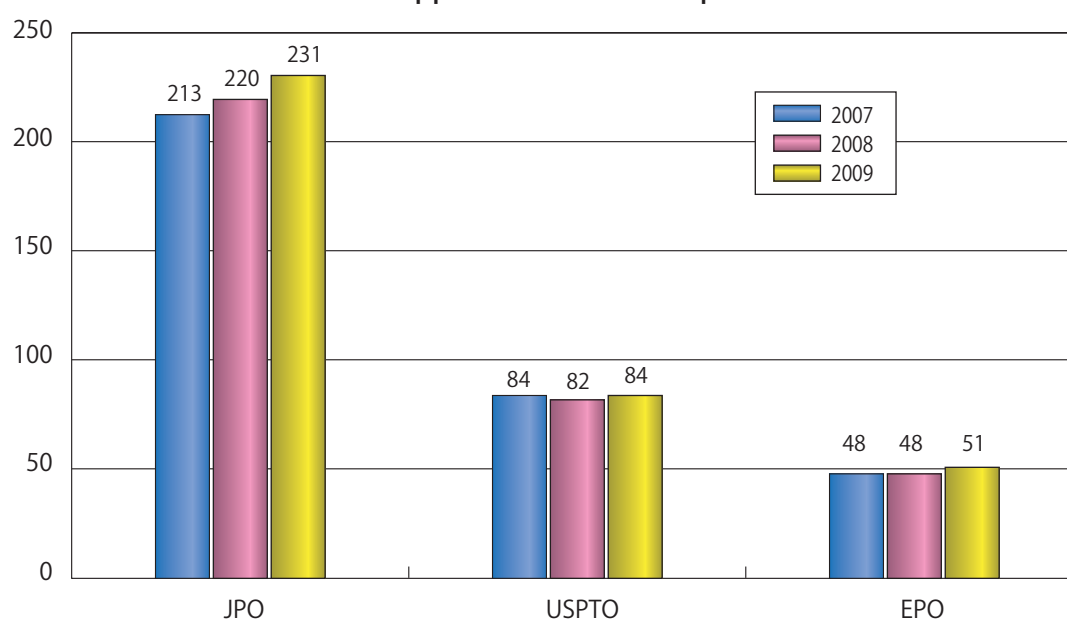
<sup>1</sup> See Part 1, Chapter1, 1.(1), 6).

Increase in the Number of Patent Examiners

FY	2007	2008	2009	2010	2011
Regular examiners	1,175(+1)	1,190(+15)	1,202(+12)	1,213(+11)	1,221(+8)
Fixed-term examiners	392(+98)	490(+98)	490	490	490
Total	1,567(+99)	1,680(+113)	1,692(+12)	1,703(+11)	1,711(+8)

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

Number of Applications Examined per Examiner



Note:

The 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: Four Office Statistics Report

## 2. Efforts to Maintain and Improve the Quality of Patent Examination

### (1) Trends in the Quality of Patent Examination

High-quality patent examination is an essential requirement for preventing unnecessary ex-post disputes and unnecessary competition in terms of applications. It is also an essential for maintaining a sound patent system. In fact, recent social demand for speeding up the patent examination process, as well as for maintaining and improving the quality and accuracy of patent examinations, is very strong.

High-quality patent examination is a prerequisite to utilizing results of prior art searches and examinations conducted by other Offices for the purpose of promoting international work

sharing. It is a common issue at each Office to improve the framework and procedures for realizing such high-quality patent examination. The quality of patent examinations has been discussed at the Trilateral Office Meeting (the JPO, USPTO and EPO) and the Five IP Office Meeting (SIPO and KIPO in addition to the trilateral offices).

In addition, with regard to PCT applications, Chapter 21 of "the PCT International Search and Preliminary Examination Guidelines (hereinafter referred to as "the PCT Guidelines") includes a provision on framework for ensuring quality. It requires all International Searching Authorities and International Preliminary Examination Authorities, including the JPO, to implement high-quality international searches and preliminary examinations by establishing a "quality management system," which includes monitoring and measuring the compatibility of the system with the PCT Guidelines, continually improving upon this, and searching users. The various efforts to improve the quality of international searches and preliminary examinations have been a continually discussed at the Meeting of International Authorities under PCT and the PCT working group.

### (2) Efforts Concerning Examination Guidelines

The Expert Committee on Examination Standard under the Patent System Subcommittee of the Intellectual Property Policy Committee, Industrial Structure Council was established in 2008, and its fourth meeting was held in January 2010. At this meeting, revision of the Examination Guidelines on the "Amendment of Description, Claims and Drawings (new matter)" was deliberated, and it was agreed that the revision for clarifying the Examination Guidelines be made in line with the Outline of the Examination Guidelines Revision determined by the committee, so that the Examination Guidelines are in conformity with the Grand Panel decision of Heisei 18 (Gyo-ke) 10563 issued by the IP High Court on May 30, 2008. Following this, the revised Examination Guidelines on "Amendment of Description, Claims and Drawings (new matter)" was established and published in June 2010.

The fifth meeting was held in September 2010, and the sixth in October 2010. At these meetings, the requirements for description and claims were deliberated, and although drastic revisions of the Examination Guidelines for the requirements for description and claims were unnecessary, agreements to supplement and clarify the insufficient explanations, in order to prevent overly strict determinations and correct variations among the examiners' determinations.

### (3) Promotion of Quality Management of Patent Examination

The JPO has been engaged in maintaining its quality management system for patent examinations by establishing the Quality Management Office within the Administrative Affairs Division and the Quality Management Committee that is a cross-sectional organization for each patent examination department in response to the Accelerated Patent Examination Reform



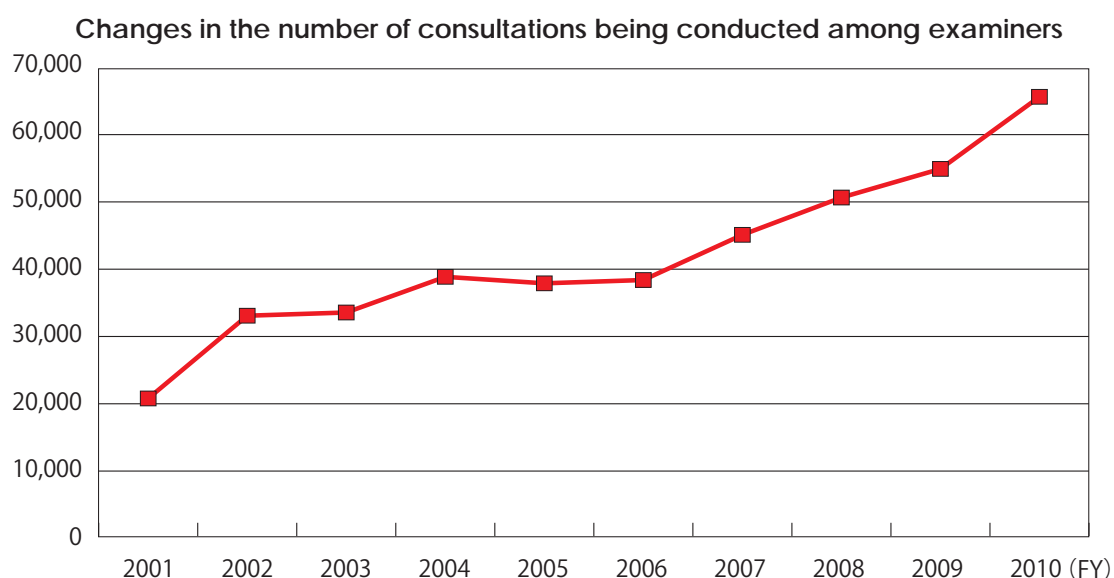
Plan for promoting innovation 2007 in April 2007. Furthermore, the JPO established the Quality Management Section in April 2010.

Under this quality management system, the JPO has maintained and improved the quality of patent examinations through 1) "Quality Control" performed for each patent application at each Art Unit, 2) "Quality Management" exercised from a cross-sectional point of view, and 3) External efforts.

### 1) "Quality Control" of Examination for Each Patent Application

Each Art Unit, where applications for each technical field are examined, works to achieve "Quality Control" in terms of conducting proper examinations of individual cases based on the Examination Guidelines by unifying the decision standards being applied by all examiners. This is being done by having several examiners consult with each other and having directors check the content, etc.

In particular, the number of consultations between examiners has been increasing in recent years, and in FY2010, 65 thousand consultations were conducted.



In FY2011, the Quality Management Office and Quality Management Committee will follow up on the quality control at each Art Unit by clarifying the items to be examined during the consultations and having directors check the content, and discuss the quality measures in cooperation with relevant sections.

### 2) Cross-sectional "Quality Management"

In the JPO, third parties have internal reviews for the ex-post analysis of the examination results of individual cases, gather user reviews, and analyze related statistical information. In addition, these results of the analyses are utilized to establish measures for improving the quality of the examination processes by related sections. Feedback is given to the Art Units as a mean of supporting quality control at each Art Unit.

Especially, internal reviews are made on examined cases and PCT cases to check whether the cases conform with laws and guidelines, whether the examinations were done efficiently by taking into consideration of communication made with the applicant and/or attorney, and whether an international search report and an international preliminary examination report was available to and used by the applicant or the Designated office, etc.

In FY 2010, internal reviews were made on 288 examined cases and 240 PCT cases. Moreover, user reviews were gathered and the analysis thereof were made for these cases, and feedback on the results of the analyses was given to the users.

In FY 2011, the JPO will continuously implement the ex-post analyses and consider setting up a new check system as well.

### 3) External efforts

The JPO has been regularly holding meetings so the Examination Guidelines office, Quality Management office and users can exchange opinions and ideas. At these meetings, the JPO explains the outline of its efforts to maintain and improve the quality of the patent examination process such as utilizing user reviews and calls for cooperation in providing opinions and requests on the patent examination processes.

While international work sharing is under discussion, improving the quality of the examination processes is a common issue at each office. Valuable discussions have been made at the Trilateral Office Meeting, the Five IP Office Meeting, and the Meeting of International Authorities under the PCT (PCT/MIA).<sup>2</sup>

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

Applicants have various needs such as acquiring patent rights for multiple aspects of products, quickly acquiring patent rights, and acquiring patents rights strategically from a global perspective. Based on this, the JPO has implemented the following measures in the patent examination processes to support the applicants' IP needs and strategies.

### (1) Promotion of Use of the Accelerated Examination System

In an effort to quickly support global economic activities and utilize R&D results, the JPO has implemented the accelerated examination process in response to the submission of "Written explanation of the needs of the accelerated examination" with respect to (a) applications relating to inventions that have already been put into practice or are 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, or (d) applications filed by universities/TLOs and public research

<sup>2</sup> See Part4, 3.

institutions which are expected to contribute their results to 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 2004,<sup>3</sup> (b) reducing the burden of prior art searches in the case of applications from SME applicants, and (c) revising the guideline to clarify the requirements for prior art searches in case there are joint applications filed by large-scale businesses or SMEs, in July 2006.<sup>4</sup> As a result of these efforts, the number of petitions for accelerated examinations has been increasing every year, and in 2010, there were 11,042 cases. Applications involving environmental technologies (green-related applications) became eligible for accelerated examination, with a pilot program initiated in November 2009. This pilot program has been in use since 2010.<sup>5</sup>

In 2010, the average first action pendency for applications under the accelerated examination system was about 1.7 months from the applications for accelerated examination, much shorter than the average for ordinary applications. In 2010, the rate of decisions to grant a patent of the applications under the system has constantly more than 18 percentage points higher than that of all applications (73%, while the rate of decisions to grant a patent for all applications is 54.9%). 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 is limited to "working-related applications" and the system requires applicants to conduct prior art search before petitioning.

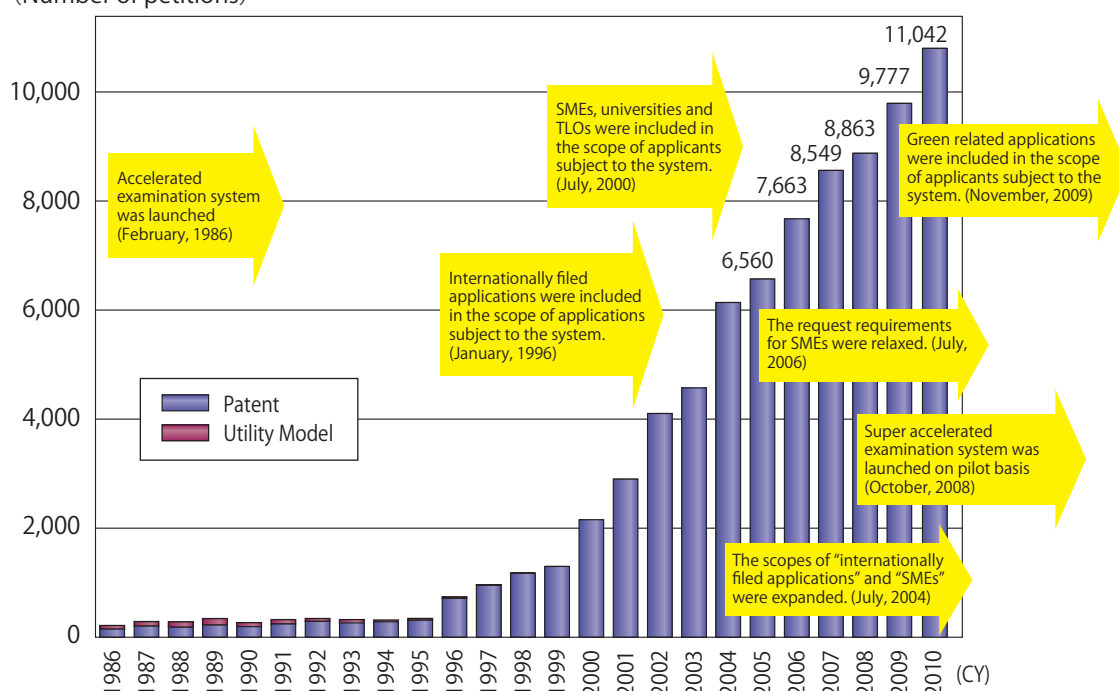
3 The scope of applications subject to "internationally filed applications" was expanded to include the corresponding national applications of PCT applications in the international phase. The scope of SMEs was expanded to the same extent as the scope of SMEs subject to the "Patent Prior Art Search Support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

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.

