Part 3 —— Government Efforts in

Intellectual Property Activities

Chapter 1
Efforts Related to Patents

The JPO has made various efforts to achieve its long-term target, which is reducing first action (FA) pendency to 11 months by FY2013. The landscape surrounding the JPO has greatly changed since that time and accordingly the needs for patent examinations have changed. In particular, issues that the JPO needs to deal with in the future have arisen, such as the increase in international applications associated with globalized business activities, the decreasing proportion of Japanese patent documents in patent documents in the world, associated with the increase in applications filed by emerging countries such as China and Korea, and continuing active discussions about formulating a common patent classification based mainly on the Japanese classification system (FI/F term) and the cooperative patent classification (CPC). The needs of users for expediting patent examination and ensuring stable rights worldwide have been growing greater by year.

This Chapter introduces various efforts Japan is doing to expedite patent examination for achieving its long-term target of reducing FA pendency to 11 months by FY2013, efforts to ensure that applicants can acquire stable patent rights, efforts for international work sharing to deal with overlapping applications associated with globalization, and specific efforts to achieve future patent strategies.

1. Efforts to Speed-up Patent Examination

The period of time to request for examination was shortened from 7 years to 3 years in October 2001. Therefore, the number of requests for examination increased temporarily to a large extent, thereby prolonging FA pendency. Amid increasing concern about the prolonged FA pendency, the "Intellectual Property Strategic Program 2004" formulated by the Intellectual Property Strategy Headquarters in 2004 made FA pendency by 11 months, as a target in FY2013. The JPO has undertaken various efforts such as increasing the outsourcing of prior art document searches, increasing examiners to about 500 fixed-term examiners, and promoting a "paperless project", all under the aim of speeding up examinations. As a result, the number of patent backlogs decreased to 319,274 as of the end of 2012, and the FA pendency was also shortened to 16.1 months as of the end of FY2012[1]. On the other hand, the JPO has offered "accelerated examination" and "super accelerated examination" in order to meet the needs of applicants who require acquiring their rights early. These needs include early utilization of their R&D achievements and strategies for registering their rights based on a global perspective. This section introduces efforts for expediting examination and meeting applicant needs for early registration of rights.

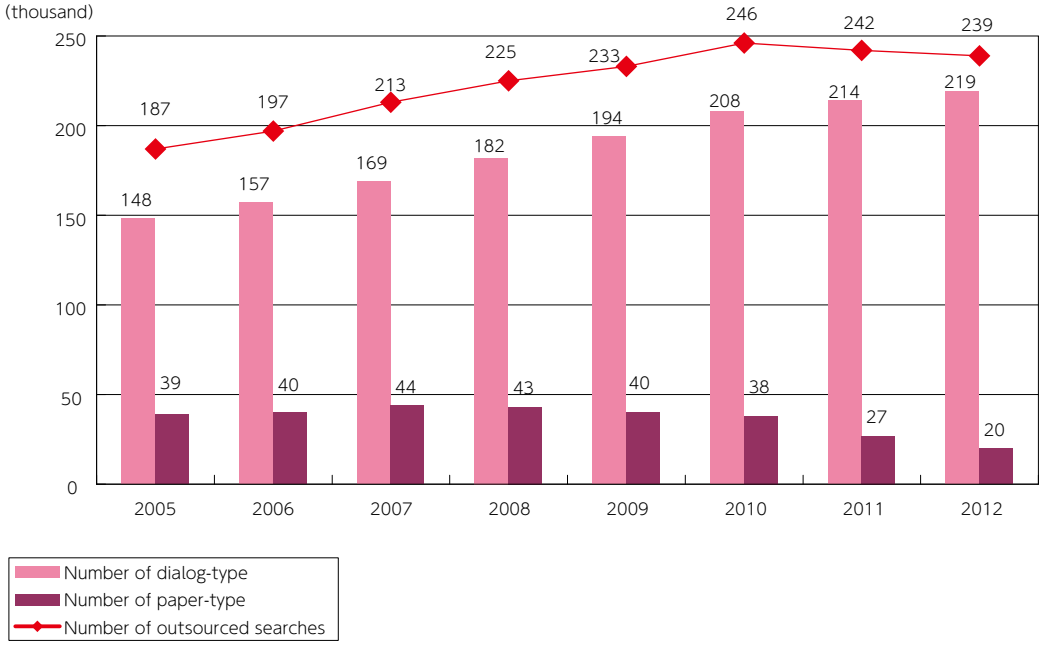
1 See Part 1, Chapter1, 1(1)3

(1) Method to Expedite Patent Examination

1) Increasing and Enhancing Outsourcing of Prior Art Document Searches

The number of prior art document searches outsourced in FY2012 decreased by 1.2% to 239 thousand due to the decrease in the number of patent backlogs, of which dialogue-type[1] outsourcing, with a high level of examination efficiency, was done in comparison with paper-type[2] outsourcing, which accounted for 92 % , or 219 thousand searches. (The figures in FY2011 were 89% and 214 thousand searches, respectively.). This shows an increase in dialogue-type outsourcing to the private sector and an improvement in efficiency. It is expected that examination efficiency will further improve through the JPO making use of dialogue-type outsourcing. The number of registered search organizations in charge of prior art searches is ten as of April 1, 2013 with Kosaido Co., Ltd being the latest to be registered in field 37(video equipment), in August 2012.

【Figure 3-1-1 Changes in the number of outsourced prior searches】



1 "Dialogue-type" outsourcing is a way of outsourcing by which the patent examiner receives a report on the prior art search result from the searcher, not only in writing but together with an oral presentation by the searcher based on the report. This is done in order to raise the understanding of the examiner on the details of the invention and prior art documents.

2 "Paper-type" outsourcing is a way of outsourcing by which the results of prior art document searches are reported by only providing applicants paper-based search reports.

Among the existing organizations, Techno Search, Inc. has started operations in field 16 (textile wrapping machinery) since April 2012. Technology Transfer Service Corp. works in field 31 (e-commerce). Pasona Group Inc. works in field 6 (business machinery), field 9 (living environments), field 14 (production machinery), field 19 (nursing, medical treatment and service apparatus), field 20 (inorganic chemistry), field 23 (semiconductor) and field 32 (interface). Koga Research Institute Inc. works in field 37 (video equipment). This means that in FY2012, four registered search organizations started operations in 10 fields

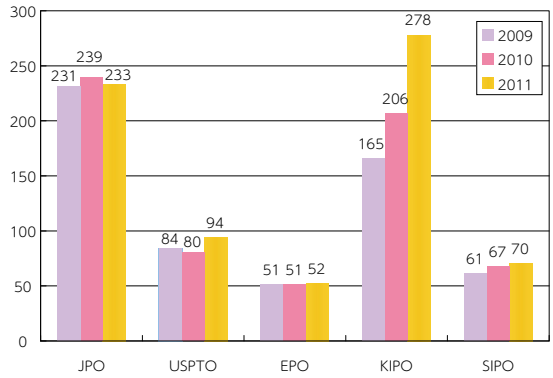
In addition, with the aim of expanding the range of technical fields that can be outsourced, Techno Search, Inc. was also registered in field 20 (inorganic chemistry); Technology Transfer Service Corp. in field 18 (heat appliances); Advanced Intellectual Property Research Institute Co., Ltd. in field 3 (material analysis), field 36 (digital communications) and field 37 (video equipment); Pasona Group Inc. in field 8 (amusement), field 17 (living appliances), field 22 (metal electrochemistry), field 31 (e-commerce) and field 35 (telephone communications); and Koga Research Institute Inc. in field 20 (inorganic chemistry); and Mirai Intellectual Property and Technology Research Institute Co., Ltd in field 34 (transmission system) and field 35 (telephone communications). Kosaido Co., Ltd., which was newly-registered in 2012, was registered in field 5 (optical devices), field 17 (living appliances) and field 18 (heat appliances). As a result, each registered organization is able to address wider technical fields. Therefore, these organizations are expected to be able to flexibly respond to the latest trends in application filings

2) Ensuring the Necessary Number of Examiners

The JPO, before offices in other countries, introduced a paperless system for handling patent procedures. This system starts from the filing of an application up to the decision making by examiners. In addition, the JPO was the world's first office to outsource prior art document searches to private sector organizations (those mentioned above). 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 at the JPO is about 2.5 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 examination capability in terms of examination. The JPO has significantly increased the number of examiners by hiring around 490 fixed-term examiners in five years, from FY2004 to FY2008. 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, the JPO needs to maintain and enhance its examination capabilities by continually ensuring that it has the necessary number of examiners in FY2013 and onwards, and be capable of promptly granting stable rights in response to users' needs.

【Figure 3-1-2: Number of Applications Examined per Examiner】



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

【Table 3-1-3 Change in the number of patent examiners】

FY	2008	2009	2010	2011	2012	2013
Regular examiners	1,190(+15)	1,202(+12)	1,213(+11)	1,221(+8)	1,223(+2)	1,211(-12)
Fixed-term examiners	490(+98)	490	490	490	490	490
Total	1,680(+113)	1,692(+12)	1,703(+11)	1,711(+8)	1,713(+2)	1,701(-12)

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

(2) Accelerated Examination System/Super Accelerated Examination System

1) Accelerated Examination System

The JPO has implemented the accelerated examination system that makes it possible for faster examinations to be conducted, based on certain requirements.

This system targets (a) applications for inventions that have already been put into practice or are planned to be put into practice within two years (working-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 institutions that are expected to put their results to work for the benefit of society. The system also targets applications involving environmental technologies (green-related applications), which became eligible for accelerated examination under a pilot program. In addition, applications filed by companies and persons affected by the Great East Japan Earthquake (earthquake disaster recovery applications) have been added to the types of applications eligible for accelerated examination since August 2011. This was done to support recovery from the disaster so that technologies necessary for business activities may be protected and utilized in an expeditious manner. In addition, the system has also targeted inventions relating to results of R&D projects approved based on the Act on Special Measures Concerning the Promotion of R&D Projects, etc. by Specific Multinational Companies (Act on the Promotion of Asian Site Location in Japan) enacted since November 2012 on a pilot-program basis to have global companies establish R&D centers in Japan.

The number of applications filed using this system has been increasing year by year. The number was 14,717 in 2012. In 2012, the average FA pendency for applications under the accelerated examination system was about 1.9 months, much shorter than the average for ordinary applications.

2) Super Accelerated Examination System

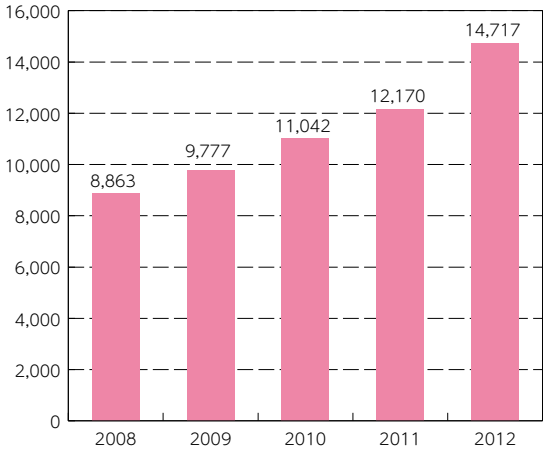
The JPO introduced the Super Accelerated Examination System on a pilot basis. Under this system, applications are examined more quickly than under the conventional accelerated system. This system targets more important applications that must meet two requirements: 1) "working applications" and 2) "internationally filed applications".

The basic outline of the super accelerated examination system calls for the first action to be finished within one month from the time the applicants file petitions for super accelerated examination (The length of time is within two months in principle for DO applications[1].), with subsequent examination[2] also to be finished within one month from the submission of the written opinion/amendment. This system, compared with the conventional accelerated examination system, reduces the length of time that applicants have to wait to receive final decisions.

There were 471 petitions for super accelerated examination in 2012. In 2012, the average FA pendency for applications under the super accelerated examination system was about 0.9 months from the time applicants filed their petitions. In addition, the average period of time that applicants had to wait to receive final decisions was about 2.1 months in 2012, much shorter than the average for applications filed using the conventional accelerated system (about 5.0 months).

1 Applications which entered the national phase after being filed as international applications.
2 An examination conducted upon the submission of a written opinion or amendment by the applicant after the first action.

【Figure 3-1-4 Change in the Number of Applications Filed under the Accelerated Examination System】



2. Efforts to Obtain Stable Rights

In order for companies to safely utilize their own intellectual property rights in the global market and to perform business activities, it is essential that patent rights be granted as stable and valid patent rights all over the world. Stable rights, to be valid in the world, require that there are no reasons anywhere for invalidation, that a clear line between other rights is set, and that the rights are not unnecessarily restrictive.

Therefore, it is important to deepen understanding of many factors such as technologies subject to examinations and related technical fields. In addition, it is important to conduct accurate prior art document searches including national and overseas documents, and implement quality control of patent examinations in a way that the results notified to applicants are based on high-quality examination procedures. In addition, it is necessary to review the examination standards, etc. where necessary in response to the opinions of users and the results of appeals/trials and judgments from the viewpoint of international system harmonization.

Furthermore, in order to promote stable intellectual property activities by applicants, it is also important to implement efforts that meet the needs of users by ensuring efficient and secure acquisition of rights through smooth communications with

the examiners during the examination procedures.

This section introduces efforts that the JPO is undertaking to ensure quality control and amend examination standards so that stable rights can be acquired. It also reports on efforts the JPO is making to support applicants in acquiring rights based on their needs.

(1) Efforts in Response to Users' Needs

1) Interview Examinations System

The JPO has established an interview examinations system that is used to ensure good communication is made possible between examiners and either the applicants or their attorneys.

This system, as a result, increases the efficiency of the examination procedure (There were 4,700 interview examinations conducted in 2012.).

For SMEs, venture businesses, universities and TLOs in rural areas, the JPO has started circuit interview examinations. These are examinations conducted by examiners who visit specific interview sites located nationwide in rural areas, meet applicants directly, and consult with them about their applications and the technical content. In 2012, the JPO conducted a total of 865 circuit interview examinations. Moreover, the JPO also has conducted video-interview examinations using a teleconferencing system. In addition, the teleconference system was upgraded in April 2013 to allow video-interview examinations to be conducted via the Internet. This new teleconferencing system allows an applicant conduct a video interview using his/her own computer connected to the Internet, without the need for special equipment or software. The applicants, agents and examiners are all able to take part in a video conference at the same time from up to ten places.

2) Estimated Period for Initiating Patent Examination

In order to enable applicants and their attorneys to strategically manage their applications, the JPO provides them an estimate as to when the examination process for their applications will be completed. The JPO does this for applicants whose examinations have not yet started (except for applications which have not yet been published). This system is referred to as the "estimated period for initiating patent examination" on the JPO's website.

By providing this estimate, the JPO hopes to promote discussions on the necessity of rights preservation by applicants and assist applicants in using the accelerated examination system, interview examination system, and refund of request for examination system[1], as needed.

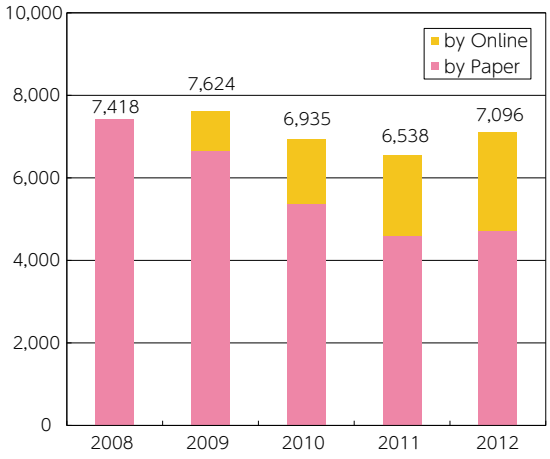
This system has been expanded so that third parties can also inquire time estimates, enabling them to make use of the "information submission system".

3) Information Submission by Third Parties

The "information submission system", which can be used by third parties, makes it possible for the JPO to accept information from third parties, which is useful in the examination process. For example, this includes information on inventions, which are related to the subject 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). The JPO started to accept information submissions on-line from January 2009, and its use has been increasing year by year. In 2012, 7,096 items of information were submitted.

1 A system to refund the half of the paid annual fees for examination request by withdrawing or abandoning an application before the JPO starts to examine it and filing a request for refund within six months from the withdrawal or abandonment.

【Figure 3-1-5 Number of Cases of Information Submission】



(2) Efforts to Maintain and Improve the Quality of Patent Examination

1) Trends in the Quality of Patent Examination

Ensuring the accuracy of patent examination is an essential requirement for preventing unnecessary ex-post disputes and competition in filing of applications. It is also 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 of patent examinations, is growing stronger.

Various discussions have been advanced, making it possible for the results of prior art searches and examinations conducted by each Officess to be reused by other Offices, thereby promoting international work sharing. A common issue at each Office is to improve their framework and procedures of the patent examination for achieving high-quality patent examination.

Under these circumstances, the Trilateral Offices (EPO, JPO, USPTO) have been conducting a collaborative study on metrics relating to the quality of international search reports since 2011, as a part of their cooperative activities. The IP5 Offices and the WIPO will work together in 2013 and onward to develop PCT metrics to overview the entire PCT system.

In addition, the Offices exchange information on specific situations and improvements of the "quality management system[1]" ,which each international searching authority or international preliminary examination authority is required to establish, at the Meeting of International Authorities under PCT (PCT/MIA) and the PCT working group. They also discuss the methods for maintaining and improving the quality of international searches and international preliminary examinations conducted by each International Search Authority and International Preliminary Examination Authority.

2) Efforts Concerning Examination Guidelines

From November 2012 to January 2013, the eighth and ninth meetings of the WG on the Patent Examination Standards, supervised by the Patent System Subcommittee under the Intellectual Property Policy Committee of the Industrial Structure Council, were held to deliberate the examination guidelines in terms of the "Requirements of Unity of Invention" and the "Amendment that changes a Special Technical Feature of an invention" .[2] Based on the results of the deliberations, the draft of the revised examination guidelines were prepared. Basic principles are that "the determination of the requirements of unity of invention" , "the decision of the subject of the examination" , and "the determination of whether or not an amendment changes a special technical feature of an invention" will not be made in an overly strict manner

1 Chapter 21 of "the PCT International Search and Preliminary Examination Guidelines" (hereinafter referred to as "the PCT Guidelines") includes a provision on its 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 conducting customer surveys.

2 The minutes of the meetings, etc. are publicized on the JPO website.
http://www.jpo.go.jp/shiryou/toushin/shingikai/shinsakijyun_menu.htm.

by taking into account the purport of the requirements of unity of invention and the purport of introducing a provision for prohibiting an amendment that changes a special technical feature of an invention. The JPO noticed the draft and invited public comments in March 2013 for revising the examination guidelines. The revised examination guidelines were confirmed and publicized in July 2013 based on the results of these public comments.

3) Promoting Quality Control of Patent Examination

In order to fulfill requirements on the quality of patent examinations from users such as applicants, it is important for the Art Units conducting examinations to uphold quality control activities[1] in order to achieve the level of quality required by users.

The JPO has been maintaining the quality control system at its Art Units by revising the examination guidelines and enhancing the search system. In addition, the Quality Management Office was established in response to the Advanced Measures for Accelerating Reform toward Innovation Plan in Patent Examination 2007 in April 2007. Furthermore, the JPO established the Quality Audit Section in April 2010 to further improve the system.

Under this system the JPO has maintained and improved the quality of patent examinations through a) quality control performed at each Art Unit, b) collection and utilization of information related to quality, and c) external efforts to achieve examinations that comply with the laws, regulations and examination guidelines designed to ensure that examiners make uniform decisions. This requires implementation of necessary and sufficient prior art searches, and conducting highly-satisfactory examinations based on smooth communications with applicants.

1 ISO9000, an international specification of quality management, defines "quality control" as "part of quality management focused on fulfilling quality requirements.

a. Quality Control at Art Units

The Art Units that examine applications in all the technical fields, work to achieve quality control in order to conduct proper examinations of individual cases based on following the Examination Guidelines. This is done by having several examiners consult with each other (in FY2012 about 60,000 consultations) and having directors check their work, etc.

In particular, in FY2012, consultations by examiners on about 2,600 PCT international applications were conducted by setting out uniform viewpoints on the appropriateness of determinations and prior art searches. As a result of these consultations, the quality of international search reports improved based on the knowledge shared by examiners. Moreover, examiners shared each other's view of the standards for determination and knowledge on related technologies in an effective manner.

b. Collection and Utilization of Quality Related Information

The JPO endeavors to collect information related to quality. For example, in the JPO, third parties review the examination results of individual cases, gather user reviews, and analyze related statistical information.

In FY2012, in-process type sample checks on search and examination results were conducted by some Art Units on a pilot basis for the purpose of enhancing the internal review system. These sample checks are characterized in that they are conducted on the premise that checkers conduct prior art searches again where necessary and that when deficiencies are found, they correct them prior to dispatch. Twelve experienced examiners were assigned as checkers in this pilot program. They checked about 400 cases that had been handled by about 100 examiners. Based on the result, the JPO discussed the future direction of check systems.

Moreover, in FY2012, 2,400 internal reviews on formality matters[1] of written notices of reasons for refusal were made. Also, The JPO conducted analysis on files for which decisions made in the international phase by the JPO and national phase by one of designated offices to identify causes of discrepancies.

A variety of information related to quality on these efforts is utilized to discuss measures for improving the quality of examinations at sections concerned, and is feed back to the Art Units in order to support quality control in all the Art Units.

c. External Efforts

The JPO conducted a comprehensive survey on the degree of satisfaction targeting Japanese companies and attorneys (675 entities). The amount of user evaluations gathered in 2012 was increased compared to previous years with the aim of identifying users' needs more accurately. The JPO analyzed the collected details of the user evaluations and reported about them on the JPO website[2].

Furthermore, the JPO has been regularly holding meetings to exchange opinions with users. At these meetings, the JPO explains the outline of its efforts to maintain and improve the quality of the patent examination processes and asks to cooperate by providing opinions and requests on the patent examination processes. The information obtained is used to ensure quality control of patent examinations by the Art Units and to further enhance the quality management system.

1 Matters that can be determined only by written notification of reasons for refusal such as errors in the grounds of reasons for refusal.

3. Efforts for International Work Sharing

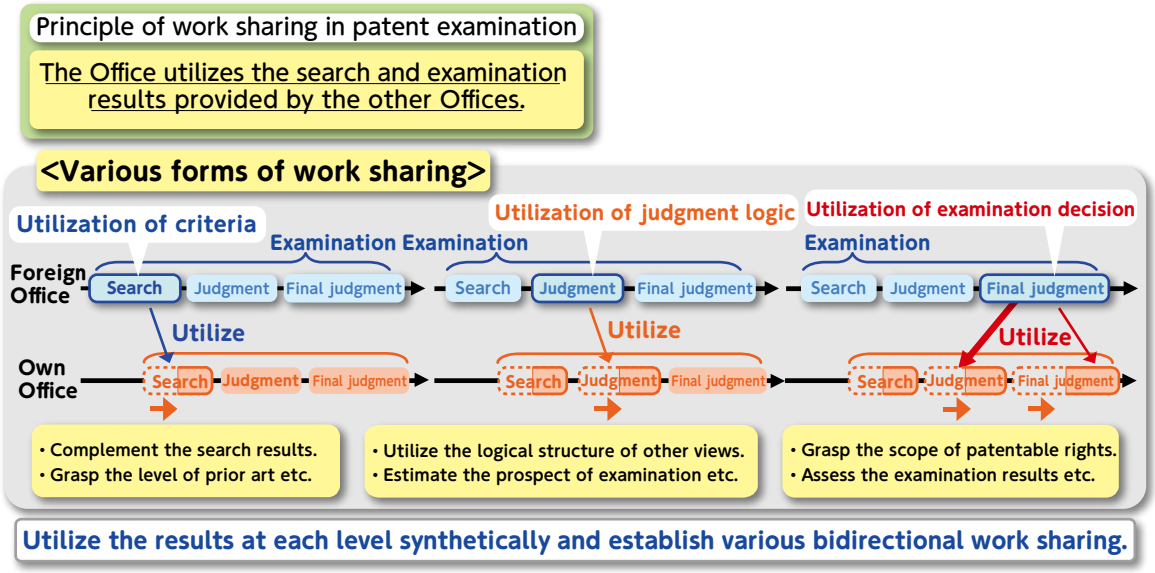
Following the global increase in the number of patent applications being filed in line with the ongoing globalization of economic and business activities and the increasing importance of Intellectual property along with such globalization, the number of duplicate applications* is increasing. In line with this, the examination workload at all offices has been increasing. Under this situation, the JPO is promoting work sharing of patent examinations with various IP offices, using the framework of international cooperation to improve the accuracy and efficiency of examinations worldwide under the aim of creating an environment in which applicants can strongly protect their intellectual property worldwide.

*Duplicate applications means applications for the same invention being filed in multiple offices.

The principle of work sharing is for each IP office to use the results of searches and examinations released by other offices. Doing so makes it possible to raise the efficiency of examinations and to give more credibility to the examination results by considering the validity of the searches and examination results of other offices. Utilizing the valid parts can eliminate duplicate work, while each office searches and examines the invalid parts.

Thus, it is important for the offices to release their search and examination results as soon as possible so that other IP offices can make use of it at the most appropriate level, in order to ensure that bi-directional work sharing at various levels truly functions as designed. The JPO's efforts on these issues are as follows (articles (1) and (2)).

【Figure 3-2-8 Concept of Work Sharing in Patent Examination】



(1) Patent Prosecution Highway (PPH)

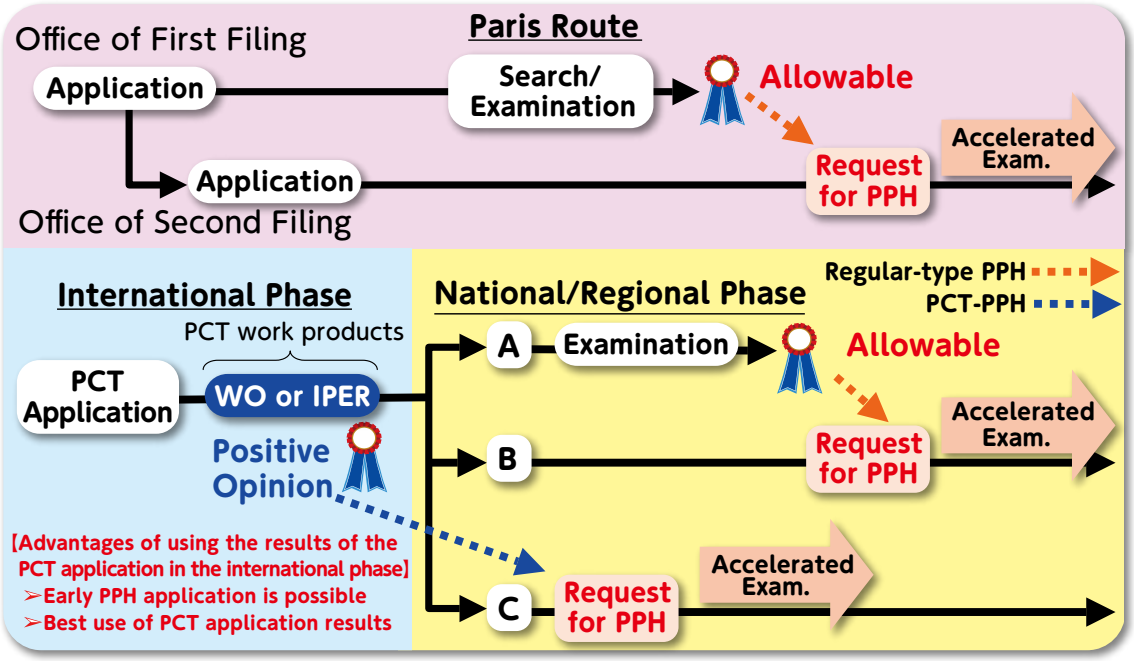
The Patent Prosecution Highway (PPH) is a framework set up to allow an application that was determined to be patentable in the Office of First Filing (the office with which the applicant first filed the patent application), to be given an accelerated examination under simplified procedures in the Office of Second Filing.