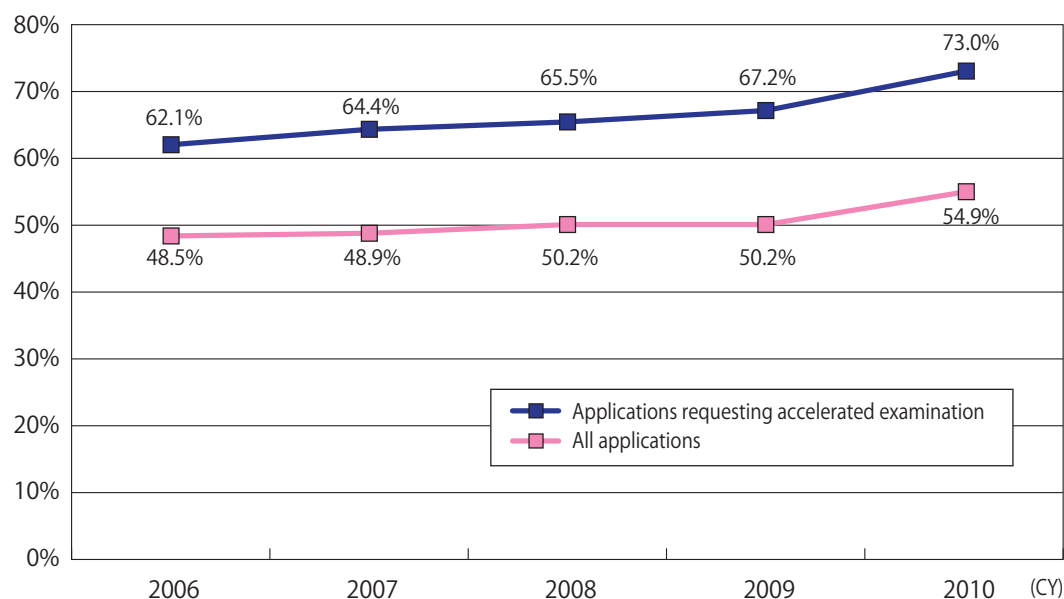
5 See Part2, Chapter 2, 3(3).

## Changes in the Number of Petitions for Accelerated Examination

(Number of petitions)



## Changes in the Rate of Decisions to Grant a Patent under the Accelerated Examination System



### (2) Super Accelerated Examination System

From the perspective of accommodating the various needs of applicants, the JPO established the "Super Accelerated Examination System," under which applications are examined more quickly than under the conventional accelerated examination system. This system was launched in October 2008 as a pilot program. At the beginning of the pilot program, international applications based on the Patent Cooperation Treaty transferred to the national phase (DO applications) were not included in this new system. However, as the period for

administrative processing of DO applications was reduced because of improvements made to the administrative processing system, DO applications have been added to the scope of the super accelerated examination system since October 2009, and the pilot program has been in practice, with its scope expanded.

The basic outline of the super accelerated examination system is that the first action is finished within one month from the time the petition is made for super accelerated examination (within two months in principle for DO applications), and a subsequent examination<sup>6</sup> is also finished within one month from the submission of the written opinion/amendment, thereby, compared with the conventional accelerated examination system, the period of time from when the petition was made, to the final decision, is reduced.

The super accelerated examination system targets more important applications, which meet both the requirements for "Working-related applications" and the requirements for "Internationally filed applications" out of the requirements for the conventional accelerated examination system.

There were 395 petitions for super accelerated examination in 2010. The average first action pendency of applications under the super accelerated examination system in 2010 was about 25 days from the petition for super accelerated examination.

Moreover, the average period of time from when the petition was made to when the final decision was made was reduced to 48 days in 2010, greatly reducing the average 170 days resulting under the conventional accelerated examination system.

### (3) Green Accelerated Examination System

"Green-related applications" became eligible for consideration under the accelerated examination process in order to protect the achievements of R&D activities conducted on environmental technologies, reward them as quickly as possible, and promote further R&D activities in this area. This system was launched in November 2009 as a pilot program.

"Green-related applications" refer to patent applications that intend to obtain a patent for a "Green inventions ( inventions that have an energy-saving effect and contribute to the reduction of CO<sub>2</sub>). "Green inventions" are interpreted in a broad sense from the viewpoint of widely including inventions that contribute to the environment in the target of accelerated examination. Therefore, not only inventions that contribute to energy conservation and the reduction of CO<sub>2</sub>, but those that have an effect on resource saving and the reduction of environmental burden are also included in the green inventions.

During the period between November 1, 2009 (when the pilot program was launched) and December 31, 2010, 220 applications were filed under the green accelerated examination process, among which 197 cases were filed in 2010 alone. The green accelerated examination system is utilized in various fields, such as combustion engines, batteries, LED lights, and electrophotographic toners.

<sup>6</sup> An examination conducted upon the submission of a written opinion or amendment by the applicant after the first action.

Depending on the need, this system is anticipated to be used more over time in all sort of fields where until now this system hasn't been used. The JPO will strive to publicize the green accelerated examination system and to promote its further use.

### (4) Promotion of Interview Examination System

The JPO has established an interview examination system<sup>7</sup>, which is widely used in order to ensure good communication between the examiner and the applicant or the attorney. This system, therefore, increases the efficiency of the examination procedure.

Since FY1996, for SMEs, venture businesses, universities and TLOs in rural areas, the JPO has implemented circuit interview examinations under which examiners visit specified interview sites located nationwide in rural areas, meeting applicants directly and consulting with them about the applications and the technical content. In 2010, the JPO conducted a total of 1,125 circuit interview examinations. Moreover, the JPO has conducted video-interview examination using a teleconferencing system installed in the Patent Office of each Bureau of Economy, Trade and Industry. In 2010, the JPO conducted a total of 23 video-interview examinations.

### (5) Further Implementation of Consolidated Examinations Program for Related Applications

The JPO has implemented consolidated examinations program for related applications, where the examiner systematically gains an understanding of the technical contents of applications by conducting technical explanations and interviews on groups of applications which have technical relevance, examining them collectively as a group. By appropriately reviewing the consolidated examinations program for relevant applications to better suit the applicants' needs, the JPO will continue to support applicants so they can strategically acquire patent rights.

### (6) Estimated Period for initiating patent examination

Since October 2003, in order to enable applicants and their attorneys to strategically manage their applications, the JPO has provided them an estimated period when the examination process for their applications is predicted to start. This is for examinations of applications which have not yet started (except applications before the publication thereof). This system is referred to as an "Estimated period for initiating patent examination" on the JPO's website. In addition, since May 2007, the function of this system has been expanded so that third parties can also see the estimated period.

By providing this estimated period, the JPO aims to promote discussion on the necessity,

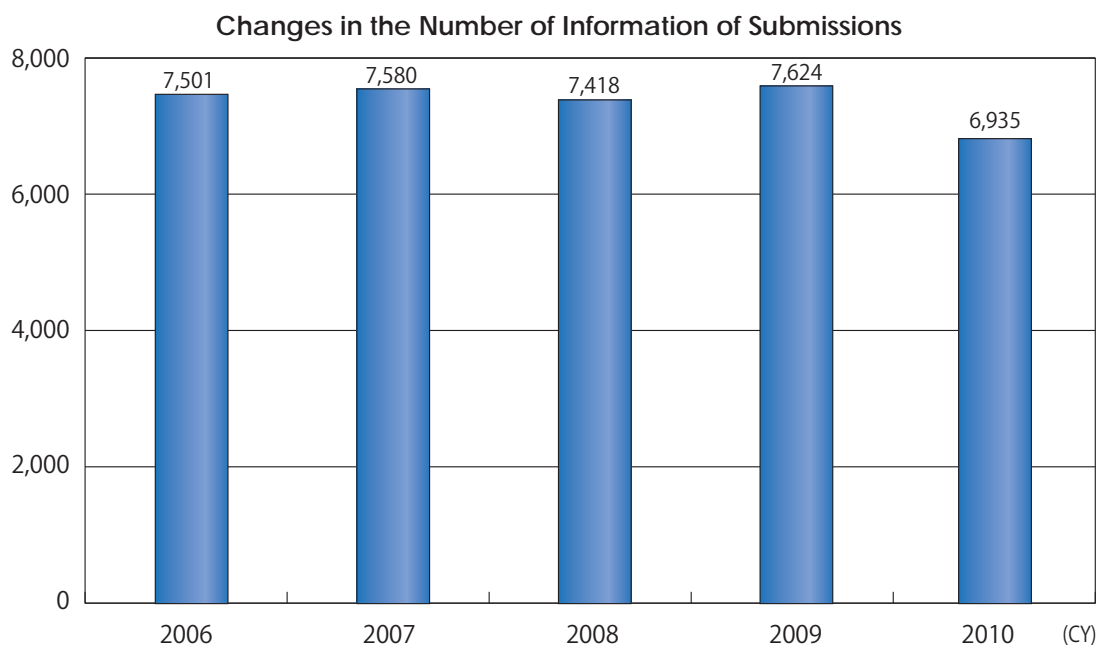
<sup>7</sup> According to a survey conducted on 622 applicants, about 70% of the applicants answered that they have used the interview examination, showing the fact that interview examinations are widely used by applicants. At the same time, many of the applicants have pointed out the advantage of the interview examination to be that they could communicate with the examiners. (See: "Survey Study on the Operation of Patent Examination for the Improvement of the Users Convenience" of the Study Report on the Issues of IP System.)

etc. of rights reservation by applicants and assist applicants in using the accelerated examination system, interview examination system, and refund of request for examination system, as needed. At the same time, an information submission system is available to third parties on a timely basis.

### (7) Submission of Information by Third Parties

Information that may be submitted by third parties is useful in the examination process since it may include information on inventions related to the patent applications showing that they do not have novelty or inventive steps, or that the inventions do not fulfill the description requirement (Ordinance for Enforcement of the Patent Act Article 13-2). Recently the number of cases of information being submitted by third parties has remained around 7,000 per year, and 76% of the provided information has been utilized for notice of reasons for refusal.

It became possible to submit information via the Internet in January 2009.



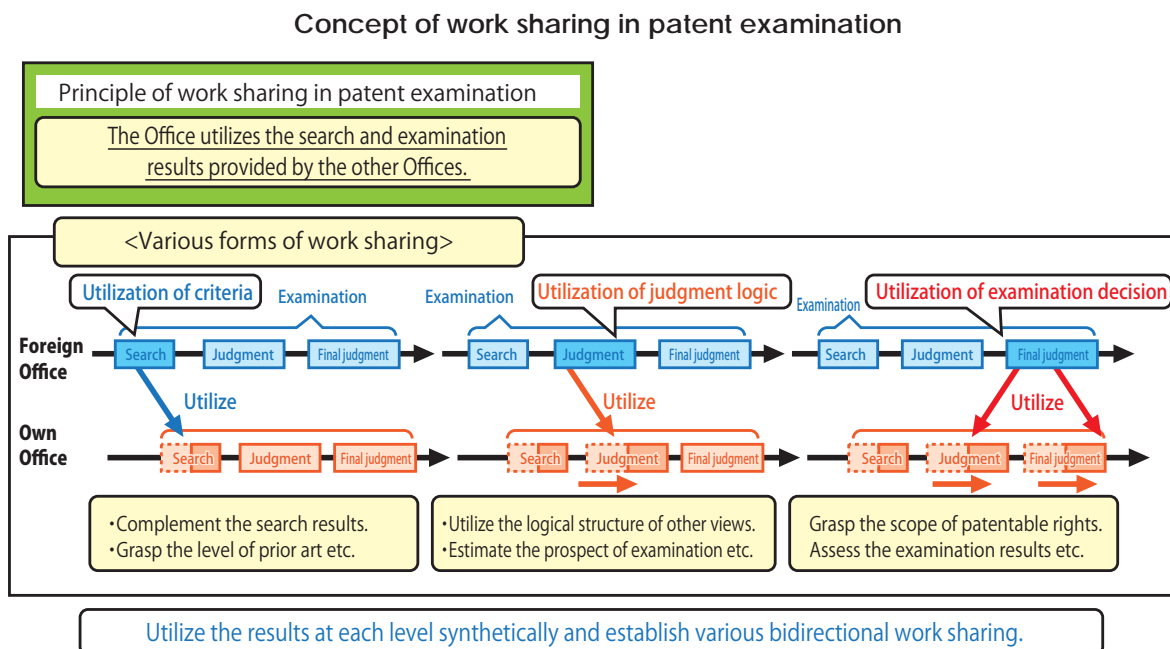
### 4. Promotion of International Cooperation including PPH

Following the increase in global patent applications because of the ongoing globalization of the markets and business activities brought on by the increased importance of IP, the number of duplicate applications is increasing, thereby increasing the examination load of each office. ("Duplicate applications" is a term referring to applications for the same invention, which are filed in multiple offices.) Under this situation, the JPO is promoting work sharing of the patent examination processes with various Patent offices worldwide based on international cooperation as a means as to contribute to the accuracy and efficiency of examinations and to provide applicants the options to efficiently protect their IP on a global scale.

## (1) International Work Sharing in Patent Examination

The principle of work sharing, in terms of the patent examination process, is that each office utilizes the results of the searches and examinations released by other offices. It is possible not only to promote the efficiency of the examination process but also to make the examination results more appropriate for each office by considering the validity of the search and examination results of other offices, eliminating duplicate work for valid parts, and conducting complementary searches and examinations for invalid parts.

Thus, it is important for each office to release the search and examination results as soon as possible so that other offices can make use of the search and examination results of all the offices at the most appropriate level in order to promote bi-directional work sharing at various levels. The JPO has implemented 1) to 3) below.



### 1) Patent Prosecution Highway

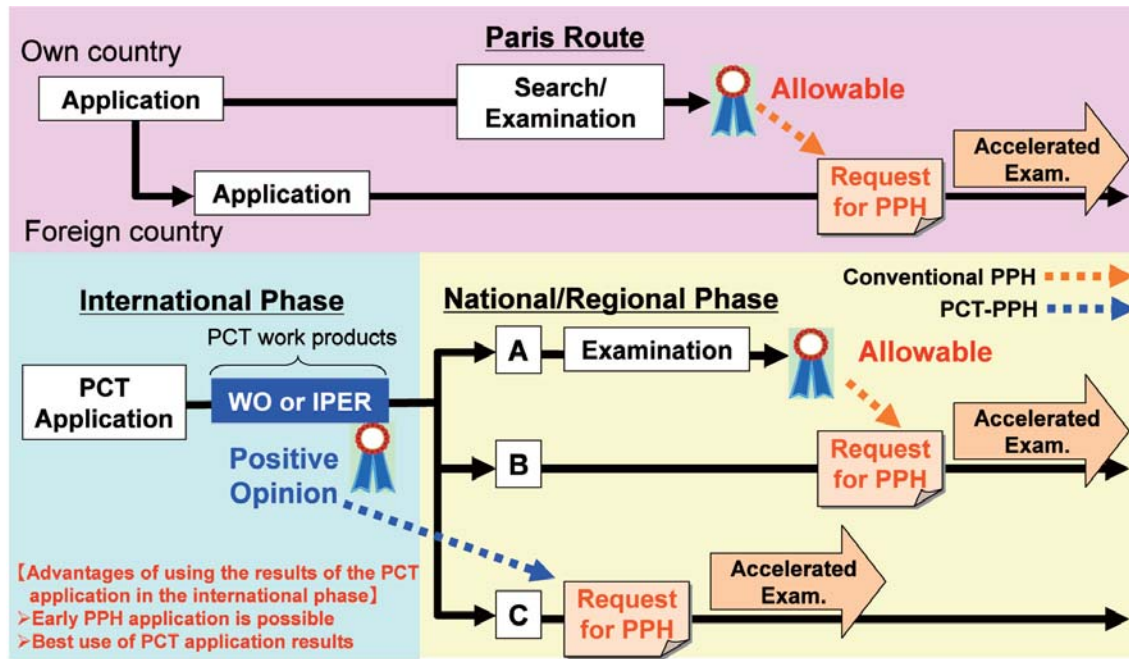
The PPH is a framework set up to allow an application that was determined to be patentable in one office, and which is on request by the applicant, to be given an accelerated examination under simplified procedures in other offices which implement this effort with that office.

This framework supports the efficient acquisition of a stable and strong patent right in multiple offices by enabling all the office to make use of all search and examination results in other offices.