By enabling all the offices to make use of search and examination results of other offices, applicants can acquire efficient, stable, and strong patent rights in multiple countries and regions.

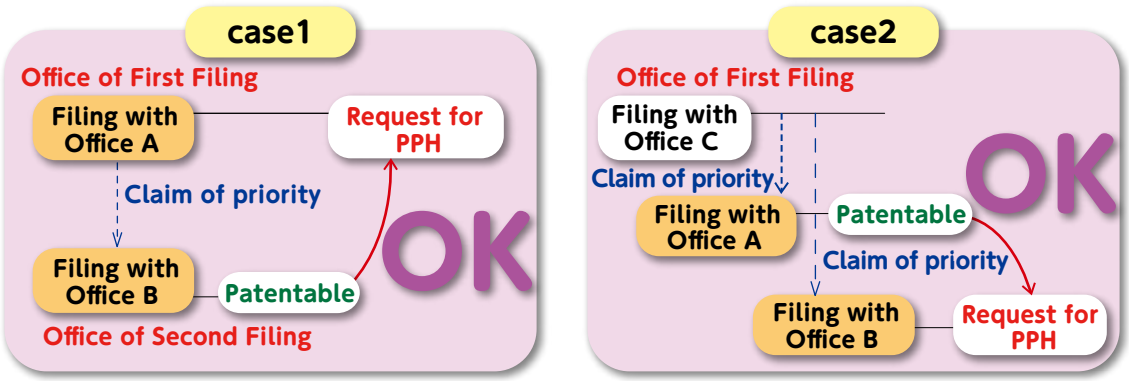
Moreover, the above-mentioned framework was expanded, and a pilot program for the Patent Prosecution Highway (PCT-PPH) was launched in January 29, 2010, which allows accelerated examination with simplified procedures at the national phase of PCT applications for applications determined to be patentable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

In addition, on July 15, 2011, the PPH MOTTAINAI program started. It is a pilot program for the Patent Prosecution Highway that has fewer requirements. This program allows a patent application filed under the PPH based on the examination results issued by any patent office which determined that the application is patentable regardless of which office among eight it was first filed with (Japan, the United States, the United Kingdom, Canada, Australia, Finland, Russia and Spain). In addition to the above-mentioned eight countries, the EPO, Germany and Portugal have participated in this pilot program as of April 2013.

【Figure 3-1-7 Outline of the Patent Prosecution Highway: Regular-type PPH (above) and PCT-PPH】



【Figure 3-1-8 Cases in which the Request for PPH is Allowed under the PPH MOTTAINAI Program】



An applicant using the PPH can receive three major benefits.

The first benefit is improved patent quality. The grant rate of applications from the USPTO to the JPO is usually 51.7% , while the grant rate of applications using the PPH is as high as 77.1% (2012). The foreseeability of acquisition of a patent becomes higher for the applicant, making it possible for the applicant to acquire a more stable right, as examiners in the JPO and the USPTO in principle examine the application based on the same claims.

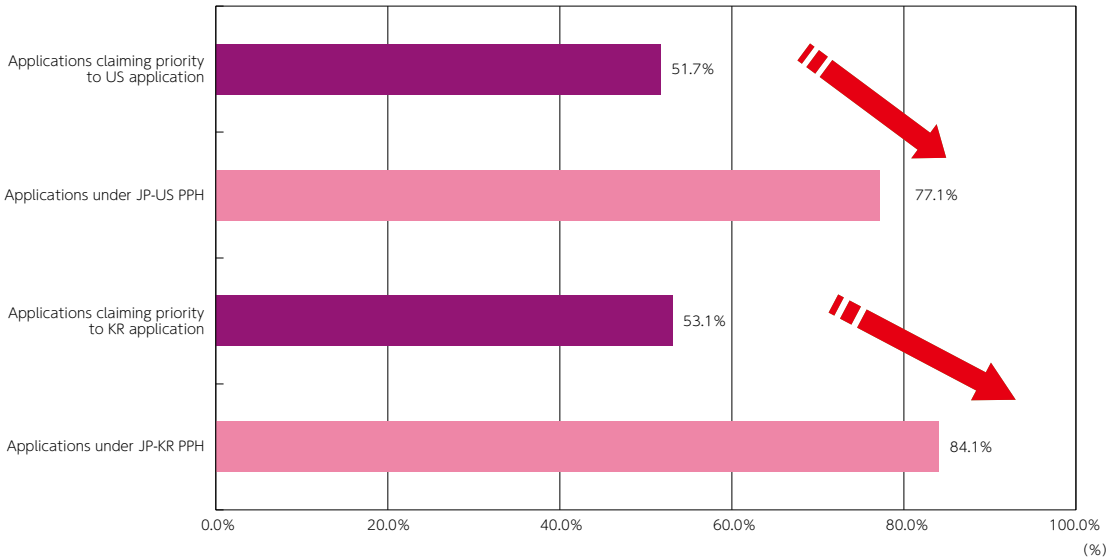
The second benefit is accelerated examinations. For example, in the JPO, the average FA pendency, counting from the time the application was filed up to the time when examination began, was about 20.1 months in 2012. However, the examination pendency of PPH applications, from the acceptance of the PPH request up to the commencement of the examination, was about 1.8 months in 2012.

In addition, the average pendency, from the time when the examination began up to the time the final decision is made, is usually about 10.5 months for applications filed preferentially in the USPTO to the JPO, while that of applications using the PPH is about 4.5 months (2012).

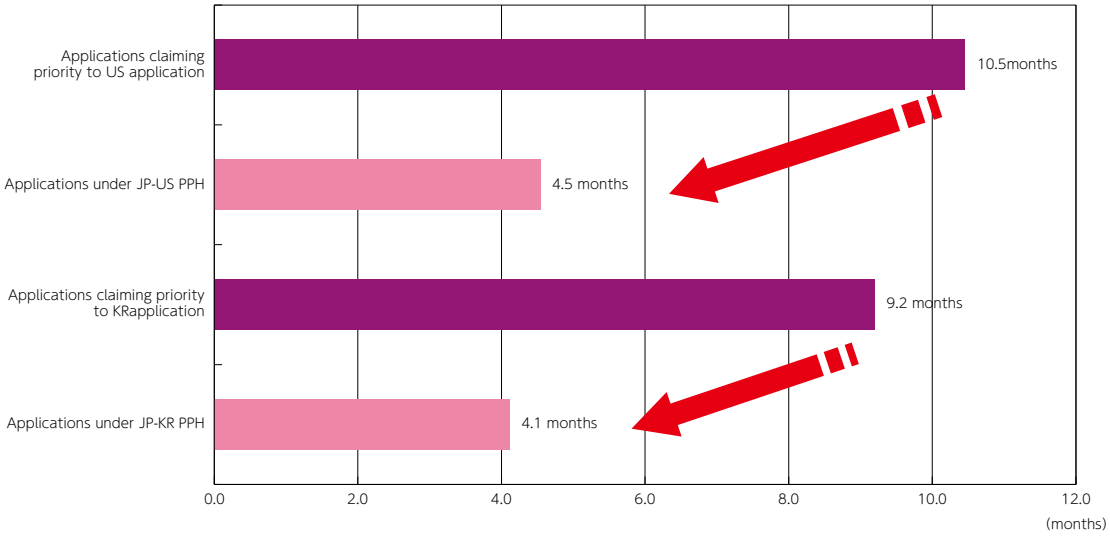
The third benefit is reduced costs to acquire rights. It can be assumed that once a reason for refusal has already been sent by one office, it is not necessary for all the other offices to send notifications. As a result, the volume of correspondence between the examiner and the applicant is less, thereby reducing costs. This enables the applicants to save the costs when acquiring patents, so they can invest the amount that they saved in additional R&D activities.

On the other hand, examiners can examine applications using the examination results of other offices so that it is possible for them to reduce their workload and make more efficient use of their time in examining other applications. This contributes to overall expeditious examination.

【Figure 3-1-9 Benefits of using PPH (Grant Rate at the JPO)】



【Figure 3-1-10 Benefits of using PPH (Average pendency from FA to final decision at the JPO)】



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

As described above, the principle of patent examination work-sharing is for each office to utilize the search and examination results released by other offices. However, there were cases when examination results for applications in which the Office of First Filing is the JPO could not be provided before examinations were initiated in the Office of Second Filing. As a result, the results of the Office of First Filing could not be used for the examination decision in the Office of Second Filing.

Due to this circumstance, the JP-FIRST was implemented in April 2008 in order to solve the above problem, taking into consideration the patent system of the JPO. This includes an examination request system that has a period of three years, and a framework to conduct international searches for PCT applications.

JP-FIRST is a framework in which:

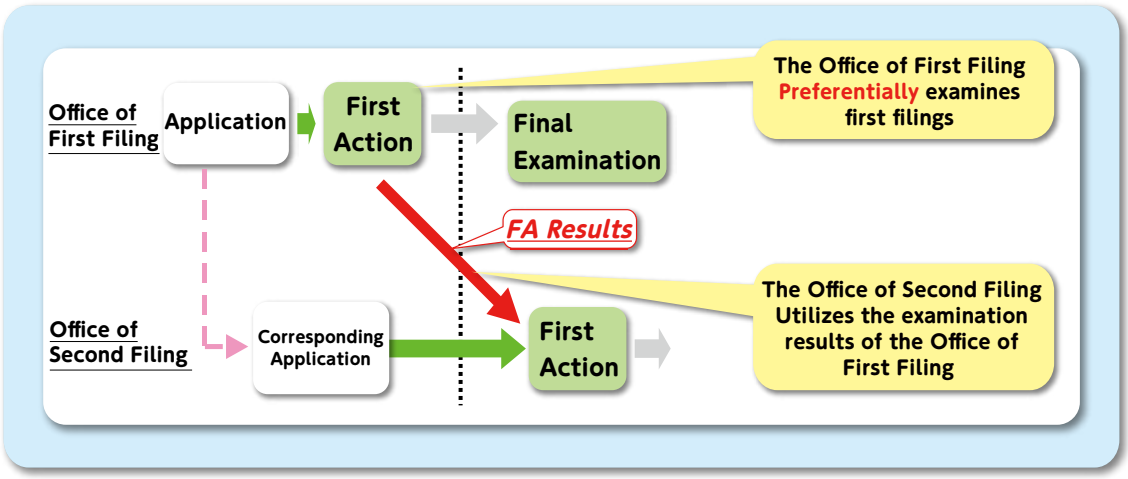
- The JPO prioritizes examinations of patent applications for which examinations have been requested within two years from the filing date from among patent applications which are eligible for priority under the Paris Convention[1] (PCT applications that are not subject to JP-FIRST).
- The JPO conducts the examination in principle within six months from the latter date of either the examination request date or the publication date, and no later than

1 In the case where an applicant who filed the application at a country of the Union of the Paris Convention (country of first filing) intends to file the content described in application documents of the patent application at another country of the Union of the Paris Convention (county of second filing), he or she claims the right to handle the judgment on novelty, inventive step, etc. in the same way as that made in the filing date at the country of first filing only when the period from the first filing date to the second filing date is less than 12 months.

30 months after the filing date.

This ensures that the examination results of the first action by the JPO are utilized in the examination in the Office of Second Filing. In 2012, examination results for 7,605 applications were released outside Japan earlier through this program. This is expected to enable Japanese applicants to acquire appropriate patent rights in foreign offices. Providing the results of the first action by the JPO earlier alleviates the amount of examination workload at all offices overall, so promoting the utilization of these results in foreign offices is important.

【Figure 3-1-11 Outline of JP-FIRST】



4. Initiatives to Achieve Future Patent Strategies

The international landscape surrounding intellectual property is drastically changing because of economic globalization and the expansion of emerging markets such as those in Asia. Japanese companies are expanding their intellectual property strategies on a global basis. Under such a situation, the number of applications filed by Japanese applicants to foreign offices has greatly increased. In addition, the regions where Japanese applicants file have changed, from the Trilateral Offices (the JPO, EPO and USPTO) to the IP5 Offices, namely the Trilateral Offices plus the KIPO and the SIPO.

And with China becoming the second largest economic power and surpassing Japan, the number of lawsuits in China has been rapidly increasing along with the outstanding increase in number of patent applications. There are concerns that intellectual property disputes will become even more heated in the future.

In view of these circumstances, the JPO has made various efforts for the purpose of creating a patent strategy that

allows stable rights valid worldwide to be established in Japan and allows rights to be obtained accordingly in an expeditious manner in other countries so that Japanese companies can smoothly conduct businesses all over the world.

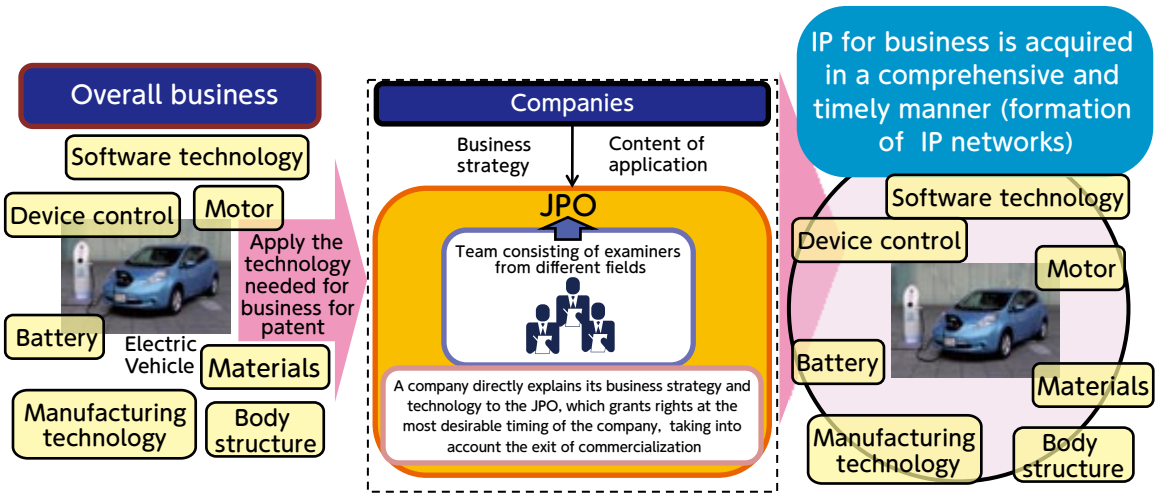
This section introduces efforts the JPO has undertaken to create an examination system in accordance with business strategies of companies, to harmonize international patent systems, to enable users to acquire stable rights valid worldwide, and expand the jurisdiction of PCT international searches in English, and conduct PR activities on international filing systems based on the PCT.

(1) Efforts for creating an examination system in accordance with business strategies of companies

Intellectual property strategies of companies have become more business based along with globalization of business activities and diversification of business models. In order to address this situation, the JPO has introduced the system of "collective examinations for IP portfolio" in response to corporate business strategies since April 2013. Under this system, the JPO conducts examinations of different types of intellectual property (patents, designs and trademarks) which open the way to businesses in Japan and other countries and grants rights on a cross-sectional basis in line with the timing of business expansion for the purpose of advancing deliberations about an examination system to address applications based on the above-mentioned intellectual property strategies.

The system of collective examinations in response to business strategies makes use of explanations on companies' businesses and interviews to conduct examinations based on understanding the business background and connections to technologies. Moreover, the schedule of explanations on businesses, interviews, and commencement of examination are coordinated in order to support companies in acquiring rights at the most desirable timing of users.

【Figure 3-1-12 Collective examinations in response to business strategies】



(2) Working toward International Patent System Harmonization

1) Creating International Patent Networks

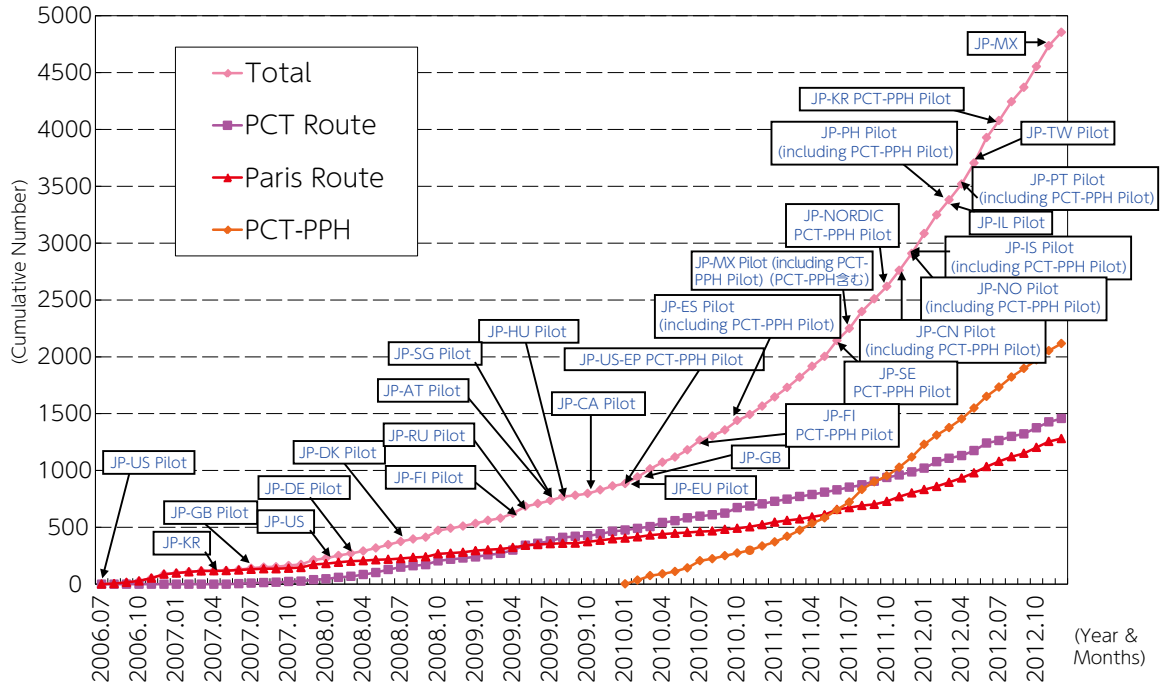
a. Expanding and Developing the PPH

After the launch in July 2006 of the pilot program of the world's first PPH[1] between the JPO and the USPTO, the number of applications filed under the PPH has steadily increased.

A high number have been filed under the PPH programs implemented between Japan and the United States, between Japan and South Korea, and between Japan and the EU. As of the end of December 2012, 7,343 requests to the USPTO and 2,146 requests to the JPO have been filed under the US-JP PPH, 1,859 requests to the KIPO and 251 requests to the JPO have been filed under the KR-JP PPH, and 1,228 requests to the EPO and 686 requests to the JPO have been filed under the EU-JP PPH.

The JPO supports applicants to acquire stable and expeditious rights abroad and also endeavors to increase the number of countries and regions with which it has PPH agreements, in order to improve the quality of examination and alleviate the examination workload by utilizing the examination results of each office.

【Figure 3-1-13 Number of applications for the PPH (as of December 2012)】



1 See Part 3, Chapter 1, 3.(1)

a) Increasing PPH Countries and Regions

As of the end of April 2013, Japan is conducting either full or pilot PPH programs, either regular PPH or PCT-PPH programs, with 25 countries and regions (the United States, the Republic of Korea, the United Kingdom, Germany, Denmark, Finland, Russia, Austria, Singapore, Hungary, Canada, the EPO, Spain, Sweden, Mexico, the Nordic Patent Office, China, Norway, Iceland, Israel, the Philippines, Portugal, Taiwan, Poland and the Eurasian Patent Organization). This indicates that 90% or more international applications filed by Japanese applicants can be basis of the the PPH request.

In addition, as of the end of April 2013, the JPO is also conducting a pilot PPH MOTTAINAI program with 9 countries and regions (the United States, the United Kingdom, Canada, Finland, Russia, Spain, the EPO, Germany and Portugal), which are countries with which the JPO has conducted full or pilot PPH programs.

It is anticipated that the Japanese applicants can expeditiously acquire more patents, as they file more applications under the PPH programs.

The number of countries and regions with which the JPO implements the PPH program and the PCT-PPH program is increasing every year[1].

Particularly, the importance of China has increased in terms of intellectual property. However, patent applications subject to accelerated examination were limited in China. Thus, users who desire to acquire patent rights expeditiously in China and protect their own technologies have requested the JPO to introduce the Japan-China PPH. To that end, the JPO started the world's first PPH and the PCT-PPH with the SIPO in November 2011. By the end of December 2012, 942 requests to the SIPO and 27 requests to the JPO have been filed under these programs.

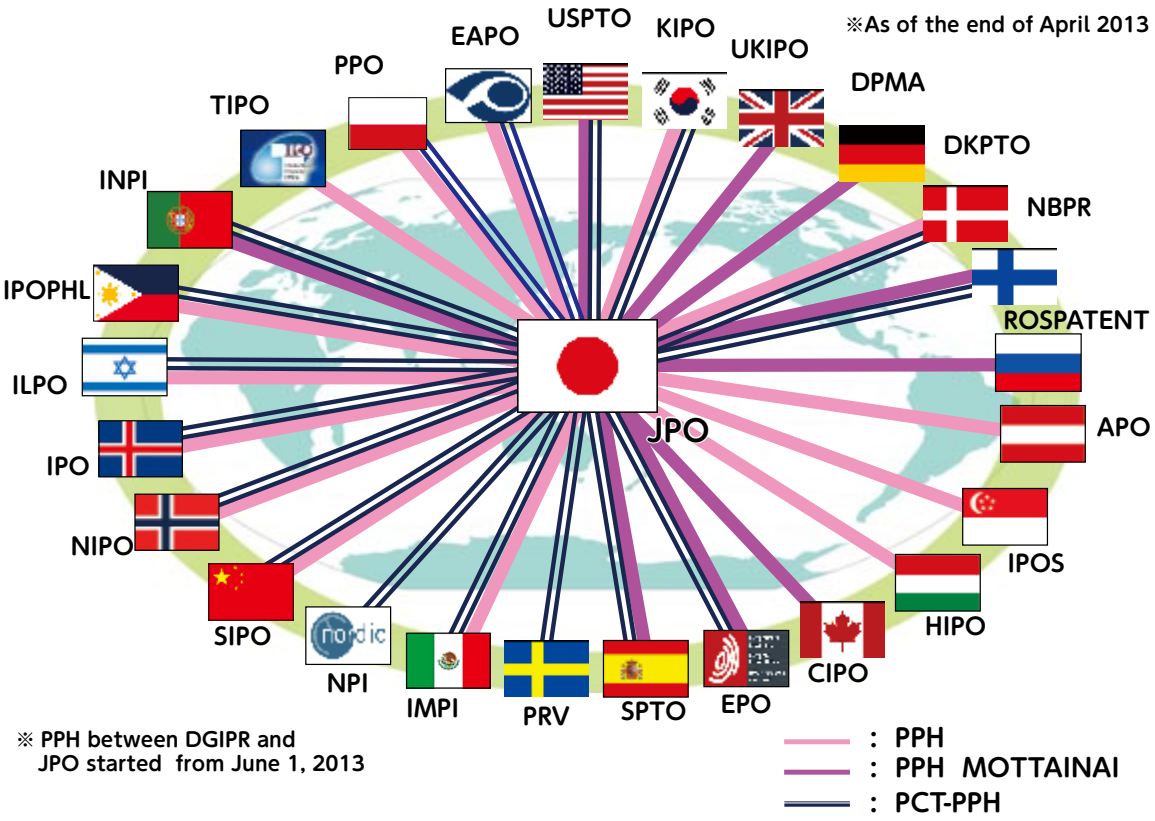
In May 2012, the JPO also started the PPH with the TIPO. The number of applications filed with the TIPO by Japanese applicants is large, following that to the USPTO, the EPO and the KIPO. By the end of December 2012, 208 requests to the TIPO and 2 requests to the JPO have been filed.

In July 2012, the JPO started the PCT-PPH under a pilot-program basis with the KIPO. This means that the PPH and the PCT-PPH are now available among the IP five offices.

Moreover, in April 2013, the JPO agreed to start the PPH and the PCT-PPH with Indonesia, which is next to Singapore and the Philippines among the ASEAN member countries in terms of achieving remarkable economic development in recent years.

1 Since April 2012, the JPO has started the PPH program with Portugal, Taiwan, Poland and the Eurasian Patent Organization and the PCT-PPH with Portugal, Korea, Poland, the Eurasian Patent Organization and Israel.

【Figure 3-1-14 Network of the PPH between the JPO and other offices】



b) Easing and Standardizing the Requirement for PPH Applications

The JPO has implemented the PPH MOTTAINAI program with seven countries and regions. This patent prosecution highway pilot program eases the application requirements.

The PPH programs are conducted under bilateral agreements so there is a problem with Office of Second Filing having different requirements for the PPH, even though the PPH applies to applications filed with the JPO. Due this situation, many users are asking to have the requirements for the PPH standardized.

Thus, the first Plurilateral Patent Prosecution Highway Commissioner Meeting and the Working-Level Meeting were held in February 2009. Since then, subsequent meetings have been held, with the fifth Working-Level Meeting held in Germany in October 2012. Represented at that meeting were IP offices and organizations from 23 countries and regions.