In addition, the above-mentioned framework was expanded, and a pilot program for the Patent Prosecution Highway was launched in January 29, 2010, which allows accelerated examination with simplified procedures at the national phase of PCT applications for applications determined to be patentable in the written opinion at the international phase of PCT applications or in the international preliminary examination report (PCT-PPH).



## Outline of the Patent Prosecution Highway



An applicant using the PPH can receive three major benefits.

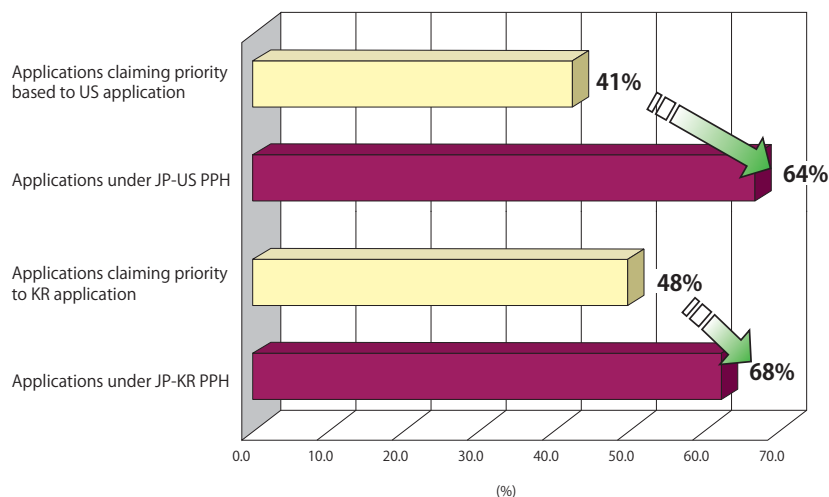
The first benefit is the improvement of patent quality. The grant rate of applications from the USPTO to the JPO is usually 41%, while the grant rate of applications using the PPH is as high as 64% (2010). The predictability of acquisition of a patent becomes higher for the applicant and it is possible 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 JPO, the average examination pendency from the filing of an application to the commencement of examination is usually about 28.7 months in 2010, while the examination pendency of the PPH applications from the acceptance of the PPH request to the commencement of the examination is reduced to about 1.7 months in 2010. In addition, the average pendency from the commencement of examination to the final decision is usually about 9.5 months for applications filed preferentially in the USPTO to the JPO, while that of applications using the PPH is reduced to about 6.1 months (2010).

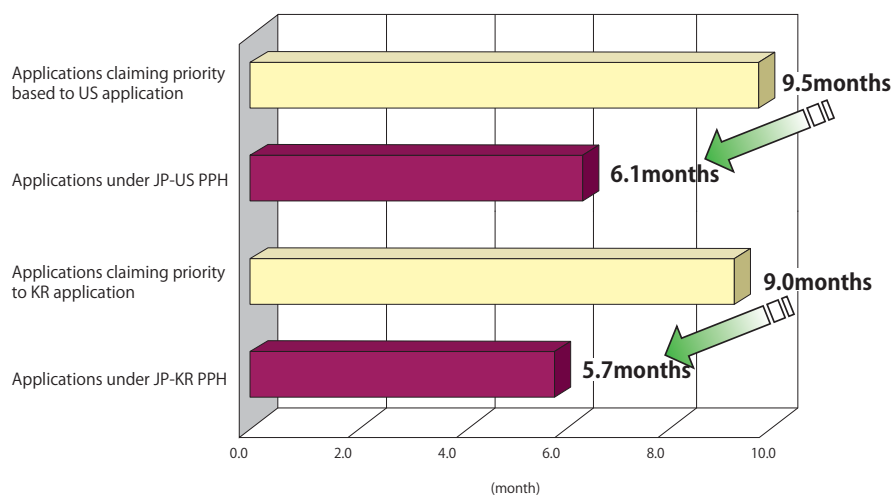
The third benefit is cost reduction for acquiring a right. It can be assumed that a reason for refusal already notified at one office has been solved through the examination by such office, so that it is not notified redundantly in each office. As a result, the number of communications between the examiner and the applicant are reduced, thereby reducing the cost. This enables the applicant to save the costs in 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.

**Benefits of using PPH (Grant Rate at the JPO) (2010)**



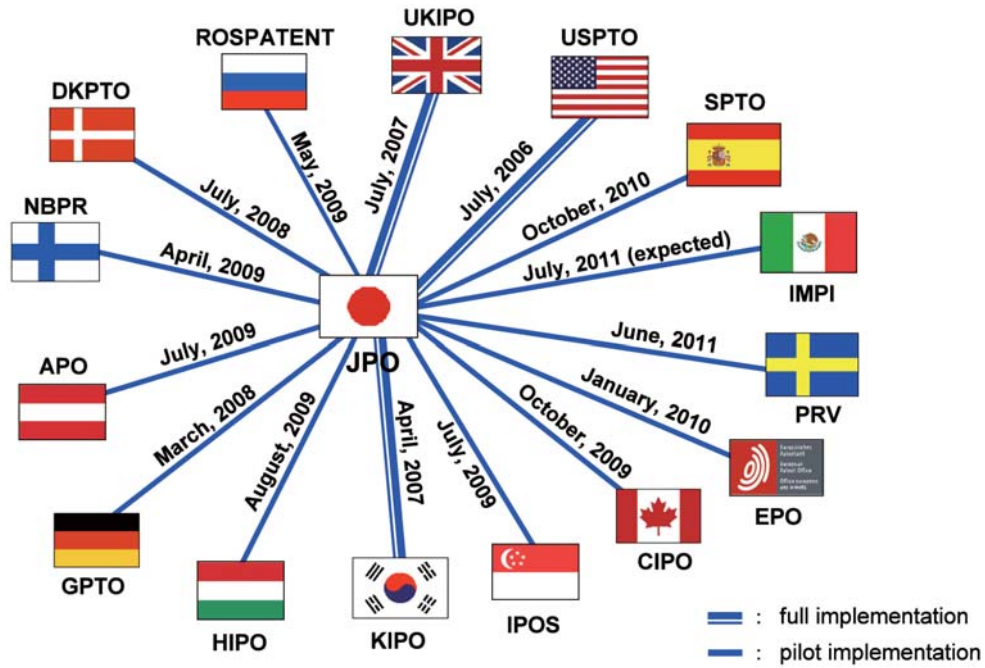
**Benefits of using PPH (Average pendency from FA to final decision at the JPO) (2010)**



As of the end of June 2011, Japan is conducting full or pilot implementations of the PPH programs with 14 countries and regions, including the United States, Korea, United Kingdom, Germany, Denmark, Finland, Russia, Austria, Singapore, Hungary, Canada, EPO, Spain and Sweden. Moreover, it is expecting to launch a pilot implementation of the PPH program with Mexico from July 1, 2011.

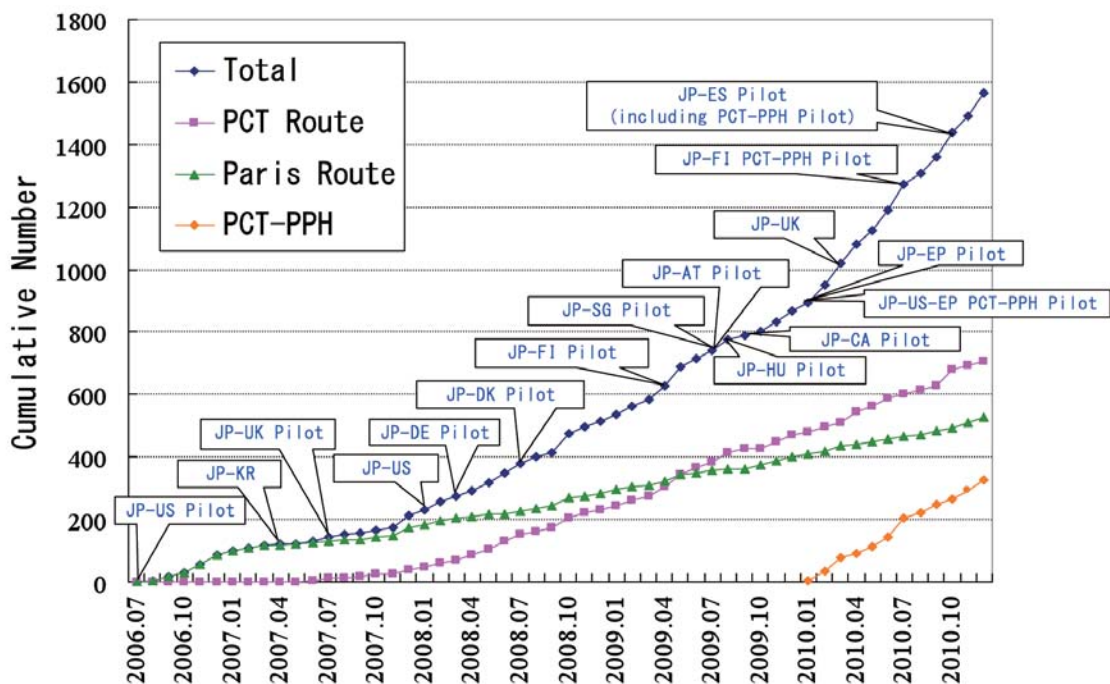
<sup>8</sup> The first examination to be conducted after the examination request by the applicant.

Network of the PPH between the JPO and other offices



Regarding the PPH program implemented between Japan and the United States and between Japan and South Korea with a high number of cases, as of the end of December 2010, 3,119 requests to the USPTO and 1,014 requests to the JPO have been filed in the US-JP PPH, while 627 requests to the KIPO and 113 requests to the JPO have been filed in the KR-JP PPH.

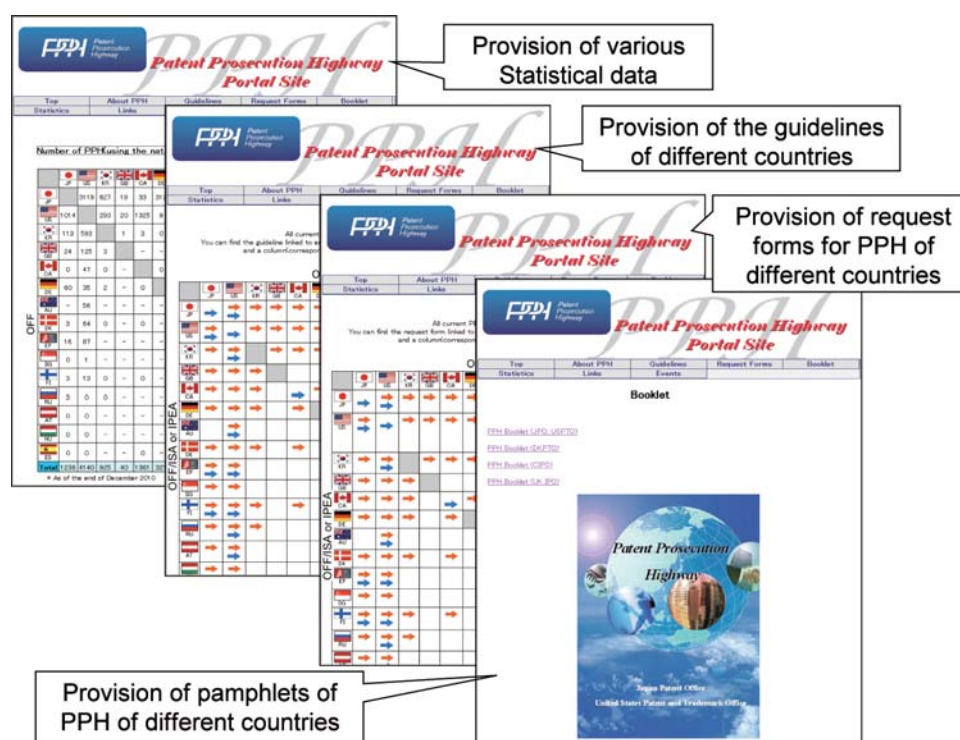
Number of applications for the PPH (at the time of December 2010)



In order for the PPH to be more user-friendly, the first Plurilateral Patent Prosecution Highway Heads of Office Meeting and Plurilateral Patent Prosecution Highway Working-level Meeting were held in February 2009. Based on the results of the first meetings, the second Plurilateral Patent Prosecution Highway Working-level Meeting was held in Tokyo in May 2009. In September 2009, the second Plurilateral Patent Prosecution Highway Heads of Office Meeting was held. Following this, in January 2011, the third Plurilateral Patent Prosecution Highway Working-level Meeting was held in Tokyo with the Patent Offices and organizations from 19 countries and regions, and the third Plurilateral Patent Prosecution Highway Heads of Office Meeting was held in the United States with the Patent Offices and organizations from 16 countries and regions, in March 2011.

In the third Plurilateral Patent Prosecution Highway Heads of Office Meeting, it was agreed to further promote discussions to realize the creation of a system wherein the available examination results are not limited to those of the country or region where the patent application was first filed but also those of other countries and regions where PPH is implemented. At the same time, discussions on the requirement for the scope of a claim, which is one of the requirements for filing a PPH application, were held and it was also agreed that such requirements be standardized. Moreover, it was agreed that Patent Offices and organizations of each country act in cooperation and expand the contents of the PPH portal site managed by the JPO and statistical information, and use the common logo approved at the meeting, thereby actively publicizing the PPH system to users.

## PPH Portal Site<sup>9</sup>



<sup>9</sup> <http://www.jpo.go.jp/pph-portal/index.htm>

In the Trilateral Heads of Office Meeting held in November 2009, it was agreed that the PPH pilot program that allows accelerated examination of corresponding national applications would start among the three Offices (JPO, USPTO, EPO) in the case where international applications under the PCT are judged to have patentability in the international phase (PCT-PPH). This program started in January 29, 2010.

As of the end of June 2011, Japan is conducting the full or pilot implementation of the PCT-PPH program with 5 countries and regions, including the United States, EPO, Finland, Spain and Sweden.

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

As described above, the principle of the patent examination work sharing is that each office utilizes the search and examination results released by other offices. However, due to the prolonged examination pendency in the JPO, examination results of first action of applications whose Office of First Filing is the JPO could not be provided before the initiation of examination in the Office of Second Filing so that the utilization of the search and examination results of the Office of First Filing to the examination judgment in the Office of Second Filing 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, whose period is three years, and a framework of PCT for conducting the international search.

JP-FIRST is a framework in which:

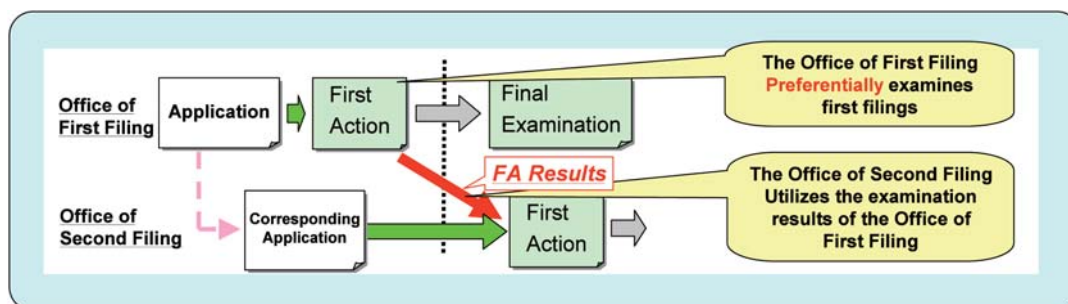
The JPO prioritizes the examination of patent applications for which the examination has been requested within two years from the filing date among the patent applications which are the bases for priority under the Paris Convention (applications which are the bases for the PCT applications are not subject to JP-FIRST).