At the fifth Working-Level Meeting, the JPO proposed "Common PPH Guidelines" to unify the requirements for application procedures for the purpose of improving convenience and usability of users in the discussions for designing a plurilateral PPH framework with unified requirements. In addition, the JPO proposed the "PPH Policy" , which is a common recognition of the PPH. All participating offices confirmed the matters that they are to compile in order to improve the effectiveness of the PPH, such as utilizing the examination results released by the Office of First Filing to the maximum extent possible.

b. International Examiner Exchange Program

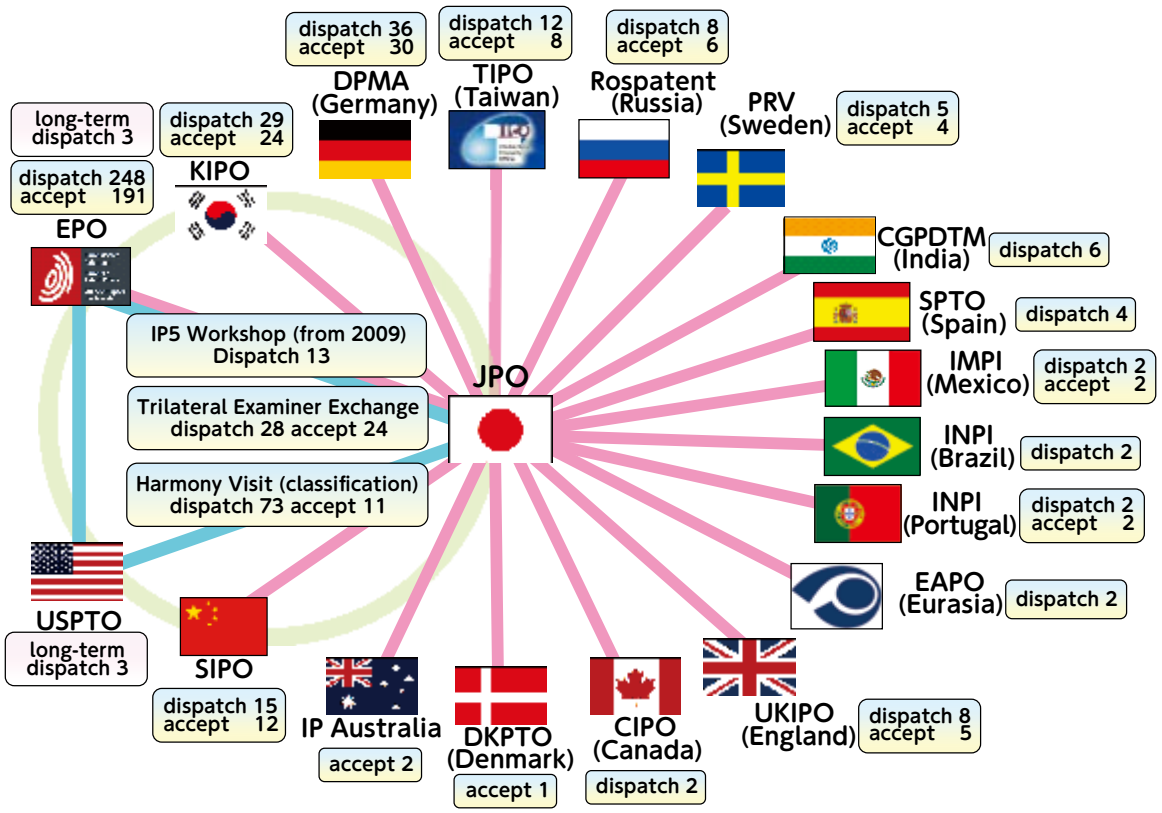
In order to promote work sharing in the area of patent examination, it is important that each office builds its credibility in terms of searches and examinations harmonizes the quality of examinations to a greater degree so as to

enhance the understanding of the search DB/tools for prior arts and harmonize 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 due to the network being built 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 FY2012, the JPO implemented bilateral examiner exchange programs with the EPO, sending 4 persons; the DPMA, sending 4 persons and accepting 5 persons; the KIPO, sending 4 persons and accepting 2 persons; the SIPO, sending 4 persons and accepting 4 persons; the ROSPATENT, sending 2 persons and accepting 3 persons; the TIPO, sending 4 persons and accepting 4 persons; the CGPDTM, sending 2 persons; the SPTO, sending 2 persons; and the PRV (sending 2 persons). Moreover, the JPO introduced short-term examiner exchange programs with the IMPI, sending 2 persons and accepting 2 persons; the EAPO, sending 2 persons; and the INPI, sending 2 persons and accepting 2 persons, which are offices that the JPO newly started PPH pilot programs with and with the INPI (Brazilian Industrial Property Office) with which the JPO expects to cooperate in examination in the future, sending 2 persons, and conducted investigations on search/examination environments and systems. In addition, the JPO sent three examiners to the Five Office Examiner Workshop in which examiners from the JPO, EPO, USPTO, SIPO and KIPO identified each other's search/examination methods and shared the best practices.

The JPO has sent its examiners mainly to major countries on a long-term basis since FY2012 for the purpose of deeply understanding actual situations of offices in major countries, etc. and providing feedback to the JPO. At the same time, the JPO implemented long-term examiner exchange programs to promote efforts and measures of the JPO with the EPO, sending 3 persons and the USPTO, sending 3 persons. The JPO discussed measures and efforts concerning harmonization of patent classifications, machine translation of documents in foreign languages and quality of patent examination with the EPO and those concerning work sharing of patent examination and information infrastructure to realize it with the USPTO to promote efforts and measures of the JPO.

【Figure 3-1-15 Actual records of examiner exchange programs (total number from April 2000 to March 2013)】



3) Enhancing Quality Management[1]

Offices of major countries have been focusing on improving the quality of patent examination and quality control amid the increase in global applications, developing quality management systems.

The JPO started in-process type sample checks on a pilot basis in FY2012 with the aim of implementing ineternational-standard quality control, as mentioned in Part 3, Chapter 1, (2)3). The JPO have expanded this pilot program in FY2013 and is continuing to consider the future direction of better internal check systems.

The JPO also has expanded the scale of the analysis conducted in FY2012 which examines factors of discrepancies found between examination results of other offices and that of the JPO as a way to establish internationally valid and stable rights. Results obtained from this analysis are useful to solve differences in examination results that are found among the different offices. Thus, the JPO intends to share its results with them

Moreover, the JPO will promote quality control at Art Units through various consultations such as those on PCT international applications, approval by directors etc. The JPO will also gather user evaluations targeting more users than previous years to further improve the quality of examinations based on user needs. Furthermore, consideration will be given to formulate an overall patent examination quality policy (quality policy) in such a way that it raises the level of confidence that both domestic and overseas users have in examinations made by the JPO. It also is intended to raise all JPO employees awareness or quality.

1 See Part 3, Chapter 1, 2(3)

Chapter 2
Efforts Related to Designs

It has become extremely difficult for Japanese companies to maintain their industrial competitiveness based only on cost competitiveness and conventional technical advantages. This is due to improved technological capabilities of companies in emerging countries and modularization of manufacturing techniques in recent years. Consequently, the value of product designs, which is a factor that directly drives consumers to buy, has been reviewed by many companies, which have come to realize that designs are a means for improving the appeal of their products. Although good designs make profits, it is very likely that counterfeit products taking a free ride on them are being manufactured. In order to properly ensure that they can gain profits from products to which high value is added based on design strategies, companies know that protecting design rights is essential. What is important is how to create a user-friendly design system to achieve the effective protection based on design rights.

Moreover, counterfeit problems are occurring frequently in other countries particularly in areas where competition is fierce such as in emerging countries in Asia. This is taking place along with more globalized activities by Japanese companies. Design rights are expected to be, as well as regarded as, effective as countermeasures against such problems. In order for Japanese companies to compete with foreign companies in domestic and overseas markets, economic and simple international design registration systems need to be implemented along with the international harmonization of design systems on the premise that such will bring about improved convenience for users of the Japanese design system.

In order to address these situations, the JPO undertook mainly the following initiatives in 2012.

1. Measures dealing with designs, taking into consideration globalized business activities

In order for Japanese companies conducting global business activities to effectively prevent damage caused by design imitations, promote Japanese brands through designs and thus ensure competitiveness on a global basis, it is important to create an infrastructure that promotes the protection of designs globably. Therefore, Japanese companies have been increasing their demand for Japan to become a member of the Geneva Act of the Hague Agreement, an international registration system of industrial designs. Moreover, with the development of information communication technology, the importance of graphic image designs contributing to differentiation of products has been increasing. It is necessary to develop the framework for acquiring design rights in consideration of Japan's succession to the Geneva Act of the Hague Agreement. It is also necessary to continue deliberating the enhancement of protection of graphic image designs under the Design Act, with the aim of supporting Japanese companies in their penetrating international markets in the field of IT where further development in the near future is expected. This will also work to combat against design imitations.

1. Efforts for Accessing to the amended Geneva Act of the Hague Agreement

1) Outline of the Hague Agreement

The Hague Agreement is an international system to handle filing and registering designs, integrating each country's filing procedures and allowing a single filing with the International Bureau to have the same effect as if the filing had been made to each signatory country. The Geneva Act of the Hague Agreement (hereinafter referred to as "the Geneva Act") is an amendment to the Hague Agreement, which was adopted in 1999 and came into effect in 2003, for the purpose of having countries that use substantive

examination to more accede to it more readily.

2) Efforts for Accessing to the Agreements

a. Accessing to the Locarno Agreement

The Locarno Agreement is a treaty specifying international classifications of designs. It came into effect on April 27, 1971 and 52 countries have acceded to it as of March 2013. This International Classification for Industrial Designs is prepared in English and French and consists of 32 classes (representing fields and groups of goods) and 219 subclasses (representing goods). This Classification was created and consolidated under the aim of maintaining exclusive industrial designs.

The International Classification for Industrial Designs is the most popular design classification in the world and allows users in Japan to conduct prior design searches and design right searches using the common international classifications. Thus, if Japan accedes to the Locarno Agreement and the Japanese design system adopts this International Classification, it is anticipated that Japanese users will be able to understand it more deeply and thereby enable them to reduce their difficulties in conducting prior design searches in their business operations located outside Japan.

In view of these circumstances, the 18th Design System Subcommittee (held on June 20, 2012) agreed to continue to look into the matter, aiming toward acceding to the Locarno Agreement.

3) Cooperation with Overseas Offices

As of March 2013, 45 countries and intergovernmental organizations have acceded to the Geneva Act. It is anticipated that if the United States, China, the Republic of Korea and ASEAN member countries, which are important markets to Japanese companies, accede to it, it will make the Geneva Act more attractive to Japanese companies. (Singapore has already acceded to the Geneva Act.) Currently, there is a movement in these countries to accede to it. the United States, the Republic of Korea and ASEAN member countries are making preparations to accede to it, while China shows strong interests. In response, the JPO is making preparations for Japan itself to accede to the Geneva Act while cooperating with other patent offices overseas in encouraging other countries also to accede to it.

To be specific, the JPO has exchanged information on items to be looked into and issues concerning accession with China, the Republic of Korea and the United States, advancing deliberations. With regard to ASEAN member countries aiming to accede to the Geneva Act by 2015, the JPO, at the Hague Agreement Workshop hosted by the WIPO in December in the Philippines, explained the status of deliberations in Japan so as to deepen understanding by each country on the Hague Agreement.

(2) Efforts for Enhancing the Protection of Graphic Image Designs

1) Background of Deliberations on Enhancing the Protection of Graphic Image Designs

The importance of graphic image designs has been increasing in terms of differentiating one product from the next, in response to the growing penetration worldwide of smartphones and tablets, and in response to greater distribution of application software based on information technology innovations in recent years.

However, the protection of graphic image designs under the Design Act of Japan is limited, as seen in the fact that images of general-purpose devices and those on websites are not subject to such protection. On the other hand, other countries including the United States, the EU and the Republic of Korea count on the extensive protection of graphic image designs. Therefore, the enhancement of their protection under the Design Act is an issue from a viewpoint of international harmonization.

Taking these circumstances into consideration, the 16th Design System Subcommittee of the Industrial Structure Council (held in February 2012) deliberated on enhancing protection of graphic image designs under the Design Act and agreed to continue deliberations on whether the protection can be enhanced. Since then, specific deliberations have been made with respect to targets of protection, establishment of rights, scope of effect, infringement acts and future direction of design examinations.

2) Efforts for Enhancing Protection

a. Exchange of Opinions with Parties Concerned

With regard to the enhanced protection of graphic image designs under the Design Act, "the Intellectual Property Promotion Plan 2011" looks into the expansion of items subject to the protection of designs including 3D digital designs as environmental improvement for protecting designs and points out that a conclusion should be drawn in FY2012. In response to this, the 14th (held in December 2011) to 21st (held in November 2012) Design System Subcommittee has repeatedly deliberated about the merits of protecting graphic image designs under the Design Act, items subject to protection, establishment of rights, and scope of effect.

In line with the deliberations made at the Design System Subcommittee, the JPO has actively exchanged opinions with a number of user organizations concerned such as legal experts and academics, home appliance manufacturers, SMEs, system development companies, package software development companies, content development companies and designers, listening to their opinions and requests and helping them to understand the basic direction. Moreover, the JPO has participated in seminars on graphic image designs to familiarize attendees with the basic idea by reporting the direction of current discussions on enhanced protection.

b. Exchange of Opinions with Overseas Offices

The JPO sent its staff to the EPO and the USPTO, regions that both protect images on application software and websites and icons among graphic image designs to hear their opinions on practices and operations. This is because these items are not yet subject to protection in Japan. They investigated the use of graphic image designs from the aspects of design rights and users' needs through exchanging opinions with local practitioners. The information obtained through such exchange of opinions was presented at the 19th (held in July 2012) and 20th (held in September 2012) Design System Subcommittee in the form of business trip research reports. The JPO will continue to actively exchange opinions with overseas offices in FY2013 and specifically look into practical aspects of the enhanced protection of graphic image designs.

3) Measures for Consolidating Materials such as Graphic Image Designs

The JPO collects information on new designs publicized in Japan and other countries and posts it on a searchable database as materials that can be used for examination in finding out new and inventive designs worthy of granting strong and exclusive design rights.

The materials to be collected include Japanese designs bulletins; foreign design bulletins of the United States, EU and China; and designs posted on national and international books, magazines, catalogues and the Internet. Materials used for examination consist of drawings or photos of designs posted and bibliographic items.

Currently, the JPO is planning to expand the collection and consolidation of information publicized on the Internet and in national and international magazines to ensure that design rights of graphic image designs are accurately and expeditiously established, deliberating on enhanced protection under the Design Act.

2. Promotion of Utilization of Design Systems

In recent years, product development activities utilizing designs have become more frequent, in order to focus on aspects such as tastes and customer usability, and attach high value without resorting to easy cost competition.

The JPO has made various efforts to create the framework in which companies can strategically utilize designs and use design systems. Examples include sending experts, creating collection of cases, and promoting academia-university cooperation in design.

(1) Sending Experts to Encourage Utilization of the Design System

The JPO has strengthened the support it provides for strategic development of designs and utilization of design systems at the IP Comprehensive Support Counters[1] since FY2012.

Specifically, (i) sending of experts on designs and design systems has been started and (ii) courses on utilization of designs and strategic utilization of design systems by SMEs has been added to the training program for persons in charge of the IP Comprehensive Support Counters.

Sending experts is designed to improve creativity from the product development stage and to support strategic design applications in view of sales. The JPO sends experts such as design consultants, designers, and patent attorneys in order to respond to questions from regional SMEs. Persons in charge of the IP Comprehensive Support Counters also are present with the experts.

In FY2012, experts were sent about 60 times during seven months, from August to February. The ratio of consultations about designs and design systems was approximately 2:1. They addressed concerns about designs, responding to product strategies, product selling points, sales

1 See Part 2, Chapter 2, 3.(1).

channels, proposals on reviews of product designs, advice on product shapes, introductions of local designers and companies that can carry out test production and designing. And in regard to design systems, they responded to concerns about effective application methods, advice on similarity with prior designs, separation of use between partial design applications and design applications of parts, points to remember at the time of filing foreign applications, and combining protection with other regions . Moreover, in some cases, experts in two fields were sent at the same time to provide consultations on filing applications of current products and on further design improvements.

Companies requested consultations on industrial designs of various products including medical equipment, products for nursing care, industrial juicers, system racks, nail files, and smartphone accessories. Experts were sent to address the utilization of both designs and design systems in response to requests for craft designs such as ceramics, lacquerware and glass crafts and for food package designs of seafood products and dried fruits.

With regard to consultations on design systems, a number of design applications were filed after experts were sent. Continuous support has also been provided for consultations on development by utilizing designs in view of the acquisition of intellectual property rights. The answers to the questionnaire survey on cases in which experts were sent from August 2012 to January 2013 were collected. In more than 90 % of those cases, the respondents rated the sending of the experts favorably. Many persons in charge responded that they wanted to request experts to be sent again.

First priority product development by iron factory and support for filing an application

This iron factory was considering the possibility of developing a medical rehabilitation assistance tool used at bedside, filing an application to register the design. An expert is observing an actual prototype and hearing about its characteristics, points of development, cost distribution, method of use, etc. He is also checking usability, strength, materials, color and shape of the product. A design consultant sorts out issues with this current product in response to the hearing and plans future development policies. Moreover, a patent attorney deliberates about the best method of filing a applications (mainly design) and mentions points to remember in doing so when the right of this product is acquired. A person in charge of the IP Comprehensive Support Counters was also present here and checking points of advice given by design and design system experts.

(2) Promotion of Academia-Industry Cooperation in Design

1) Efforts for Academia-Industry Cooperation in Design

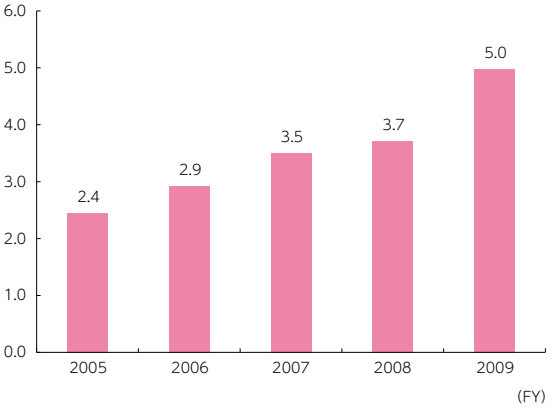
There is a movement for companies to create new designs under academia-industry cooperation by using the advantages found at art and design universities. Various efforts can be seen in examples in which large companies request universities to submit proposals on advanced designs or to objectively evaluate designs based on human engineering and examples in which SMEs request universities to develop designs utilizing their proprietary technologies in order to develop new markets[1].

1 Japan Patent Office "FY2010 Japan Patent Office Project to Promote Studies on IP at Universities: Study Report on Academia-Industry Collaboration for Designs Created by Universities and Efforts for their Protection"

2) Sending University Network Intellectual Property Advisors to Art and Design Universities

Since FY2012, the JPO and the INPIT, with the aim of supporting the setup of IP management systems within universities, have been sending university network intellectual property advisors who are familiar with intellectual property management of arts and designs to networks consisting of art and design universities.

【Figure 3-2-1 Change in the Average Number of Cases of Academia-Industry Cooperation in the Field of Product Design】



Note: The average number for the university which participate in the University-Industry collaboration.

3. Providing Information on Designs

The JPO strives to provide better information on design examination such as information about consolidation of the examination guidelines for designs, the criteria used to make decisions in design examination, in addition to announcing the design examination schedule, providing information on similar and related designs, and publicizing publicly known designs for the purpose of improving usability.

(1) Consolidation of the Examination Guidelines for Designs

The "Examination Guidelines for Designs", "Design Examination Manual" and "Guidelines for Operation of the Amended Design Act 1999 and Design Examination" have been publicized on the JPO website from the past for the purpose of introducing the procedures for applying the provision for exceptions to lack of novelty of design. Moreover, in FY2012, the JPO created and publicized the "Q&As on the Provision for Exceptions to Lack of Novelty of Design (Design Act Article 4, Paragraph 2)" to further improve usability of the system. This is a content-by-content summary of frequently asked questions about the procedures for applying the provision for exceptions to lack of novelty of design sent to the Design Examination Guidelines Office.

Furthermore, the JPO added specific examples of methods of filing applications for specimens and models and methods of expressing drawings using CG to the "Guidebook on Requests for Applications for Design Registration and Description of Drawings" which sorted out the methods of describing requests and drawings when applications for design registration are filed, making it more user friendly.

In FY2012, referential examples were accumulated from designs including images registered after the Design Examination Guidelines for designs concerning design including graphic images were amended, further to FY2011, and publicized them as "Collection of Cases of Registered Graphic Image Design" so as to further enhance

those cases.

Additionally, "Collection of Cases of Registered Related Design of Partial Designs" was posted on the website which compiled designs registered as principal designs and related designs from applications for partial designs so that it may be used as a reference to determine similarity in design examinations.

(2) Clarification of the Details in Determining Design Examinations

In order to respond to demands made by design registration system users in terms of clarifying the criteria used in determining examinations, the JPO has been working to clarify the details by conducting practice so as to describe the additional reasons for judgment of similarity between applied designs and cited designs in the notice of reasons for refusal (based on Article 9(1) (prior application) of the Design Act) from October 2004. Since FY2007, as another practice, the JPO started to describe additional reasons for refusal based on Article 3(1) (iii) of the Design Act (novelty).

In addition to the above-mentioned practices, since FY2011, the JPO started to describe additional reasons for refusal (based on Article 9(2) and Article 10(1) of the Design Act) in order to clarify examination decisions by describing the characteristics of applied designs, common points, and differences with cited designs or other applied designs, giving reasons for the final decisions.

(3) Publication of Design Examination Schedules

The JPO has made available "the Design Examination Schedule[1]" on its website so that design registration users can view it and file their design applications.

The Design Examination Schedule displays estimated examination schedules for applications for design registrations that are filed on particular dates. It is updated every quarter by adding information on finalized examinations.

The Design Examination Schedule provides applicants a rough indication of the date when they can receive examination results for their applications for design registrations, allowing the applicants to acquire rights at an effective timing.

(4) Provision of Similar/Related Design Information by IPDL

In order to provide useful information to determine similarity of designs, on March 27, 2006, the "similar/related design information service" was launched in the IPDL. Users 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 either similar designs or related designs, in the relevant field of the Japanese Design Classification. The service helps users understand the standards for determining the results, such as what sort of designs are judged to be similar when examined.

1 http://www.jpo.go.jp/torikumi/t_torikumi/pdf/isyou_schedule_j.pdf

(5) Publication of Publicly Known Design Sources

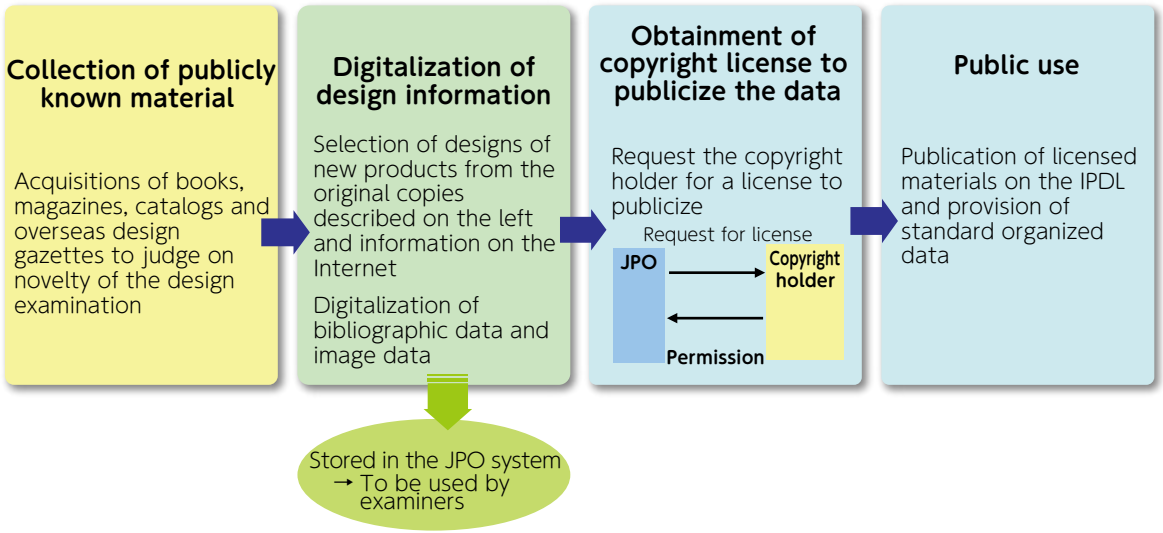
For the purpose of determining novelty and creativity in the design examination process, the JPO has collected and selected designs of new products from national and international books, magazines, catalogs and the Internet, digitalizing the bibliographic data, photos, and figures of those products so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

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

For that purpose, the JPO started a program in FY2007 to obtain copyright licenses for the publicly known design data to be publicized by the JPO. Once licensed, the publicly known design 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 the bibliographic data and images of publicly known designs, based on serial numbers. Since October 2009, the JPO has been providing the "publicly known design source text search service", which allows users to make searches based on the names of articles and the Japanese design classifications.

【Figure 3-2-2 Outline of Collection and Publication of Publicly Known Design Materials】



4. Quality Management of Design Examinations

In recent years, product development activities utilizing designs has become more frequent in order to focus on aspects such as tastes and usability and attach high value without resorting to easy cost competition.

The JPO has made various efforts to create the framework in which companies can strategically utilize designs and use design systems. Examples include sending experts, creating collection of cases, and promoting academia-university cooperation in design.

(1) Background of Efforts for Quality Management of Design Examinations

The JPO has been maintaining and enhancing the quality of design examinations such as checking contents by managers, revising guidelines, and enhancing search systems. In April 2008, the Preparatory Committee for Quality Control of Design Examinations was established in the Design Department and a system to start to deliberate about further efforts was put in place. In FY2009, "Study Report on Future Course of Design Examinations based on Reviews by Applicants (Japan Patent Office, March 2010) sorted out basic materials concerning the consolidation of quality management systems. In FY2010, the Preparatory Committee was reformed into the Design Examination Quality Management Committee (consisting of six members including directors) for the purpose of deliberating about various efforts.

(2) Content of Efforts

1) Sample Checks

The JPO has been implementing sample checks twice per year since FY2010 by mechanically picking up cases in which decisions have become final and conclusive.

2) Collection of Opinions and Information from Users

a. Questionnaire for Users Subject to Sample Checks

In addition to internal sample checks, the JPO has conducted surveys of users whose applications were subject to sample checks, to analyze how users feel about the examinations after sample checks conducted in the latter term of FY2011.

b. Provisions of Information on Individual Cases (excluding pending cases) from Users

There is "column of provision of information on other cases" in answer sheets used for the said surveys. Moreover, examiners requests uses to provide information on individual cases in which the users felt that the quality of examination was unsatisfactory when examiners go on a business trip.

3) Collection and Utilization of Trials and Appeals

The Examination Departments share information on results of trials and appeals and acquires and analyzes statistics.

4) Provision of Statistical Information of Examination Processing of Individual Examiners

Various types of statistical data (based on information about examiners' work) is created for each examiner and provided in a way that it can be compared with the overall average of the Design Examination Department. This is aimed to see the trend in each examiner's work.

(3) Feedback

The quality of design examinations is maintained and enhanced by sorting out issues based on results of analyses in the above-mentioned efforts and providing feedback to the Examination Department and related departments and offices.

5. Accelerated Examination Based on Applicants' Needs

An accelerated examination system for applications for design registration was introduced on December 15, 1987. Under this system, accelerated design examinations are conducted for 1) working applications that urgently need to be registered and 2) internationally filed applications. In 2012, 133 requests were made for accelerated examinations and the average period from the time the request was made until the notice of first action was sent was 1.6 months.

An accelerated examination system designed to respond to anti-counterfeiting measures was introduced in April 2005, in order to combat counterfeiting at an early stage in cases when counterfeit products are being sold.

Under this system, if counterfeiting is known to be occurring, the first notice of examination results, i.e., the first action, will be made within one month from the time the applicant submits a request for accelerated examination, as long as no issues have been found in the application. Twenty nigh requests were made for accelerated examinations due to counterfeiting in 2012, and the average period from the time the request was made until the notice of first action was sent was 0.7 months.