The JPO conducts the examination in principle within six months from the later date of the examination request date and the publication date, and no later than 30 months after the filing date.

This measure is taken for the purpose of having the examination results of the first action of the JPO utilized in the examination in the Office of the Second Filing. In 2010, examination results for 9,408 applications have been released abroad at an early stage through this measure. This is expected to support an appropriate patent acquisition of the Japanese applicants 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.



## Outline of JP-FIRST



### 3) Simultaneous Processing of International Search and National Examination of PCT Applications

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

The JPO has been conducting a measure in which the PCT international search and the examination of the national application are processed simultaneously in the case where the same invention is filed nationally prior to the PCT application and the national application is being requested for examination. 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 early request for 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 significantly, so that the JPO refunds the international search fee partially to alleviate the burden of applicants' cost for PCT international application. In 2010, among the 29,993 international search reports prepared by the JPO, 1,535 were by the applicant to use the earlier search, and 1,029 of these were subject to the partial refund of the international search fee.

## (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 trust among each of the offices for search and examination, to harmonize the quality of examinations at a high level, to enhance understanding of the search DB/ tools for prior arts, and to harmonize the patent classification. In recent years, the number of opportunities for the JPO to utilize the examination results of other offices and for examiners of other offices to refer to the examination results of the JPO has been increasing due to the implementation of the PPH

among several countries and regions and the development of the network between the JPO and other offices. In this regard, the role of the international examiner exchange program is becoming more important because the program allows examiners to interact directly.

In FY2010, the JPO held the bilateral examiner exchange programs with the EPO (dispatched 8 persons, accepted 6 persons), the GPTO (dispatched 4 persons, accepted 4 persons), KIPO (dispatched 2 persons, accepted 2 persons), SIPO (dispatched 4 persons), and ROSPATENT (dispatched 2 persons, accepted 3 persons) to conduct research on the environment of search/examination and examination system. The JPO has also started the bilateral examiner exchange program with the Patent Office of Taiwan which is conducting the accelerated examination by utilizing the search and examination results of JPO, and with the Patent Office of India (dispatched 4 persons to Taiwan and dispatched 2 persons to India). In addition, the JPO participated in the Five Offices Examiner Workshop (dispatched 3 persons) where examiners from the JPO, EPO, USPTO, SIPO and KIPO ascertained each other's search/examination methods and shared the best practices. Also, the JPO held a visit to consider patent classification harmonization (dispatched 8 persons).

## 2) Comparative Study on Examination Practice

In order to promote work sharing, it is important for the Patent Offices of each country to jointly compare their examination practices on novelty, inventive step, description requirements, etc., and deepen their understanding of each country's system.

The Trilateral Offices (JPO, USPTO and EPO) conducted comparative studies and case studies on the legislation and Examination Guidelines for the requirements for description and claims (2007 and 2008), inventive step (2008), and novelty (2009), and published the reports thereof in order to support examiners to efficiently use the examination results of other offices and to support applicants in establishing high-quality application documents in line with examination practices in each country.<sup>10</sup>

In addition, the three patent offices, the JPO, SIPO and KIPO, initiated comparative studies on the legislation and Examination Guidelines, and in December 2010, published a report on the comparative studies on inventive step.<sup>11</sup>

## 3) Cooperation for Enhancement of Quality of Patent Examination

In order to enhance the quality of the patent examination, the Trilateral Offices and the Five IP Offices are discussing the appraisal method of quality and the measures for managing the quality of patent examination.

## 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, whereby examiners in each office have online access to the examination-related information (e.g. documents submitted by applicants and

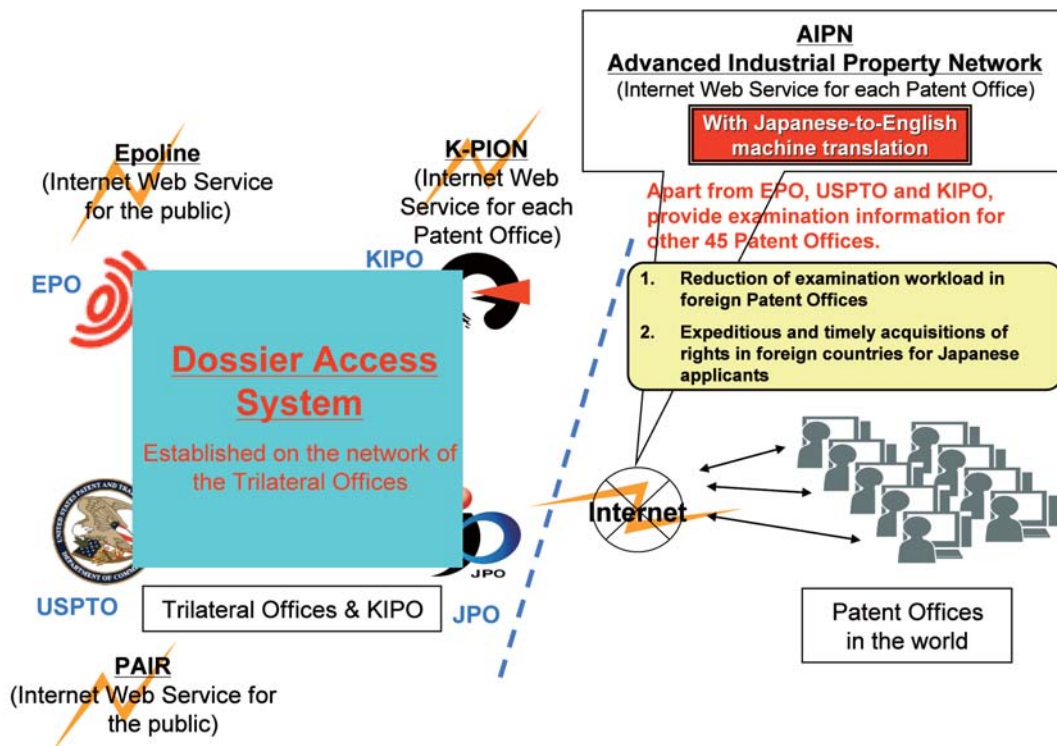
<sup>10</sup> <http://www.trilateral.net/projects/worksharing/study.html>

<sup>11</sup> [http://www.jpo.go.jp/torikumi/kokusai/kokusai3/pdf/nicyukan\\_hikakuken/jegpe\\_comparative\\_study.pdf](http://www.jpo.go.jp/torikumi/kokusai/kokusai3/pdf/nicyukan_hikakuken/jegpe_comparative_study.pdf)

notification of reasons for refusal) of the other offices.

As of July 2011, the examination-related information of the JPO is provided to 48 foreign offices via the dedicated network or the Internet, and the examiners of the JPO have online access to the examination-related information of the USPTO, EPO and KIPO via the dedicated network.

## Outline of Dossier Access System





# Chapter 3

## Efforts Related to Designs



### 1. Clarification of the Details in Determining Design Examinations

In order to respond to demands from design registration system users to "clarify the details in determining examinations, " the JPO has been working to clarify the content of examination by conducting a trial practice to describe the additional brief reasons for judgement of similarity between applied designs and cited designs on a part of the notice 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 further expanded the scope of notices of reasons for refusal on which reasons for judgment are described, and started to provide notices of reasons for refusal based on Article 3(1)(iii) of the Design Act (novelty) in order to clarify the content of examination by describing the reason for judgement of similarity on the notice of reasons for refusal.

### 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 companies, etc. can view in filing their design applications.

This Design Examination Schedule displays estimated examination schedules for applications for design registrations filed on a particular date, and is updated every quarter year by adding information on finalized examinations.

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

#### (2) Provision of Similar Design Information

In order to provide useful information for the determination of similarity of designs, on March 27, 2006, the "similar design information" service was launched in the IPDL, through which a user can easily search the relationship between a principal design and a similar or related

design.

The service allows users to refer to cases, which are registered as a similar design or a related design, in the relevant field of the Japanese Design Classification. The service helps users understand the standards used for determining the results such as what sort of designs are considered similar when under examination.

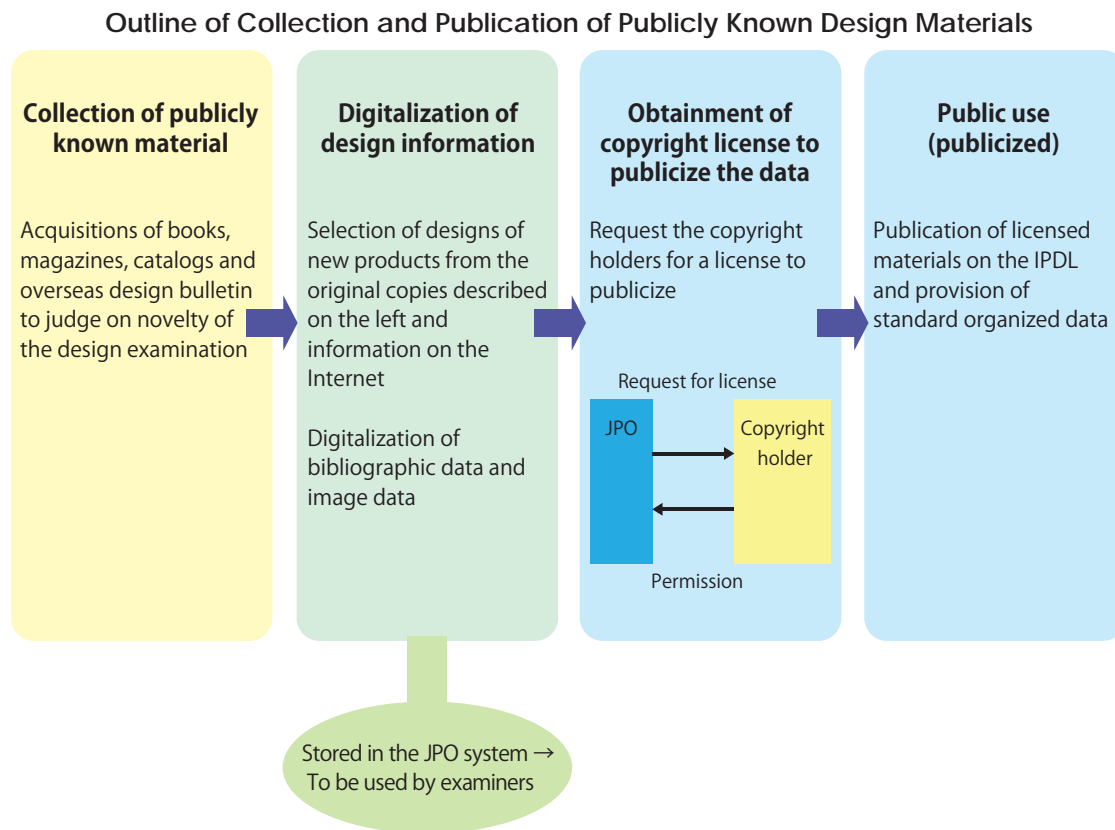
### (3) Publication of Publicly Known Design Materials

For the purpose of determining novelty and creativity in the design examination process, the JPO has collected and selected designs of new products from national and international books, magazines, catalogs and the Internet, digitalizing the bibliographic data, photos, and figures of those products so they can be used as major sources of examination materials.

Companies can use published, publicly known design data to develop their own designs as well as conduct prior design searches and design right searches, which can contribute to their developing further creative and value-added designs in Japan.

For that purpose, the JPO started a program to obtain copyright licenses for the publicly known design data to be publicized by the JPO in FY2007. Once licensed, the publicly known data will be made available through the IPDL, etc.

In March 2006, the "publicly known design inquiry" service was launched in the IPDL to allow users to view bibliographic data and images of publicly known designs, based on publicly known data serial numbers. Since October 2009, the "publicly known design material text search" service, which allows users to make searches based on the names of articles and the Japanese design classifications, has also been offered.



### 3. Accelerated Examination for Anti-Counterfeiting Measures

An accelerated examination system for designs was introduced on December 15, 1987. Under this system, accelerated design examinations are conducted for 1) applications for design registrations having urgent needs to be registered in order to use their designs and 2) applications which contain designs that have also been filed overseas, and which also have urgent needs for examination results.

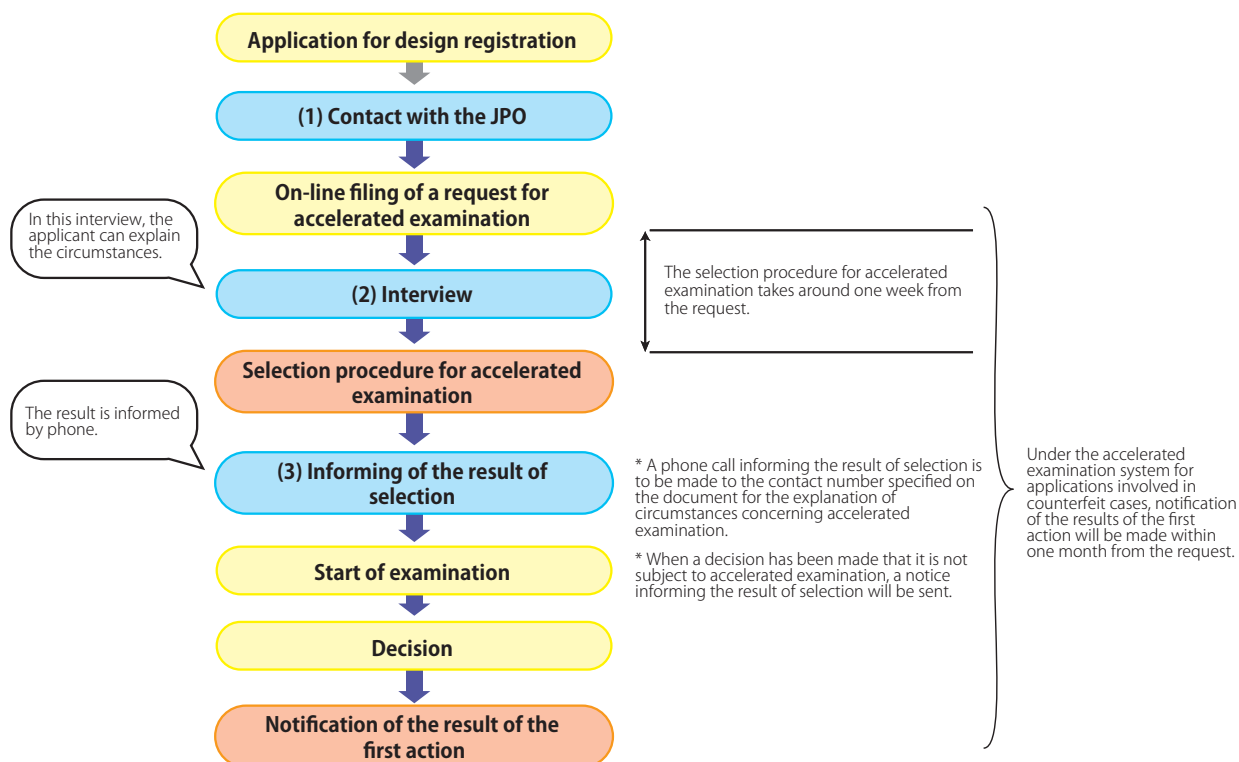
However, with the increasing importance of design rights as a countermeasure against counterfeiting in recent years, the "accelerated examination system designed to respond to anti-counterfeiting measures" was introduced in April 2005 in order to further enhance the effectiveness of design rights against counterfeiting. Under this system, if counterfeiting occurs, a first notice of examination results (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.

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

Five requests were made for the accelerated examination to respond to anti-counterfeiting measures in 2010, and the average period from the request for the accelerated examination to the dispatch of the first action was 1.0 months.

Regarding other accelerated examinations, 114 requests were made, and the average period from the request for the accelerated examination to the dispatch of the notice of the first action was 2.1 months.

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



# Chapter 4

## Efforts Related to Trademarks



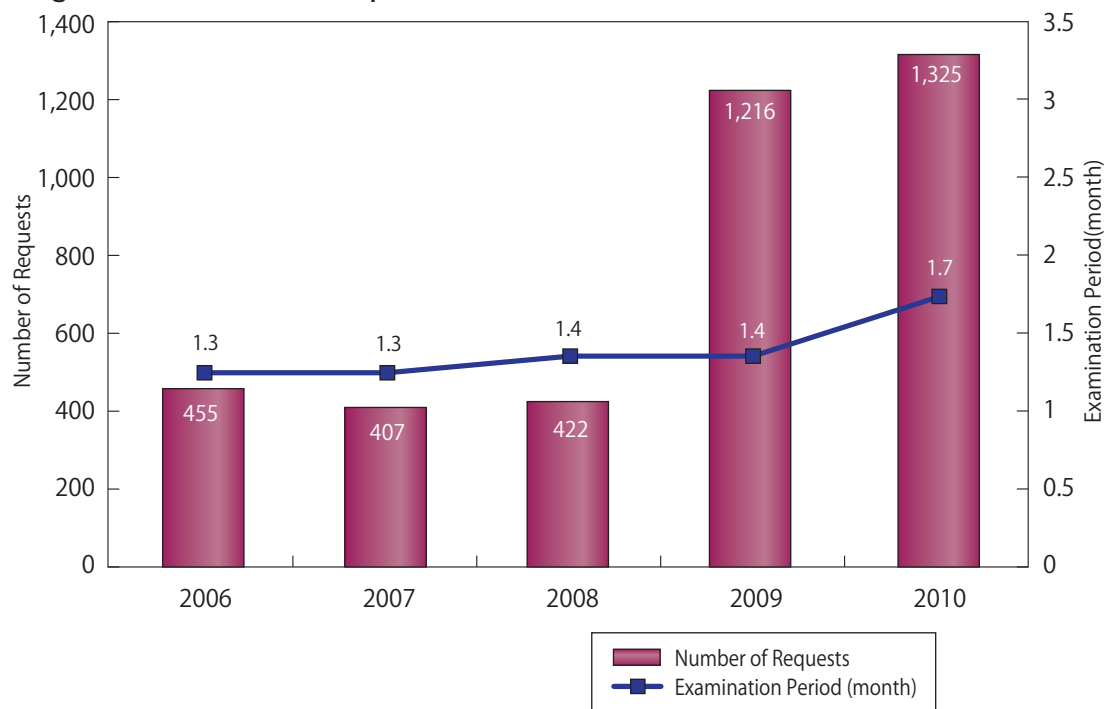
### 1. Implementation of Accelerated Examination Based on Applicants' Needs

In response to globalized, economic activities that bring about the need for accelerated examinations of applications that are involved in counterfeiting and infringements the JPO has implemented an accelerated examination system for trademarks in September 1997. Under this system, applications which meet the prescribed requirements are examined upon the applicants' requests prior to regular examinations.

The accelerated examination system used to target only applications for which an applicant or a licensee has already used the filed trademark with regard to the designated goods/services, or has significantly prepared to use it, and there is an urgent need for the trademark to be registered. In order to expand the further use and respond to the demands for early acquisition of a registration, the scope of applications subject to accelerated examination was expanded in February 2009 to include applications that only designate goods/services the applicant or licensee has already used or has significantly prepared for use for the trademark.

The number of requests in 2010 came to 1,325, increasing by 9% from the previous year. The average period from the time of request to the date when the notice of the first examination result issued was 1.7 months.

**Changes in the Number of Requests for Accelerated Examination and Examination Period**



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

## 2. Efforts Involving Regionally Based Collective Trademarks

### (1) Introduction of the Regionally Based Collective Trademark System

The Trademark Act was amended in 2005 in order to provide appropriate protection for regional brands in which the region name and the goods or service names are combined into a trademark right. The regionally based collective trademark system was introduced in April 2006. This system is aimed at stimulating local economies through active use of this system by local trade associations.

This system enables a trademark, in which the region name and the goods or service names are combined into a trademark right, to be registered more quickly. It eliminates free riding of the trademark and is expected to provide an incentive for business operators intending to conduct regional branding activities to register their trademarks and stimulate the economy of the region. Further, by effectively utilizing the regionally based collective trademark system, and by fully managing the brand, a regional brand in the development stage can acquire 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 981 applications as of the end of March 2011. 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.

The numbers of applications accepted by region are 42 from Hokkaido, 77 from Tohoku, 93 from Kanto, 68 from Koshinetsu, 70 from Hokuriku, 124 from Tokai, 268 from Kinki, 57 from Chugoku, 34 from Shikoku, 106 from Kyushu, 38 from Okinawa and 4 from outside Japan.

### 2) Status of Registrations

By the end of March 2011, the JPO had issued notices to grant registration for 472 applications.

## (3) Publicity Activities for the Regionally Based Collective Trademark Systems

As an effort to publicize the regionally based collective trademark system, since FY2005, the JPO has been holding explanatory seminars nationwide to outline the system and explain the examination practices. 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.

In addition, in order to further expand the use of the regionally based collective trademark system, in August 2010 the JPO published a booklet entitled, "Regionally based collective trademark 2010," introducing the contents of goods and/or services for which the 456 trademarks have been registered as of the end of May 2010.

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

Even if the right of a 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 concerned parties but also various organizations and associations involved in the stimulation of the local economy deliberate on the 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 trademark has been

registered.

In addition, in order to nurture the regional brand with the aim of stimulating the local economy, it is important to acquire and maintain the trust and reliability of the regionally based collective trademark as a brand. Thus, it is essential to maintain and manage regionally based collective trademarks and the quality of the respective products and services. It is desirable to forge a structure under which the regionally based collective trademarks and the regional brands can be managed in an integrated way. To be more specific, assigning personnel in charge and establishing organizations, such as committees and councils, are effective.<sup>12</sup>

As a specific way of managing these regionally based collective trademarks, it is advisable to set management standards addressing the use of the trademarks and quality standards of the goods and services, and thoroughly complying with them. Creating and distributing seals, stickers and posters advising the registration of the "regionally based collective trademark," are also thought to be effective.

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12 2008 Trademark Status Report "Status Report on Filing Strategy for Regionally based Collective Trademarks"



# Chapter 5

## Efforts Related to Appeals and Trials



### 1. Efforts to Improve the Quality of Proceedings

Since precise examination is required in appeals and trials, the JPO is further improving the quality of proceedings by reviewing judgments in lawsuits against the Appeals Department's decisions, and those related to the validity of rights in infringement lawsuits; and by examining invalidation trials to the evidentiary materials alleging nullity of rights submitted in infringement lawsuits, which are acquired by exchanging information with the party concerned and courts.

The JPO also conducts oral proceedings in principle in order to raise the credibility of the party concerned in an invalidation trial, sort out the issues in an expeditious way, and conduct accurate proceedings. Furthermore, in appeals against examiners' decisions of refusal, the JPO has been issuing the so-called "examiner's reconsideration report before appeal proceeding" since FY2005 as a measure for inviting the appellant to give his/her opinion on the report formulated by the original instance examiner.<sup>13</sup> Since FY2008, all cases for which such reconsideration reports have been made are in principle subject to being issued. Moreover, interview examinations are utilized as a measure for ensuring smooth communications between the appellant and the appeals examiner, and for improving the quality of the proceedings.

In addition, with the aim of clarifying judgment standards on inventive steps and on the description requirements of inventions, the JPO, collaborating with industries and patent practitioners, held the "Patentability Meeting" to conduct case studies, summarizing and publishing the results thereof.

In addition to initiatives already mentioned, since the end of FY2007, the JPO has recruited experienced former judges and academic experts in the IP field as "legal advisors of the Appeals Department," who provide advice on complicated judicial issues and serve as instructors for training, etc. In addition, the "legal advisors meeting of the Appeals Department" is held to give direction to the future role of the appeal and trial system and its operations, so that operations in the Appeals Department will be more appropriate.

<sup>13</sup> An examiner who made a decision of refusal subject to request for the appeal against examiner's decision of refusal.

## 2. Efforts for Expeditious Proceedings

The JPO gives preference in examining post-grant trials, such as trials involving invalidation, over other trials, as there are social demands calling for effective protection founded on quick settlement of disputes over the validity of industrial property rights. In 2010, the average period for the proceedings of invalidation trials was about 10 months for patents, about 9 months for designs, and about 8 months for trademarks.

To further reduce the average time of proceedings and improve invalidation trials, "the proceedings improvement committee" (consisting of patent users) was established in 2009. The JPO has undertaken initiatives to ensure for expeditious and fruitful invalidation trials, taking into account advice given by the committee members. In FY2010, a "Notice of Proceedings Matters<sup>14</sup> for Oral Proceedings" was established, with operations thereof launched with the aim of finding a one-time solution for the proceedings.

In the case of pre-grant appeals, such as appeals against an examiner's decision of refusal, it is better that the results of the appeals be promptly provided to the applicant or third parties. In order to respond to the increasing number of examinations, the JPO is, in particular, aiming to achieve efficient appeal proceedings by implementing "appeal proceedings by batches", which involve batches of related cases by the same appellant, and utilizing assistants to support the appeal examiner's work by focusing on appeals against an examiner's decision of refusal for patents. In addition, by confirming the appellant's intention of maintaining the appeal proceeding through the "questioning of examiner's reconsideration report" mentioned in 1 above, the JPO urges appellants to withdraw appeals which are no longer necessary in order to improve the efficiency of processing of appeals.

With regard to appeals against an examiner's decision of refusal that satisfy specific requirements,<sup>15</sup> the JPO implements an accelerated proceeding system in which it conducts the proceedings preferentially upon request. In 2010, 244 requests were made for patents, 1 request for a design, and 11 requests for trademarks. For all of these, the JPO set a target of issuing a decision on an appeal to within 10 months, and it achieved this as of the end of March 2011.

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

Following the increase in the number of the patent applications to be examined, there is

<sup>14</sup> A Notice of Proceedings Matters is provided by the competent body to the party to the oral proceedings for the purpose of informing such party of the matters expected to be examined at the oral proceedings prior to the date of such proceedings and urging such party to arrange for the preparation, etc. of a written summary of the statement for oral proceedings based on said matters, thereby contributing to the smooth conduct of oral proceedings and the collection of necessary materials for making decisions.

<sup>15</sup> Appeals against an examiner's decision of refusal for patents that satisfy any of the following requirements are subject to this system: 1) License related applications whose appellant has already worked the invention, 2) Foreign applications filed also in a foreign patent office, 3) The appellant is either SME, individual, university, TLO or public research institution, 4) A person who is not the appellant (third party) has worked the invention as a business after laying open of the patent application of the proceeding case, 5) Patent applications for green invention (inventions which have an effect such as energy saving and CO2 reduction). Appeals against an examiner's decision of refusal which satisfy the same requirements for accelerated examination are subject to this system for designs and trademarks.

concern that the pendency period will become longer. Under such a situation, if an essentially patentable invention is not granted a patent in the examination phase and is transferred to the appeals stage, it not only is a demerit for the applicant but also leads to disadvantages for all the users, including other applicants, demandants for trials, and third parties, who have the burden of keeping an eye on more patent applications related to their own business.

Therefore, the Appeals Department aims to decrease the number of appeals against an examiner's decision of refusal by increasing the number of patentable applications by the end of the examiner's reconsideration and before the appeal proceedings start, through the following measures, achieving expeditious and accurate proceedings.

### (1) Proceedings with High Predictability

In order to ensure that there is a sharp distinction between requesting and not requesting appeals examinations, it is important to enhance the credibility and the predictability of the results of appeals examinations. The Appeals Department will conduct stricter and higher quality appeals examinations based on court rulings relating to patentability such as the level of inventive steps required, in lawsuits against the JPO Appeals Department's decisions.

### (2) Unifying Judgment Standards for Examinations and Appeals Examinations

After making strict and high-quality appeals examinations as described above, the JPO works to unify the judgment standards for examinations and appeals examinations based on appropriate feedback on the results of the appeals examinations (conducted in the Appeals Department) given to the Examination Department. This makes it possible for an application for which the decision of refusal cannot be upheld in the appeals examination, wherever possible at the examination phase, to be patented by the end of the examiner's reconsideration and before the appeal proceedings begin, so that the patentable invention will be promptly granted a patent and the number of cases transferred to the Appeals Department will decrease.

### (3) Strict Appeals Procedures

In order to establish practices and operations that would fix the grant or refusal as much as possible at the examination phase, adequate counterarguments and amendments by the applicant are necessary to be made before the appeal at the latest.

Thus, based on the initiatives described in (1) and (2) above, in the case where an applicant has not made adequate counterarguments and amendments at the phase before the appeal, the Appeals Department imposes strict rules on the appeal examination, such as imposing restrictions on the applicant's opportunity to make amendments at the appeal phase, aiming to assure fairness in appeal examinations. Such practices and operations would

accelerate granting of rights for essentially patentable inventions, and is expected to reduce the workload and costs to the applicants, while improving efficiency of the administrative work by the JPO.

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

The JPO publicized the Appeals Department's appeals examination policies (stated in (1) to (3) above) in FY2010 for users, including applicants, by using opportunities such as interviews, consultations with private businesses, and public guidance for practitioners.

#### (5) Publicity of "Patentability Report"

Since FY2006, the JPO has held its annual "Inventive-Step Meeting" attended by patent practitioners such as staff of the IP department in companies, patent attorneys, and appeal examiners to consider and clarify the standards of court rulings and appeals decisions on novelty and inventive steps by analyzing individual cases. The results of the discussions are prepared as a report and publicized on the JPO website. Since FY2008, the description requirements have become subject to consideration, and the name of the meeting was changed to the "Patentability Meeting." Moreover, in FY2009, the completion of inventions involving computer software had become subject to consideration.

In FY2010, requirements regarding amendments and corrections, and requirements for divisions were subjects of discussion, but no relevant cases were selected.

Through the efforts of (1) to (5) above, 1) the granting rate at the phase of the examiner's reconsideration before appeal proceeding has increased gradually. (In 2005, it was 44%, while in 2010 it was 57%<sup>16</sup>). In addition, 2) the appeal approval rate<sup>17</sup> tends to decrease. (It was 69% in 2000 and 52% in 2010.), and 3) the rate of upholding the appeals decision in lawsuits against appeals decisions was 78% in 2010.