In addition, an Earthquake Disaster Recovery Support Accelerated Examination System was introduced in August 2011 to examine applications for design registrations filed by companies damaged by the Great East Japan Earthquake as soon as possible. This system accepts applications filed by persons who suffered from the damage caused by the Great East Japan Earthquake and have an address or domicile in the areas[1] covered under the "Disaster Relief Act.[2]" Eight requests for Earthquake Disaster Recovery Support Accelerated Examination were made in 2012, with the average period of time from when the request was made up to the time the notice of first action was sent, was 2.3 months.

1 Except Tokyo Prefecture.
2 Act No.115 of 1947.

Chapter 3
Efforts Related to Trademarks

In recent years, the role played by trademarks has become larger from the viewpoints of economic globalization and diversified sales strategies of goods and services due to the rapid growth of the Internet and strengthened competitiveness of Japanese industries. Moreover, the environment surrounding trademarks is changing day by day in response to the ever-changing economy and society, and to international harmonization of intellectual property rights. The JPO has been making various efforts for the purpose of appropriately protecting trademarks and improving user-friendliness in response to these conditions.

This chapter introduces efforts for amending the Examination Guidelines for Trademarks, efforts for changing international classification of goods or services, accelerated examination systems to meet the need of early registration of trademarks, the regional collective trademark system to protect regional brands under the trademark system and efforts for quality management of trademark examinations.

1. Amendment to the Examination Guidelines for Trademarks Concerning Trademarks Consisting of Geographical Names in Japan or Overseas

Outline of the Amendment to the Examination Guidelines for Trademarks

(1) Amendment of the Examination Guidelines concerning the Provision of Article 3, Paragraph 1, Item (iii) of the Trademark Act

1) The amended guideline confirms the current examination practices that reject a trademark consisting of a "geographical name in Japan or overseas" pursuant to the provision of Article 3, Paragraph 1, Item (iii), if it is generally recognized as a "place of origin or place of sale of goods" or a "place of provision of service."
2) The amended guideline clarifies what kind of indications is included in the "geographical names in Japan or overseas" which used to be explained only in the Trademark Examination Manual.

(2) Amendment to the Examination Guidelines concerning the Provision of Article 3, Paragraph 1, Item (vi) of the Trademark Act

1) The amended guideline clarifies that a trademark consisting of a geographical name indicating a place of establishment of a business operator or a geographical name generally recognized as a place of establishment of a business operator, in principle, falls under Article 3, Paragraph 1, Item (vi), even in case it does not fall under Article 3, Paragraph 1, Item (iii).
2) The amended guideline clarifies the examination practices that the provision of Article 3, Paragraph 1, Item (vi) shall not apply if the trademark has acquired the distinctiveness through use, even if it falls under the category listed in the examination guideline for Article 3, Paragraph 1, Item (vi).

*The amendment to the Examination Guidelines for Trademarks came into force on November 1, 2012.

Furthermore, the Trademark Examination Manual pertaining to Article 3, Paragraph, Item (iii) and Item (vi) was amended in accordance with the amendment of Examination Guidelines for Trademarks. The relevant part of the Examination Guidelines for Trademarks and the Trademark Examination Manual were translated into English and publicized on the JPO website.

2. Efforts for Changing International Classifications based on the Nice Agreement

(1) Nice Agreement

The Nice Agreement was concluded with the aim of adopting a common international classification (international classification), as it is more complicated in various ways to manage trademarks in terms of performing prior trademark searches and procedures for applications for trademark registration, if there are differences in classifications of goods and services from one country to another. The official name of the Nice Agreement is "Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of June 15, 1957, as revised at Stockholm on July 14, 1967, and at Geneva on May 13, 1977, and amended on September 28, 1979." It obliges contracting sates to adopt the international classification. Japan acceded to this Agreement on February 20, 1990[1] and has been using the international classification based on it as the principal system since April 1, 1992 on which the service mark registration system was introduced[2].

The number of contracting parties of the Nice Agreement is 83 as of October 2012. The international classification of the Nice Agreement is used by more than 150 states including non-contracting parties and intergovernmental organizations such as the OHIM.

(2) International Classification

The international classification is a common international classification of goods and services for the registration of trademarks provided for in the Nice Agreement. The original text is written in English and French.

The international classification contains the following contents.

1) General remarks: They indicate the guidelines for cases in which certain goods or services may not be classified by the list of classes, explanatory notes, and alphabetical lists.
2) Class headings: They indicate the fields of classes to which, in principle, goods or services belong, and describe the goods (Class 1 - Class 34) and services (Class 35 - Class 45).
3) List of classes with explanatory notes: This list specifies the classes of goods and services and consists of the class headings and explanatory notes.
4) Alphabetical list of goods and alphabetical list of services: They list the indications of goods and services in alphabetical order and classes to which goods or services belong by goods or service.

(3) Shortening the Cycle of Changes of the International Classification; and Japan's Response to This

The Committee of Experts provided for in the Nice Agreement is responsible for making changes to the International Classification. These changes are divided into "amendments[3]" with changes of classes or establishment of new classes and "other changes[4]" consisting of changes made to the list of classes with explanatory notes, addition, deletion, and change of indication of goods or services in the alphabetical lists.

In the past, a preparatory working group established by the Committee of Experts examined a proposal on any change

1 In those days, the international classification was used as a secondary system. (The international classification was used in document searches, etc. by describing class numbers of the international classification in official documents and official publications, e.g., trademark gazette, trademark registration registers) concerning mark registrations.)

2 Class numbers of the international classification are described in official documents and official publications concerning mark registration and the international classification is used as a principal classification in document searches, etc.

3 They are reflected when the classification is updated every five years. Next amendments will be issued in the 11th Edition which is expected to be issued in 2017.

4 They are reflected in a new additional edition which is issued every year.

to the International Classification and the Committee, which met every five years, made the final decision on the change based on a recommendation issued by this working group.

However, in order to reflect indications of goods or services more frequently in the Nice International Classification, the 21st Session of the Committee of Experts held at the WIPO in November 2010 decided to make proposals on "changes to the International Classification" using the electronic forum and issue "changes to the International Classification" every year by holding the Committee of Experts every year instead of every five years.

Japan has participated in discussions, making proposals on "changes to the International Classification" using the electronic forum and participating in the Committee of Experts.

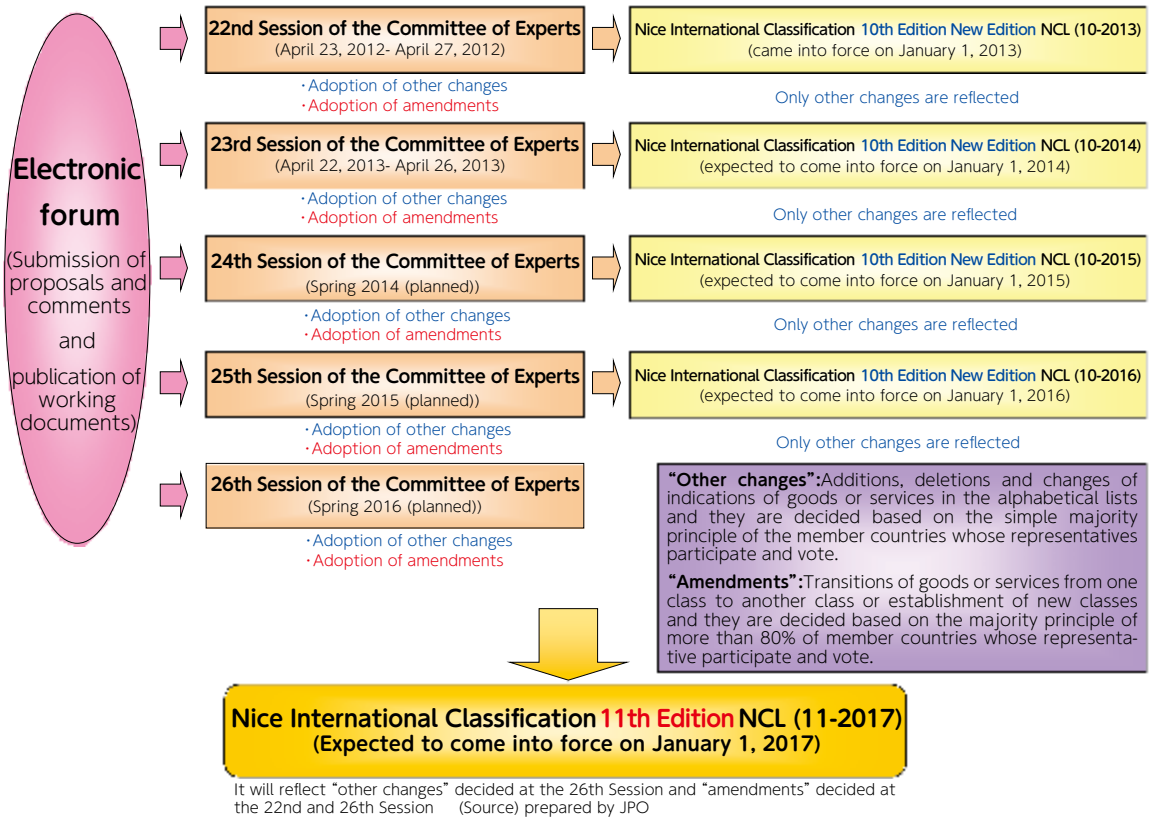
On January 1, 2013, the 10th Edition, version2013 reflecting "other changes" decided at the 22nd Session of the Committee of Experts held at the WIPO in April 2012 was issued as a new additional edition of the 10th Edition. The JPO amended the Appended Table of the Ordinance for Enforcement of the Trademark Act (Ministerial Ordinance of METI No.87 of 2012, promulgated on December 3, 2012) which responds to the issuance of the said international classification and lists the goods or services belonging to classifications of goods and services. It came into force on January 1, 2013.

Moreover, the "Examination Guidelines for Similar Goods and Services" were also amended in response to this amendment to the Appended Table of the Ordinance for Enforcement of the Trademark Act.

Major additions and deletions in the International Classification 10th Edition, version 2013 are as follows.

Class 5: Re-agent paper for medical or veterinary purposes was added
Class 9: Digital photo frames were added
Class 30: Pasta sauce was added
Class 39: Rental of aircraft engines was added
Class 9: Word processors were deleted
Class 30: Cocoa products were added

【Figure 3-3-1 Process of Amendment of the Nice International Classification (10th Edition and after)】



It will reflect "other changes" decided at the 26th Session and "amendments" decided at the 22nd and 26th Session (Source) prepared by JPO

3. Efforts Involving Regional Collective Trademarks

(1) Introduction of Regional Collective Trademark System

In order to provide appropriate protection for regional brands as trademark rights, the Trademark Act was amended in 2005 and the regional collective trademark system was introduced in April 2006. This system is aimed at stimulating local economies for sustainable growth by encouraging local cooperative business associations to actively make use of the system. This system enables trademarks which consist solely of a geographical name and a generic name of goods or services to be registered at the earlier stage. It eliminates third parties from taking advantage of the reputation of the trademark and is expected to provide an incentive for business operators conducting regional branding activities to register their trademarks and, consequently, to stimulate the economy of the region. Furthermore, it is expected that each regional brand which is at the stage of development will be widely recognized throughout the nation by making effective use of the registered regional collective trademark as well as carrying out the thorough brand management.

(2) Applications and Registrations for Regional Collective Trademark

1) Statistics of Applications

Having started receiving applications for regional collective trademarks on April 1, 2006, the JPO has received 1,035 applications as of the end of March 2013. Looking at the number of applications filed by sector, agricultural products were dominant, followed by industrial products, processed food (including confectioneries and noodles), and others such as alcohol

and even hot springs. The numbers of applications filed by region are as follows: 44 from Hokkaido, 82 from Tohoku, 99 from Kanto, 72 from Koshin-etsu, 73 from Hokuriku, 129 from Tokai, 276 from Kinki, 60 from Chugoku, 38 from Shikoku, 116 from Kyushu, 38 from Okinawa and 8 from overseas.

2) Status of Registrations

By the end of March 2013, the JPO had granted 548 regional collective trademark rights; the first registration was "Takko Ninniku (garlic)" of Aomori prefecture and the 500th was "Sendai Ichigo (strawberry)" , registered in April 2012. An award ceremony to commemorate the 500th regional collective trademark registration was held with the right holder ZEN-NOH attending.

(3) Publicity Activities for the Regional Collective Trademark Systems

As an effort to promote the regional collective trademark system, the JPO has been holding seminars nationwide to explain the system and examination practices since 2005. 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 regional collective trademarks. In addition, in order to further expand the use of the regional collective trademark system, in February 2013, the JPO published a booklet entitled, "Regional Collective Trademark 2012," listing the goods and services of the 519 trademarks that had been registered by the end of November 2012.

This 2012 booklet includes 10 cases in which Regional Collective Trademarks were effectively used, following the 2011 Edition, and added "Q&As for Regional Collective Trademarks" and "Examination Analysis of Regional Collective Trademarks."