### 4. Improvement of Customer Service

The JPO has been making efforts to improve the customer service of the Appeals Department in order to respond promptly and accurately to various inquiries and opinions on appeals and trials from users, and to understand external needs. In FY2011, the JPO will continue to take into account opinions from users on the operations and measures of the Appeals Department appropriately, working to provide high-quality services responding to the users' needs in line with the "Vision for the Future Course of the Japan Patent Office."<sup>18</sup>

<sup>16</sup> Excluding the part where the reconsideration by examiner before appeal has not been completed.

<sup>17</sup> See Part 1, Chapter 1, 5. (1) 2).

<sup>18</sup> A vision by the JPO as to a sound organization, which was formulated as an action guideline. The vision "leads international discussions and contributes to the global IP system in order to respond to environmental changes in IPRs and provide high quality services responding to the users' needs."

# Chapter 6

## Efforts for the Enhanced Use of Information Technology



### 1. Efforts to enhance the use of IT by the JPO

#### (1) Development of JPO's IT system

The JPO, ahead of other countries, formulated the "Paperless Project" in 1984. The Paperless Project computerizes overall patent administration, creating a database. The JPO has introduced various systems such as the world's first electronic filing system in 1990, which makes use of information technology.

JPO's system has been continuously improved in order to succeed in offering efficient and improved examination processing in response to the increased volume of examinations and administrative work due to more advanced and complicated technologies, increases in examination documents, and restrictions on hiring in line with the administrative and financial reforms in the scientific and technological powerhouse that is Japan. So far the system has played a vital role in establishing Japan as a leading country in terms of e-government, and supporting patent administration as a fundamental work platform.

#### 1) Electronic filing system

After the JPO introduced the electronic filing system to handle applications for patents and utility models (using a dedicated terminal) in December 1990, it approved electronic filing through personal computers in April 1998 and started to accept electronic applications for designs, trademarks, ex-parte appeal procedures, and procedures in the national phase of PCT applications in January 2000, and PCT international applications in April 2004. The Japanese government announced that it is targeting an online usage rate of over 50% in the overall procedures, promoting the "IT New Reform Strategy" (January 2006) and the "Action Plan for Increasing Online Usage" (September 2008). The electronic filing rate has been high, for example in 2010, it was 97.6% for patents/utility models, 91.9% for designs, 80.6% for trademarks, 99.0% for ex-parte appeals, 99.8% for PCT applications in the national phase, and 92.0% for PCT applications.

In addition, in October 2005, the JPO started to accept electronic applications 24 hours a day, 365 days a year, and began internet filing for patents/utility models, designs, trademarks,

<sup>19</sup> The KIPO introduced the electronic filing System in 1999 and the EPO and the USPTO introduced it in 2000.

appeals, and PCT applications in the national phase, as well as conventional electronic filings via ISDN lines. The JPO started accepting electronic filing for PCT applications via the Internet in January 2007. In the Internet filing system, certification through the electronic certification system based on commercial registration (for corporations) and certification through the electronic certificate of the Public Certification Service for Individuals or some public certificate offices (for personal users) have been used. In January 2010, a government office certificate of the government public key infrastructure (GPKI) and a business certificate of the local government public key infrastructure (LGPKI) became available so that government offices and local governments are able to file applications.

Moreover, in April 2010, electronic filing via ISDN lines ended in response to the drop in ISDN subscribers and the increased use of the Internet. As a result, electronic filings migrated to Internet filings in order to solve redundancy in terms of the amount of investments needed to maintain two different electronic filing systems. This at the same time provide enhanced services that take advantage of large-capacity, high-speed communications systems

## 2) Administrative system

The administrative system is roughly divided into the "administrative processing system" that handles electronic-based administrative procedures of file wrappers, from applications for patents, utility models, designs, and trademarks, to publications of applications in the gazette and the "peripheral examination assistance system" for substantive examinations.

Among the administrative processing systems of file wrappers, those involving patents and utility models started to operate in 1990, as the said electronic filing system. This system consists of a filing system that receives application data/receipts online, a formality check system that conducts formality checks both automatically and manually, an electronic management system for file wrappers that stores and manages application data, and a management system that assigns classifications for publicizing applications and checks improper summaries, etc. This system has been improved as necessary. For example, a main-frame computer was replaced with a server.

The peripheral examination assistance system supports examiner's duties by managing cases subject to examination, draft and final decisions, and by approving and supporting examinations. This system started to operate in July 1993 for patents/utility models and in January 2000 for designs and trademarks. At the beginning, the peripheral examination assistance system was operated by a dedicated work station. However, it became possible for the system to operate on personal computers to improve efficiency in July 2001, and it also became possible for the search system mentioned below to operate on personal computers in March 2005 to achieve an all-in-one system. The system is strengthened by collaborating with the peripheral examination assistance system and the search system.

### 3) Search system

Search duties of gazettes are necessary in order to conduct patent, trademark, and design examination duties at the JPO. The F-term search system is used for patents and allows searches by search keys such as F terms, FI, and free words assigned to examination materials such as gazettes according to technical characteristics, names of the applicants or inventors, titles of the inventions, and full text. In March 2010, the search function by the IPC 8th edition and the search function of patent gazettes by the KIPO and SIPO were also made possible. Moreover, the following search systems have been used: for the examination of designs, a design search system that enables searches using D terms that segment the design classification by multiple points of view; for the examination of trademarks, a phonetic search system, a character string search, a figure trademark examination system that searches by classification (figure term, Vienna classification (since April 2004)) and similar group code, and the construction of the well-known/famous trademarks database and search system. In the appeals/trial duties, the search system for already decided cases has been used for duties, and enables searches using J terms and texts assigned to computerized gazettes of trial decisions and judgments.

## (2) Construction of the JPO new comprehensive information system

### 1) Background

As mentioned in the section above, the JPO has actively promoted computerization, achieving efficient processing, and prompt and accurate examinations and proceedings. On the other hand, in order to ensure simple and efficient administration, the government summarized the "e-Government Building Program" (decided at the Chief Information Officer (CIO) Council in July 2003, and revised in June 2004). Based on the plan, the JPO formulated the "Plan for Optimization of JPO Operations and Systems" (hereinafter referred to as the "Optimization Plan") in October 2004 with the aim of optimizing its operations and the whole system. After that, the JPO reviewed clarifying the plan's content the scheduled details, revising them in August 2005. It started the system's designing process from December 2006. The plan was further revised in October 2008 in order to respond to an environmental change surrounding the system and environmental changes in IP such as the globalization of IP and the diversification of users' needs. The revised plan is a whole new system consisting of the "JPO administrative information system", the "JPO new search system" and the "JPO new comprehensive information system" that are basic systems supporting the JPO's duties related to the operations and administration of examinations and appeals/trials. It was also revised in October 2009 based on subsequent progress.

In March 2010, a suspected information leak was reported involving the bidding for the



design and development operator for the "JPO administrative information system", so the bidding, which was the phase following the design, was suspended. Later, an "Investigation Committee on the JPO Information System" was set up to investigate the technology used for the design product prepared by the design and development operators. Based on the recommendations of the Committee, measures such as gathering opinions from anticipated operators, reviewing the development plan, and publicizing the design specifications were taken.

### 2) JPO's new administrative information system

JPO's new administrative information system aims at 1) responding to the globalization of IP, namely responding to international examination work sharing and international harmonization of systems, and providing information outside of Japan; 2) responding to diversified needs of users, namely constructing a flexible examination system according to various needs of users, forming transparent and visual examination processes, and creating a system of notices, etc.; 3) improving work efficiency by continually improving work processes, responding to items targeted in systems revisions made after the publication of the optimization plan; and 4) enhancing user convenience such as increasing interactive functions and providing data owned by the JPO in real time.

In order to continually make progress in the areas stated above, the JPO aims to create a system capable of responding to present-day demands by reviewing the structure of its conventional systems and implementing further developments such as accepting applications and conducting substantive examinations based on integrating the respective databases.

### 3) JPO's new search system

JPO's new search system aims at 1) constructing a state-of-the-art IT environment that can provide speedy and accurate examinations on a world-class level. (This will be possible by improving access of patent documents in non-English-speaking countries such as China and Korea, introducing new technologies such as virtual searches and machine translations, and creating an advanced examination environment in which knowledge accumulated on examinations can be used in the JPO); 2) creating an environment in which patent information can be used for R&D activities and management strategies of corporations and universities. (This can be done by providing search functions on the same level as those designed for use by examiners, and creating a platform in which literature and patent information can be accessed seamlessly); 3) designing a more economical and streamlined search system that reduces operating costs in response to the explosive increase in information. (This can be made possible through integrating intra-office data and standardizing systems); and 4) introducing measures that ensure safety and reliability.

## 2. Efforts Involving Global Computerization

### (1) Dealing with International Standardization



It is necessary that the formats used by the JPO to electronically transfer data fully respond to international standardization from the following points of view. They are efficient and unified in distributing and exchanging information electronically with other countries. The search systems provide information on various industrial property rights. The international standards used in the industrial property field are standardized by the WIPO, taking into account the trends of major countries (see "Outline of WIPO standards"). Moreover, the standards outlined in Annex F of the PCT Administrative Instructions for Computerization of PCT International Applications be used not only for PCT electronic filing but also for national electronic filing in the JPO and the EPO, etc., becoming the standards for electronic patent application filings.

**Outline of WIPO standards**

category	Explanation	Number of standard	examples
Group (a)	Standards of a general Nature, common to Information and Documentation	3	ST.3: Two-letter codes for the representation of states, other entities and organizations
Group (b)	Standards relating to Patent Information and Documentation	40	ST.9: Bibliographic data on and relating to patents and SPCs ST.36: Processing of patent information using XML
Group (c)	Standards relating to Trademark Information and Documentation	6	ST.60: Bibliographic data relating to marks ST.66: Processing of trademark information using XML
Group (d)	Standards relating to Industrial Design Information and Documentation	3	ST.80: Bibliographic data relating to industrial designs ST.86: Processing of industrial design information using XML

Source: WIPO PCT Treaty, Regulations and Administrative Instructions

### 1) International Standardization of Electronic filing Format for Patents and Utility Models

The JPO's first electronic filing format for patents and utility models was a specific format (the X format) based on international standards used in the communications field since it came into use in 1990. However, the format in Japan was changed to conform to XML, and the JPO started to accept XML applications as of July 2003 because XML was adopted as the document format for PCT electronic filings, becoming the international standard for online patent procedures.

In addition, the formats used for publications of unexamined patent applications, published Japanese translations of PCT international publications of patent applications, domestic re-publications of PCT international publications of patent applications, and publications of registered utility model applications were changed to XML formats in January 2004; and for patent gazettes, it was changed in July 2004. The media was changed from CD-ROMs to DVD-ROMs. In December 2004, the Trilateral Offices and the WIPO played a central role in formulating the WIPO Standard ST.36, a recommended technical standard for online patent application documents in XML format for all countries, and publishing it. Moreover, with regard to WIPO's XML4IP task force, next-generation XML standard applicable to documents for patents, utility models, designs, and trademarks in common has been discussed. In May 2010, the XML4IP task force meeting was held in Japan. Furthermore, at the first Committee on WIPO

Standards (CWS) held in October 2010, reports on the progress of ongoing discussions were made including a report that "ST.96" was assigned as the new code for indicating the standard.

In 2005, the Trilateral Offices started to discuss a format that would allow applicants to file patent applications at the three offices, and agreed on a common application format (CAF) in November 2007. In 2008, the Trilateral Offices suggested a revision of the XML definition of descriptions provided in Annex F of the PCT Administrative Instructions based on the common application format, and also suggested that WIPO Standard ST.36 be revised. Both of the suggestions were agreed. Through those preparations, the JPO has started to accept electronic filing using the common application format since January 2009, ahead of other countries.

Moreover, the JPO has been promoting the spread of the XML format to the international level by modifying XML-creation software available for national applications and PCT applications in Japan and thus be able to operate in an English-language environment. The JPO has been providing the general public the software free of charge since April 2009.

In January 2010, the KIPO started accepting filings based on the common application format, adding to the number of Patent Offices adopting the common application format.

## 2) Standards for Data Exchange through the Trilateral Network

The Trilateral network, which opened in October 1998, has been used to exchange priority documents online among the Trilateral Offices and be referred to for examination information (Dossier information) of other offices, etc. In the beginning, the frame relay network was used as a communication line, but a system which defines various services in XML for use was adopted in 2003, when the network was changed to the Internet. In November 2005, the Trilateral Offices agreed to adopt a format called Trilateral Document Access (TDA), which allows user to view examination information of other offices. The importance of TDA has been elevated as a standard for exchanging data among the Trilateral Offices by revising it to conform to priority document exchange and to the WIPO Digital Access Service (DAS)<sup>20</sup> in March 2008. Moreover, at the Trilateral Offices meeting held in November 2010, it was agreed to carry out a study with the aim of using the most suitable networking for each type of application with the intention of having secure exchange open to all IPOs in the future.

## (2) Promotion of International Cooperation Utilizing IT

### 1) Priority Document Exchange

The JPO progresses an online mutual exchange project of priority documents among offices in cooperation with Patent Offices in other countries. Under this project, the Office of First Filing, instead of the applicant, sends priority documents directly to offices of other countries. This system significantly alleviates applicants' burden and costs related to submission procedures as well as each office's burden related to issuance procedures of priority documents to the applicant. This effort started between the JPO and the EPO in January 1999, between the

<sup>20</sup> A framework to exchange priority documents online worldwide through the WIPO International Bureau

JPO and the KIPO in July 2001, and between the JPO and the USPTO in July 2007. Moreover, it became possible to accept not only the data of priority documents digitized in a country where documents were issued (first country) but also the data of priority documents digitized in another country (second country) or the WIPO in 2008.

Furthermore, in addition to the efforts of the Trilateral Offices and the KIPO, the establishment of DAS was approved at the WIPO General Assembly in 2006 and online exchange of priority documents using DAS started in 2009. In response, the JPO established an environment to use this service in April 2009 before other countries. In addition, the number of participating countries in this system has increased; the use of such system started in the United States in April 2009, in Korea in July 2009, in the United Kingdom and Spain in October 2009, and in Australia in December 2009. From January 2010, in the case of filing a PCT international application, it became possible to request the WIPO International Bureau to obtain the priority documents using DAS, and further expansion is expected in the future.

## 2) Foreign File Wrapper Reference

In order to respond to the globalization of IP activities, examination cooperation, such as mutual use of examination results or prior art search results is required. Under such circumstances, the JPO has made efforts for establishing a system to refer to examination-related information owned by the worldwide offices in order to establish an environment where examiners are able to spontaneously refer to search/examination results and information on the history of offices in other countries by using IT. Based on the suggestion made by the JPO in 2005, the Trilateral Offices constructed the system (Dossier Access System) to provide examiners of each office with examination-related information of each office through the Trilateral Network in 2006. In 2007, the JPO started the mutual reference of examination-related information using this system with the KIPO. If such examination-related information is in Japanese, it will be translated into English by machine translation and provided to each office. As approximately four years have passed since the commencement of system operation efforts have been made for the mutual use of examination results where the examiners of the JPO, for example, have voluntarily accessed the other offices to view the examination results on a total of 300,000 documents in FY2010. The establishment of infrastructure for examination cooperation secures the efficiency, improves the quality of examination, and improves the predictability of obtaining a right in each country.

The JPO translates information on search/examination results in Japan into English by machine translation and provides 48 Patent Offices with the information (as of July 2011) through the AIPN using the Internet. It is expected that, for example, when the PPH is used, reference to the examination history of applications filed in the JPO in the examination at a foreign Patent Office encourages the improvement of the examination efficiency in the relevant country and the examination quality. It is also expected to contribute to appropriate obtainment of a right of Japanese applicants and smooth economic activities.

In addition, the JPO leads discussions on the realization of "One Portal Dossier" that collectively displays the examination information of related applications at each office in the IP

five Office foundation project formulated in the IP5 Heads Meeting held in October 2008, with setting "common access to search and examination results" as one of the foundation projects. In March 2011, the IP five Offices largely agreed to the direction of establishing a system in an open network environment.

### 3) Advanced Search Environment

In the examination for patents, etc., "absolute novelty" is adopted as a standard for judging the novelty in almost all major countries. Therefore, it is necessary to investigate documents not only in terms of its own country but also in global terms. To achieve this, it is necessary to aim at an advanced prior art search environment that contributes to international work sharing by promoting examination cooperation and collaborating document databases and search tools owned by worldwide offices.

In order to solve this issue, in addition to the efforts made by the Trilateral Offices, discussions have been held in the above-mentioned IP five Office foundation project. For example, with regard to "common search and examination support tool" (a project in which the examiners of each office establish a common examination/search tool environment in which the similar search result is realized for the same case), discussions were made on the contents of the pilot project to examine the search tools held by each office and to efficiently utilize the results thereof, and with regard to "common document database" (a project in which a common search data environment where examiners of each office can access the same scope of document databases is established<sup>21</sup>), discussions on the type of documents commonly accessible to each office were made.

### 4) Efforts for Supporting Developing Countries<sup>22</sup>

In developing countries, including Asian countries that are becoming more important for Japan as a growing market and a manufacturing base, not only the request for problems concerning IP these countries have, such as counterfeiting and piracy, but also the establishment of infrastructure for IP protection is important. The JPO makes gradual efforts for constructing an intra-office database and an information transmission environment such as IPDL, and establishing information infrastructures such as the construction of an electronic filing environment for the Southeast Asian nations that have a strong economical and cultural tie with Japan as "cooperation for informatization" in addition to human resource development cooperation and examination cooperation.

Furthermore, for the purpose of modernizing the IP offices in developing countries, the JPO has dispatched specialists for a short period to Mongolia in July 2010, and to Malaysia in March 2011, and gave instructions and advice regarding the information infrastructure.

<sup>21</sup> See Part 4, Chapter1, 3. (2).

<sup>22</sup> See Part 4, Chapter4, 2. (3).

# Chapter 7

## Legal Amendments in 2011



### 1. Partial Amendment of the Patent Act, etc.

In order to sustain the competitiveness of Japanese companies amid intensifying competition in the global market, with emerging countries playing a greater role, it is of urgent necessity to promote innovation and develop an environment that encourages creating new technologies and industries.

Under such circumstances, open innovation, in which R&D and commercialization are conducted using technologies outside companies, is growing based on increasingly sophisticated and complex technologies. This has made license agreements more important and has also made joint research and joint development the standard way of doing things. Thus, circumstances surrounding the IP system are also changing.

Moreover, it has become increasingly important to make the IP system more convenient for the purpose of promoting innovation at SMEs, and to settle disputes in a prompt and precise manner in response to the speed of technological innovation.

Taking these circumstances into account, it was decided to make necessary amendments to the Patent Act, the Utility Model Act, the Design Act, the Trademark Act, the Act on International Applications under the Patent Cooperation Treaty (International Applications Act), the Act on the Promotion of Technology Transfer from Universities to Private Business Operators (TLO Act), the Law on Special Measures for Industrial Revitalization and Innovation (Industrial Revitalization Act), Industrial Technology Enhancement Act (Industrial Technology Act), and the Act on Enhancement of Small and Medium Sized Enterprises' Core Manufacturing Technology (SME's Manufacturing Enhancement Act), with the aim of developing systems that assure the proper protection/exploitation of IP and thereby achieve growth in the Japanese economy through innovation.

#### (1) Background of the Legal Amendments

With the rise of more sophisticated/complex technologies and greater economic globalization, domestic and foreign environments involving IP have been changing significantly in recent years. Such changes include the increasing importance of the exploitation of IP due to the progress of open innovation, the increasingly important role of SMEs and universities in

creating innovation, and a rapid increase in global patent applications.

In light of these environmental changes, the Patent System Subcommittee of the Intellectual Property Policy Committee of the Industrial Structure Council examined legislative problems concerning the patent system from the perspective of the growth and enhancement of Japan's competitiveness through innovation. The Subcommittee compiled a report in February 2011.

In addition, the Design System Subcommittee of the Intellectual Property Policy Committee of the Industrial Structure Council and the Trademark System Subcommittee of the Intellectual Property Policy Committee of the Industrial Structure Council also held discussions based on deliberations at the Patent System Subcommittee. The results of discussions at each Subcommittee, including said report, were reported to the Intellectual Property Policy Committee of the Industrial Structure Council in February 2011, and were approved.

The Cabinet on March 11, 2011 decided to adopt a Draft Bill to Amend the Patent Act, based on the aforementioned report. It was then submitted to the 177th ordinary session of the Diet on April 1, 2011. The bill was passed at the plenary session held on April 15 after going through an explanation of the reasons for it at the Committee on Economy and Industry of the House of Councilors held on April 12, and after questioning and voting on April 14. It was also passed and enacted at the plenary session held on May 31 after going through an explanation of the reasons for it at the Committee on Economy and Industry of the House of Representatives held on May 25, and after questioning and voting on May 27. It then was issued on June 8, 2011.

## (2) Outline of the Legal Amendments

1) Review of the System of Perfection of a Non-Exclusive License, etc. (Article 34-5 and Article 99 of the Patent Act, Article 4-2 and Article 19(3) of the Utility Model Act, and Article 5-2 and Article 28(3) of the Design Act)

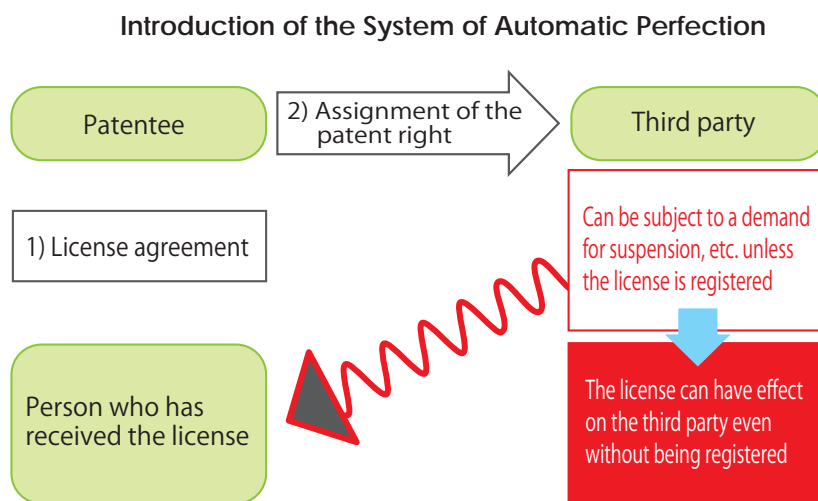
Under the current system, a non-exclusive license that has not been registered with the JPO has no effect on any third party (Article 99(1) of the Patent Act). Therefore, non-exclusive licensees for which a relevant license has not been registered are likely to receive a demand for suspension or a claim for damages from third parties, including the assignee of the relevant patent right. However, the non-exclusive license registration system is scarcely utilized under the present system because registering non-exclusive licenses is difficult for the following reasons: (a) In practice, many non-exclusive licenses are often granted in terms of development of one product based on multiple license agreements, and enormous labor and costs are required to register all of them; (b) Although registration is based on the principle of patentees filing joint applications, the patentees are not obliged to cooperate in registering and non-exclusive licensees cannot obtain the patentees' cooperation in some cases.

On the other hand, in recent years, it has become increasingly unrealistic to develop and manufacture one product with only a single company's own technology due to increasingly open innovation and increasingly sophisticated and complex technologies. Therefore, the

protection of non-exclusive licenses has become more and more important in terms of ensuring stable and sound business activities.

Consequently, it was decided to introduce a system that makes it possible for non-exclusive licenses to have an effect on third parties without being registered (called a system of automatic perfection) in order to properly protect non-exclusive licenses and ensure stable and sound corporate activities. In addition, it was decided to introduce the same kind of system for provisional non-exclusive licenses, which are granted for inventions in case when a patent application is pending.

Moreover, it was decided to develop the same type of system for the Utility Model Act and the Design Act.



## 2) Development of Remedial Measures for Misappropriated Applications, etc. (Article 74, Article

As it has become common in recent years for multiple companies and universities, etc. to jointly carry out joint technology and product development activities, misappropriated application or violation of the joint application procedure (hereafter "misappropriation, etc.") is more likely to occur. There are actually cases that result in lawsuits at companies/universities.

Under the current system, a rightful owner to obtain a patent can invalidate the patent pertaining to the misappropriation, etc. through a trial for invalidation; however, there is no system for the rightful owner to obtain a patent to regain the patent right pertaining to the aforementioned patent. Therefore, the remedy for rightful owner to obtain a patent is insufficient.

A system that enables rightful owner to obtain a patent to regain patent rights pertaining to misappropriation, etc. has been introduced in Germany, the United Kingdom, France, and other countries. There is a need to introduce such a system in industrial and other circles.

Consequently, it was decided to enable a rightful owner to obtain a patent to request the person who has filed a misappropriation, etc. to transfer the patent right pertaining to the relevant patent based on his/her possession of the right to obtain a patent where the patent



has been granted for the misappropriation, etc.

Moreover, in order to prevent the exercise of rights by a rightful owner to obtain a patent from being hampered due to the patent pertaining to misappropriation, etc. in cases where a patent right has been transferred to the rightful owner, it was decided to make arrangements so as to make the relevant patent cease to fall under reasons for invalidation, such as misappropriation, etc., after the rights have been transferred.

With regard to these points, it was decided to take measures of the same sort for the Utility Model Act and the Design Act.

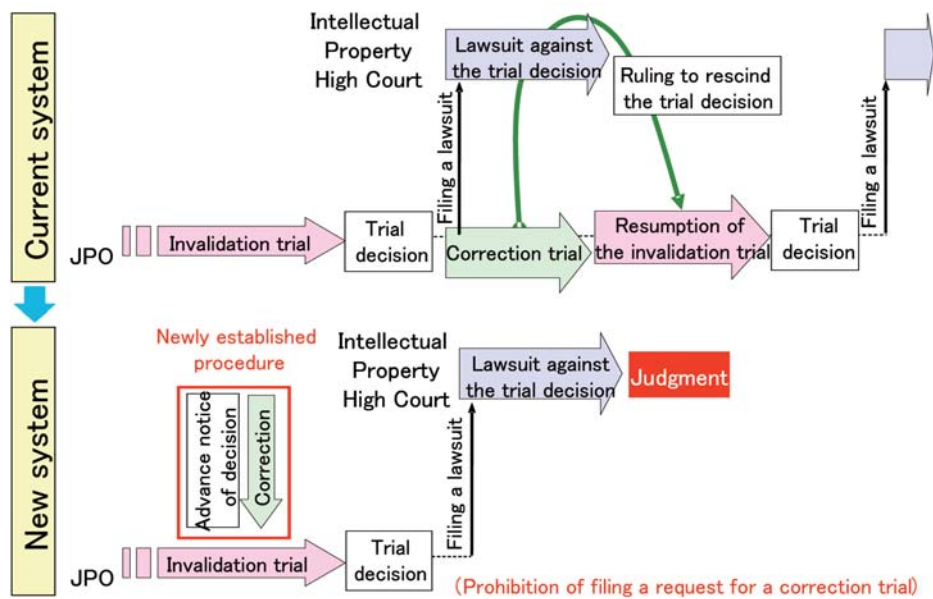
3) Prohibition on Filing with the JPO a Request for a Correction Trial after Filing with the IP High Court a Lawsuit Against a Trial Decision (Article 126(2), Article 134-3, Article 156, Article 164-2, Article 181, and Appended Table of Article 195(2) of the Patent Act)

Under the current system, a patentee may file with the JPO a request for a correction trial for a disputed patent after filing with the IP High Court a lawsuit against a trial decision . In such a case, the IP High Court may return the case to the JPO without making any substantive determination. This kind of round trip between the IP High Court and the JPO without any substantive determination ("tossing the ball back and forth") causes inefficiencies and prevents disputes from being settled quickly, as it delays the trial decision on validity of patents becoming final and binding. It also imposes on the parties procedural and financial burdens pertaining to the lawsuit in which no substantive determination is made.

In order to prevent the ball from being tossed back and forth, so to speak, a patentee is prohibited from filing with the JPO a request for a correction trial after filing with the IP High Court a lawsuit against a trial decision. On the other hand, the procedures to correct a patent after filing a lawsuit against a trial decision has the advantage that the patentee is able to correct the patent based on the panel's determination on the validity and scope of the patent. Therefore, in order to maintain this advantage, under the new system, the panel discloses to the parties its determination in advance when the time is ripe for a trial decision to invalidate the patent in question ("advance notice of a trial decision") and the patentee is given an opportunity to correct the patent in response to the advance notice.



### Prohibition of Filing with the JPO a Request for a Correction Trial after Filing with the IP High Court a Lawsuit against a Trial Decision



4) Restriction on Assertions in Retrial of a Court Judgment in Patent Infringement Lawsuit (Article 104-3 and Article 104-4 of the Patent Act, Article 30 of the Utility Model Act, Article 41 of the Design Act, and Article 13-2(5), Article 38-2, Article 39, and Article 68(3) of the Trademark Act)

Under the current system, in the event that, after a court judgment in a patent infringement lawsuit became final and binding, a JPO trial decision to invalidate or correct the patent, which is inconsistent with the court judgment, becomes final and binding, there is a possibility that the said court judgment may be rescinded through retrial on the grounds that "administrative disposition, based on which the judgment ... was made, has been modified by a subsequent ... administrative disposition" (Article 338(1)(viii) of the Code of Civil Procedure). It is pointed out, however, that since the parties of a patent infringement lawsuit are given the opportunity and authority to thoroughly make arguments on the validity and scope of the patent under Article 104-3 of the Patent Act, the said retrial possibility would rehash the settled dispute and thus hinder the function of patent infringement lawsuits.

Therefore, the new system restricts retrial by stipulating that the parties of a patent infringement lawsuit are not able to assert in its retrial that a subsequent JPO trial decision to invalidate or correct the patent has become final and binding after a judgment in the patent infringement lawsuit became final and binding.

In addition, taking into account the purport of the Supreme Court precedent that triggered the introduction of Article 104-3 of the Patent Act, the new system makes it possible for parties of a patent infringement lawsuit to thoroughly make arguments on the validity of a registration of extension of duration of patent, and restricts retrial in cases where a JPO trial decision to invalidate the registration of extension of duration of patent has become final and binding after the relevant patent infringement judgment became final and binding, in the same

manner as where a JPO trial decision to invalidate the patent has become final and binding after the relevant patent infringement judgment became final and binding.

Furthermore, to make the restriction on retrials effective, it is necessary to ensure that conclusions incidental to infringement lawsuits, such as an order of provisional injunction and an order of provisional seizure, would not be reversed. Therefore, under the new system, after the patent infringement judgment became final and binding, the parties thereof are prohibited from asserting that a subsequent JPO trial decision to invalidate of patent ,etc. has become final and binding, in a lawsuit for damages or for return of unjust enrichment against the obligee (patentee) of an order of provisional injunction or an order of provisional seizure .

Also, the new system takes measures of the same sort in the Utility Model Act and the Design Act, and under the Trademark Act, restricts retrial of infringement lawsuits in cases where a JPO trial decision to invalidate the trademark registration or a JPO ruling to rescind the trademark has become final and binding after the infringement lawsuits became final and binding.

5) Development of Provisions on the Scope of a JPO Trial Decision that Has Become Final and Binding, etc.

**a. Clarification of the Scope of a JPO Trial Decision that Has Become Final and Binding (Article 167-2, Article 180, Article 181, and Article 182 of the Patent Act, Article 41 and Article 47(2) of the Utility Model Act, and Article 43-14, Article 55-3, Article 60-2, and Article 63(2) of the Trademark Act)**

The current Patent Act has no express provision on whether a JPO trial decision,for which a request may be filed for each claim, becomes final and binding in each trial case or each claim.

Therefore, in light of recent court precedents, the new Patent Act sets out provisions to clarify the scope of a JPO trial decision that becomes final and binding in cases where a request for the trial was filed for each claim. In addition, the new Patent Act provides that the courts deliver to the JPO the documents necessary for having the JPO trial decision final and binding for each claim.

Moreover, the said provisions of the new Patent Act mutatis mutandis apply to the Utility Model Act, and the new Trademark Act clarifies that a JPO ruling on an opposition to trademark registration and a JPO trial decision on the validity of registered trademark become final and binding on each designated good or service.

**b. Unit of Filing a Request for a Correction Trial and a Request for Correction in a Patent Invalidation Trial (Article 126, Article 131(3), Article 131-2, Article 134-2, Article 155, Article 178, and Article 195-4 of the Patent Act)**

Based on the Supreme Court precedent as to whether to accept a request for correction in a patent invalidation trial should be determined individually with respect to each claim, the new Patent Act clarifies that a request for correction in a patent invalidation trial and a request

for a correction trial may be filed with respect to each claim.

In addition, the new Patent Act ensures consistency between the system of correction trial and the system of request for correction in a patent invalidation trial by adopting a uniform procedure for appeal against a decision dismissing a written request for a correction trial or a written correction request in a patent invalidation trial due to a violation of formality requirements.

6) Abolition of the (Double Jeopardy) Effect, on Third Parties, of a Final and Binding Trial Decision in a Patent Invalidation Trial (Article 167 of the Patent Act, Article 41 of the Utility Model Act, Article 52 of the Design Act, and Article 56(1) of the Trademark Act)

The current Patent Act provides that when a final and binding trial decision, which was rendered in a invalidation trial of a patent or a registration of extension of duration of patent, has been registered, no one may file a request for another trial based on the same facts and evidence as the previous trial. However, even if the request for another trial is filed based on the same facts and evidence, there is a possibility that a conclusion would be changed depending on the different claimant's proficiency of arguments and proof, and therefore, there is no legitimate reason to make the trial decision have effect on third parties who have had no opportunity to make arguments in the trial.

Consequently, the new Patent Act abolishes the (double jeopardy) effect, on third parties, of a trial decision in a patent invalidation trial, etc.

The new laws take a measure of the same sort for the Utility Model Act, the Design Act, and the Trademark Act.

## 7) Review of Fees

**a. Review of the Fee Reduction/Exemption System for SMEs, etc. (Article 109 and Article 195-2 of the Patent Act, Article 13 of the TLO Act, Article 56 of the Industrial Vitality Act, Article 17 and Article 18 of the Industrial Technology Act, and Article 9 of the SME's Manufacturing Enhancement Act)**

### a) Extension of the period of reduction of or exemption from patent fees

The current Patent Act, etc. provides that the period of reduction of or exemption from patent fees be from the first to the third year after the registration of a patent (from the first to the sixth year for some laws). However, regular fees for said period are ¥10,500 in average cases where there are six claims at the time of registration. Even if a person is given a reduction or exemption for the fees, the amount reduced for those three years totals only ¥5,250, which has little effect. In order to make the fee reduction/exemption system more effective, it was decided to extend the period of reduction of or exemption from patent fees under the Patent Act, etc. to the period from the first to the tenth year.

## b) Abolition of the employee invention requirement and the reserved succession requirement

In recent years, there is growing interest by universities and companies to conduct joint research and development activities, in exploitation of inventions made by other persons and institutions around the world. SMEs and research institutions, including universities, which lack management resources, are effectively utilizing the technologies and knowledge of external bodies. However, the current fee reduction/exemption system does not cover those who have been assigned inventions from another person. In order to ensure the appropriate protection of rights based on the actual conditions of the research and development system, it was decided to abolish the employee invention requirement and the reserved succession requirement to enable those who have been assigned inventions from other persons to be eligible for the fee reduction/exemption system.

## c) Increasing those eligible for fee reduction or exemption by easing the funds required

The current Patent Act has set up the fee reduction/exemption system in order to provide support for filing applications to SMEs, on which corporate tax is not imposed and which have ¥300 million in capital or less, and which are recognized as entities with insufficient funds. However, the fee reduction/exemption system under the current Patent Act is insufficiently utilized. (It was utilized for 0.38% of all requests for examination in 2008.) For the purpose of encouraging utilization of the fee reduction/exemption system, it was decided to relax the funds required so as to increase the number of those eligible for the fee reduction or exemption.


## Expanding Use of Fee Reduction/Exemption System

Subject persons	Period of reduction/exemption
Individuals/judicial persons with insufficient fund	<div>Expansion of subject persons</div> <div>1st to 3rd year</div> <div>1st to 10th year</div>
R&D-based SMEs	
Universities/independent administrative institutions, etc.	

## b. Review of Design Registration Fees (Article 42 of the Design Act)

Japanese companies have attached importance to long-life designs in recent years. However, the design registration fees in Japan, which cumulatively increase over time are steeper compared to the fee system in other countries. This has led to a situation where companies have no other choice but to restrain investment, etc. for the sake of protecting the creation of new designs. Therefore, it was decided to reduce design registration fees for each year from the 11th to 20th year to ¥16,900 (the same amount as for the period from the fourth to the 10th year).

## Reduction of Design Registration Fees

Registration fees	1st to 3rd year	8,500 JPY annually
	4th to 10th year	16,900 JPY annually
	11th to 20th year	33,800 JPY annually 

16,900 JPY annually

### c. Review of Fees, etc. Pertaining to International Applications (Article 8(4), Article 12(3), and Article 18(2) of the International Applications Act)

Amid the progressing globalization of the economy, it will be increasingly important to acquire patent rights overseas by filing international applications and use them to conduct business in other countries and regions. Under such circumstances, support for the filing of international applications also plays an important role in maintaining the competitiveness of Japanese applicants worldwide. Therefore, it was decided to reduce fees for international applications such as search fees, preliminary examination fees and, etc., and encourage international applications.

## 8) Review of Provision on Exception to Lack of Novelty of Invention, etc.

### a. Review of Provision on Exception to Lack of Novelty of Invention (Article 30(2) of the Patent Act, Article 11(1) of the Utility Model Act, and Article 4(2) of the Design Act)

The Patent Act has a provision on the exception to lack of novelty of invention in Article 30, and thereby stipulates that an invention published prior to the filing of a patent application shall also be given exceptionally handled as having not lost novelty if certain requirements are fulfilled.

However, the current provision limits applicable inventions to those which have become publicly known based on tests, presentations in printed publication, presentations through electric telecommunication lines, presentations in writing at academic gatherings designated by the JPO Commissioner, and specific exhibitions designated by the JPO Commissioner, etc. As a result, this makes it impossible to sufficiently respond to other diversifying forms of publications that can be used to announce inventions. For example, there is an imbalance; to be more specific, inventions that have been delivered in video format via the Internet are covered by the provision, whereas inventions that have been published via television are not covered by the provision. There is also a limitation: inventions that have become publicly known through a form of publication that should originally be covered by the provision in light of the purpose of law—contributing to the development of industry—, including explanation to investors for the purpose of raising funds for research and development, are not covered by the provision.

Therefore, it was decided to expand the scope of application of the provision on exception to lack of novelty of invention from inventions announced under limitations to inventions that have become publicly known "as a result of an act of the person having the right

to obtain a patent" so as to fully cover inventions that have become publicly known through forms of publication that should have been covered by the provision.

However, it was decided to clearly stipulate in the text of laws, including the Design Act, which does not include any relevant express provision at present, that inventions, which have become publicly known through publication in a patent gazette, etc. (as a result of the act of filing with the JPO or a foreign patent office), will not be covered by the provision since it is considered unnecessary to make them subject to the provision in light of the purpose of the law and since it is likely to cause an abuse of the Article 30 of the patent Act if they are made subject to the provision.

In addition, it was decided to adopt measures similar to those taken for the Patent Act for the Utility Model Act.

#### **b. Abolition of Designation of Exhibitions under the Trademark Act (Article 4(1)(ix) and Article 9(1) of the Trademark Act)**

The Trademark Act includes a provision stipulating that a trademark composed of a mark identical with, or similar to, a prize awarded at an exhibition individually designated by the JPO Commissioner falls under unregistrable trademarks (Article 4(1)(ix)) and a provision stipulating that the time when an application is filed for a trademark used for goods, etc. exhibited at an exhibition as mentioned above is extended back to the time when the goods were displayed at the exhibition (Article 9(1)). However, under the current system, it cannot be said that these provisions are necessarily utilized in an appropriate manner, which is not a positive situation in terms of protecting prizes (awarded at exhibitions) and exhibitors. Therefore, it was decided to abolish the individual designation of exhibitions by the JPO Commissioner, and to make exhibitions that conform to the standards set by the JPO Commissioner subject to protection.

9) Review of Remedy Procedures for Applicants and Patentees (Article 36-2, Article 112-2, and Article 184-4 of the Patent Act, Article 33-2 and Article 48-4 of the Utility Model Act, Article 44-2 of the Design Act, Article 21 and Article 65-3 of the Trademark Act, and Article 3 of the Supplementary Provisions of the Trademark Act)

Some people expressed that very few procedures actually become eligible for the remedy needed due to the lapse of the time limit for procedures, and that a major remedy is not encouraged because the requirements are very strict. On an international basis, use of the PLT, which was set up for the purpose of introducing user-friendly procedures and harmonizing procedures is being encouraged; working to make patent systems in European countries and the United States work in conformity with the PLT. On the other hand, Japan falls behind European countries and the United States from the perspective of the international harmonization of systems.

Therefore, it was decided to make amendments toward conforming to the PLT in order to make the remedy for the lapse of the time limit for procedures more effective. If there are justifiable reasons for the lapse of the time limit for the submission of Japanese translations of a

foreign language written application (Article 36-2 of the Patent Act) or a patent application in a foreign language (Article 184-4 of the Patent Act), the applicant is allowed to submit the Japanese translations through the remedy procedures within one year from the expiration of the time limit and within two months from the date on which the reasons ceased to exist. In addition, it was decided to relax the remedy requirements with regard to late payment of patent fees and surcharges (Article 112-2 of the Patent Act) from "reasons not attributable to the original patentee" in the past to "justifiable reasons", and it was also decided to extend the time limit for remedy procedures in step with the aforementioned remedy procedures for the submission of Japanese translations.

Moreover, it was decided to take measures of the same sort for the Utility Model Act and the Design Act, and to allow, in the same manner, holders of trademark rights to file an application for registration of renewal, etc. through the remedy procedures in cases where the time limit for filing an application for registration of renewal, etc. under the Trademark Act has lapsed.

#### 10) Abolition of Provision on Refusal of a Trademark Application within One Year from the Date of the Extinguishment of a Another Person's Trademark Right (Article 4(1)(xiii) of the Trademark Act)

The product-life cycle, from bringing products into the market to growth, maturation, and decline, is becoming shorter in recent years due to rapid technological innovation and the diversification of market needs, etc. Therefore, there is an increasing need for early acquisition of rights for trademarks.

Since a registered trademark used by a person may cause confusion as to the source of goods or services after the trademark right expires if another person uses that trademark, the provisions of Article 4(1)(xiii) of the current Trademark Act refuse applications for the registration of such a trademark filed by another person within one year from the date the trademark right expired. However, taking into account that the examination period is shortening, a negative effect, that is, delay in acquisition of rights due to the aforementioned provisions, has become increasingly noticeable. Consequently, the system cannot meet applicants' needs to acquire rights quickly.

In order to respond to such situation, it was decided to abolish the provisions of Article 4(1)(xiii), which refuse applications filed by persons other than the original holders of the trademark rights within one year from the extinguishment of the trademark rights. In addition, it was also decided that the prevention of misleading transactors and consumers, and confusion among them after the extinguishment of rights, which was ensured by said item in the past, shall be based on other reasons for refusal that intend to prevent confusion, specifically, the application of Article 4(1)(xv), etc. of the Trademark Act.

#### 11) Effective Date (Re: Article 1 of the Supplementary Provisions)

It was decided that the law shall come into effect as of the day specified by a Cabinet Order within a period not exceeding one year from the date of promulgation.



# Chapter 8

## JPO's Response to Occurrence of the Great East Japan Earthquake



The JPO has taken remedial measures, including extending the time limit for such procedures as filing patent, utility model, design, and trademark applications for those who have been affected by the Great East Japan Earthquake. It has also added more dedicated consultation services and provides information with the use of various tools.

### 1. Special Measures

#### (1) Extending the Time Limit for Various Procedures (Request for Examination of a Patent Application, etc.)

Pursuant to the Act on Special Measures concerning Preservation of Rights and Interests of Victims of Specified Disasters (Act No. 85 of 1996), where persons have become unable to take procedures within the time limit in consequence of the Earthquake, the time limits for 37 procedures, including requests for examination of patent applications, payments of patent fees, and requests for trials, etc. have been extended up to August 31, 2011, when the applicants file for the remedies.

#### (2) Request for Special Measures to Foreign IP Offices

As the Earthquake has made it difficult in some cases to work on foreign applications the JPO requested IP offices in 90 countries and regions to take special measures, including extending time limits such as those set for payment of fees. As of May 30th, IP offices in 45 countries and regions (including the United States, Europe, China, and South Korea) have announced that they have implemented such special measures.

### 2. Consultation System/Provision of Information

#### (1) Provision of Information to Applicants, etc.

With regard to the aforementioned measures, such as extending time limits to do filing procedures, the JPO uploads related information on its website, and also provides such information through other concerned governmental bodies, etc. Moreover, the JPO sent notifications of remedial measures directly to about 3,000 applicants and right holders, including



SMEs and individuals, in prefectures in the areas hit by the earthquake.

The latest information is available on the page titled Information Relating to the Great East Japan Earthquake; Announcement about Handling of Procedures, etc.<sup>23</sup>

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<sup>23</sup> [http://www.jpo.go.jp/cgi/linke.cgi?url=/torikumi\\_e/hiroba\\_e/tohoku\\_district\\_earthquake.htm](http://www.jpo.go.jp/cgi/linke.cgi?url=/torikumi_e/hiroba_e/tohoku_district_earthquake.htm)