Regional collective trademark system pamphlet and 2012 regional collective trademarks

(4) Brand Strategy of the Regional Collective Trademark

Even if a regional collective trademark is successfully registered, it is not utilized effectively in some cases. Although there are various reasons, the major reason seems that the regional collective trademark had been filed without the applicants carrying out sufficient discussions on the regional brand strategy, in many cases. In filing a regional collective trademark, it is desirable that not only concerned parties but also various organizations and associations involved in activities to stimulate local economies first discuss together the meaning of filing the regional collective trademark, as a part of a regional brand strategy. Furthermore, even after the regional collective trademark has been registered, it is important for the parties concerned to confirm the concept of the strategy and continue to hold discussions. In addition, in order to nurture the regional brand with the aim of stimulating the local economy, it is important that the brand acquire and maintain trust and reliability as a "brand." In this regard, it is essential that the regional collective trademarks and the quality of the respective goods and services be maintained and managed properly. It is desirable to forge a structure under which the regional collective trademarks and the regional brands can be managed in an integrated way. To be more specific, assigning personnel to be in charge and establishing committees and councils are effective ways to achieve this. As a specific

way of managing these regional collective trademarks, it is advisable to set standards to manage the use of the trademarks and uphold the standards of quality of the goods and services, and thoroughly adhere to the standards set. Another effective means to promote the brand is to distribute seals, stickers, posters, etc. advertising the fact that the regional collective trademark has been registered.

4. Quality Management of Trademark Examinations

(1) Background of Efforts for Quality Management of Trademark Examinations

Maintaining and improving the quality of trademark examination enables trademark rights to be protected in an appropriate manner and maintains the business confidence of persons who use trademarks. It is essential to maintain and improve quality to protect the interests of consumers and ensure that business operators can run their businesses smoothly.

From years ago, the JPO has been continuously making efforts for improving the overall quality of trademark examinations by checking examination contents by directors, revising the Examination Guidelines for Trademarks, and enhancing the search system for the purpose of maintaining and improving quality. In April 2009, the Trademark Division launched a quality management project on trademark examinations. In FY2010, the "Study Report on Quality Management Techniques for Trademark Examinations based on Evaluations by Applicants" (February 2011, Japan Patent Office) was issued, serving as the basic foundation for the future course of trademark examinations and quality management techniques. In FY2011, the organization of the Trademark Division was enhanced and as its upper organization, the Conference of Representatives of Quality Management for Trademark Examinations, was launched with Director-General, Trademark and Customer Relations Department as its chairperson. This conference aims to foster collaboration among concerned departments and divisions in the JPO, evaluate the quality of trademark examinations, and decide principles to make improvements. Under this system, the JPO has deliberated about various issues, aiming to maintain and improve the quality of trademark examinations.

(2) Content of Efforts

1) Sample Checks

The JPO has been conducting sample checks of examination processes since FY2009, and after FY2011, by randomly extracting cases covering a specific period and conducting sample checks of examination processes involving applications that had not been sent to applicants. The results of analyses of sample checks are sent back to the Examination Department to ensure that any problems are known.

2) Collection of Opinions and Information from Users

The JPO listened to user opinions on the quality of trademark examinations to find out how users feel about the examinations conducted on their applications.

3) Provision of Information on Examinations to Users

In many cases, reasons for refusal such as the inadequate description of designated goods and services could have been avoided, if appropriate information was obtained in advance. The JPO provided information on examinations and gave reminders, mentioning points to remember in reasons for refusal such as the inadequate description of designated goods and services, making these widely available for the purpose of helping users to acquire rights smoothly.

4) Collection and Utilization of Information on Trials and Appeals

The Examination Departments share information on results of proceedings such as appeals against examiners' decision of refusal, and acquire and analyze statistics.

5) Transparent Performance of Examinations and Promotion of Period Management

a. Sharing Information on Examination Processing Statistics among Individual Examiners

A variety of statistical data is created on individual examiners based on information of their examination work and shown with the average of the entire Examination Departments. This allows examiners to actually visualize their examination performance.

b. Efforts for Preventing the Delay in Processing Examinations

The JPO has been preventing delays in processing examinations by improving its capability to show performance visually, initiating examinations for the purpose of sharing statistical information on examination processing on individual examiners and promoting thorough management.

(3) Feedback

The JPO works to sort out issues based on analytical results of its quality initiatives and provide feedback on them to the Examination Departments and concerned departments and divisions, with a view to maintaining and improving the quality of trademark examinations in the future.

5. Implementation of Accelerated Examination Based on Applicant Needs

(1) Accelerated Examination for Trademarks

In response to the needs for accelerated examination for applications that are confronted with counterfeiting or infringement cases, and to respond to the globalization of economic activities, the accelerated examination system for trademarks was introduced in September 1997. Upon requests by the applicants, this system enables applications to be given preferential treatment, i.e., accelerated examination, if certain requirements are met.

(2) Expansion of the Scope of Accelerated Examination for Trademarks

The applications eligible for accelerated examination system used to be only "Scope 1" in Table 3-3-2. However, in order to expand the further use of the system and respond to the demands for early acquisition of a registration, the scope of applications eligible for accelerated examination was expanded in February 2009. Moreover, the JPO thought that it was necessary to support reconstruction of the areas damaged by the Great East Japan Earthquake in respect of intellectual property, and decided from August 2011 to temporarily expand the scope of accelerated examination for companies located in the affected areas. For this category, the number of requests filed by the end of 2012 was 236.

【Table 3-3-2 Outline of Accelerated Examination for Trademarks】

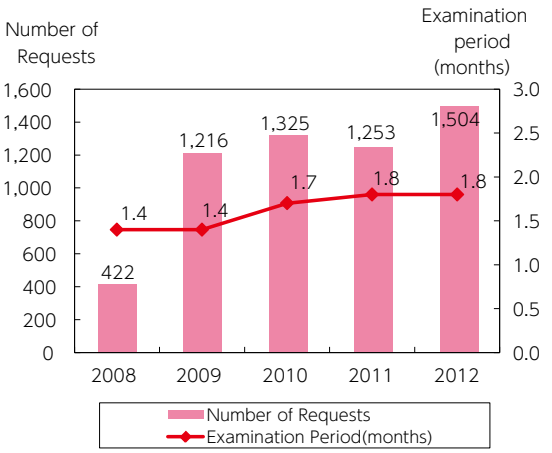
	Applications subject to accelerated examination for trademarks	Use of trademark (including preparation for use)	Urgency	Designated goods/services
Scope 1	The applicant or licensee already uses the trademark application for designated goods/services or proceeds with the preparations therefor to a considerable extent and the application which has an urgent need for acquiring the right	Necessary	Necessary	When several goods (services) are designated, the accelerated examination is allowed if any of the goods (services) is used (including the preparation for use)
Scope 2 (February 2009)	The trademark application which designates only goods/services the applicant or licensee already uses or proceeds with the preparations therefor to a considerable extent	Necessary	Not necessary	An application which designates only goods (services) in use (including the preparation for use)

(Notes)
- "Application which has an urgent need for acquiring the right" in Scope 1 refers to applications which fall under any of the following.
a)It is obvious that a third party uses an applied trademark or a trademark to the applied trademark or proceeds with the preparations therefor to a considerable degree without authorization with regard to designated goods or designated services or goods or services similar thereto relating to the use or preparation therefor of the applicant or licensee.
b)A warning on the use of the applied trademark was received from a third party.
c)A license for the applied trademark is required by a third party.
d)The applicant files the application for trademark also with any office or governmental organization other than the JPO.
-Scope 2 became newly subject to the accelerated examination system from February 2009.
-In the case where the designated goods/services in Scope 2 include those which are judged not to use the applied trademark or not to have made preparations therefor to a considerable extent, an amendment to eliminate such goods/services is required before filing an application for accelerated examination (or at the same time as filing the application).

(3) Trends in Accelerated Examination for Trademarks

In 2012, 1,504 requests were filed for accelerated examination (an increase of 20% from 2011). Average period from the date of the submission of the request for accelerated examination to the date which an initial notice of examination results was sent was 1.8 months.

【Figure 3-3-3 Changes in the Number of Requests for Accelerated Examination and Examination Period】



Note:
Examination period: The period between the time of application and the first office action

Chapter 4

Efforts Related to Trials and Appeals

Trials and appeals play a higher role and serve the purpose of quickly settling disputes. These work to improve the quality, efficiency, and expeditiousness of proceedings. To this end, the Trial and Appeal Department implements the following multidimensional measures.

1. Efforts to Improve the Quality of Proceedings

The JPO is further improving the quality of proceedings by actively communicating with the parties concerned, ascertaining and analyzing the trend in courts. The JPO shares its experiences of directing proceedings in trials and appeals, which play a role in reviewing the decisions of examiners (examination results) as superiority findings and setting disputes over effectiveness of industrial property rights at an early stage. The JPO strives to further rationalize the operations by actively utilizing the knowledge of industry and external experts.

(1) Improving the Contents of Proceedings

The JPO implements the following five measures in trials and appeals to improve the quality of the proceedings.

1) Ensuring Proper Operations of New Systems

The amended Patent Act 2011 came into force and new operations involving advance notices of trial decisions, partial determination of trials for correction, handling claims in corrections as a unit, etc. has started since FY2012. The JPO is carrying out thorough publicity activities based on the principle of operating and establishing check systems for properly operating these new systems.

2) Communicating with the Parties Concerned

The JPO conducts oral proceedings in order to accurately understand and sort out issues, and raise the satisfaction level of the parties concerned in trials for invalidation and trials for rescission of disuse (oral proceedings are conducted, in principle, in all trials for invalidation of patents and utility models). Oral proceedings are held between the panel and the parties concerned in order to draw out the allegations of the parties concerned, which cannot be expressed in writing, and to sort out the conflicting issues.

Furthermore, in appeals against examiners' decisions of refusal, interviews in the proceedings of appeals are utilized as a measure for ensuring smooth communications between the demandant and the panel, and for improving the quality of the proceedings. In addition, the JPO has been utilizing the first action pendency to issue the so-called "examiner's reconsideration report before appeal proceedings[1] " as a measure for inviting the demandant to give his/her opinion on the report written by the original examiner[2] , in principle, in all cases for which such reconsideration reports have been made.

1 The procedure for notifying the demandant of the opinion of the examiner in the reconsideration by examiners before appeal proceedings

2 The examiner who made a decision of refusal subject to request for the appeal against an examiner' s decision of refusal

3) Analyzing the Trends in Courts

For the purpose of executing accurate examinations, the JPO has strived to improve the quality of the proceedings by analyzing and sharing the contents of court decisions in lawsuits against trial/appeal decisions and the contents of the effectiveness of rights in court decisions against infringement lawsuits. In addition, in trials for invalidation, the JPO is further improving the quality of examinations by obtaining evidence related to claims of invalidation submitted in infringement lawsuits by exchanging information with the courts, confirming with parties concerned, and utilizing such information for the proceedings.

4) Sharing Experiences of Directing Proceedings

With the aim of utilizing the experiences of chief administrative judges who have abundant experience in proceedings for trials for invalidation and oral proceedings, the JPO is improving the quality of proceedings by inviting them to participate on the panel across their respective fields and have them share their knowledge in how to direct proceedings in difficult, special cases.

5) Eliminating Gaps of Decisions between Examinations and Trials/Appeals

The JPO works to unify the decision standards between examinations and trials/appeals based on appropriate feedback on the results of the trials/appeals conducted in the Trial and Appeal Department. This is given to the Examination Department and discussed at meetings when opinions are exchanged with the Examination Department. This makes it possible for an invention, for which the decision of refusal could not be upheld in the appeal proceedings, to be patented by the end of the examination phase or at least by the end of the examiner's reconsideration before appeal proceedings begin.

(2) Further Rationalizing Proceedings Utilizing External Knowledge

In further rationalizing the proceedings by utilizing the knowledge of industry and external experts, the JPO has initiated the following three measures.

1) Study Group of the Trial and Appeal Practitioners

Since FY2006, the JPO has held "Case Studies on the Inventive Step" , which consists of IP personnel in companies, patent attorneys, lawyers and administrative judges every year to deliberate on the methods used to determine trial/appeal decisions and court decisions involving novelty and the inventive step, by studying individual cases. The results of deliberations obtained have been summarized as reports and made available to the public[1] on the JPO website with the aim of raising public awareness. The name was changed to the "Patentability Conference" from FY2008 and the description requirements for claims have been added to the agenda of deliberations in FY2008. In addition, the completion of inventions involving computer software has also been added as an agenda item since FY2009; with requirements for amendments and corrections and the requirements for divisions having been added as agenda items since FY2010.

The name was again changed to the "Study Group of the Trial and Appeal Practitioners" in FY2011 with a view to further improving upon the work done so far. The subjects of discussion have also grown to include not only patents but also designs and trademarks (the Sectional Session by Field), and the Sectional Session for Trial/Appeal Practices was established for the purpose of improving the quality of oral proceedings. In FY2012, the Sectional Session by Field discussed the issues such as determination of the inventive step and

1 Study Group of the Trial and Appeal Practitioners (former Patentability Conference) Report
http://www.jpo.go.jp/shiryou/toushin/kenkyukai/sinposei_kentoukai.htm

finding of cited inventions with regard to 13 cases (9 cases for patents and utility models, 1 case for designs and 3 cases for trademarks). In addition, the subjects of discussions at the Sectional Session for Trial/Appeal Practices have grown to include not only patents and utility models but also designs and trademarks, various issues such as the significance and purpose of oral proceedings, the future course of written notifications of items of proceedings and minutes, and the direction of proceedings in oral proceedings.

2) Executive Legal Advisor on Trials and Appeals

In addition to undertaking the initiatives already mentioned, since the end of FY2007, the JPO has recruited experienced former judges and academic experts in the IP field to serve as "Executive Legal Advisor on Trials and Appeals." They provide advice on complicated legal issues and serve as instructors for training. In addition, the "Executive Legal Advisor on Trials and Appeals" is held to give direction to the future role and operations of the trial and appeal system, so that the Trial and Appeal Department will act more effectively.

3) Consultants on Trials and Appeals

The JPO utilizes consultants on trials and appeals with legal qualifications in order to obtain referential opinions on oral proceedings and know the contents of a Notice of Proceedings Matters and minutes in terms of external viewpoints. It also does this to provide chief administrative judges who directed oral proceedings with feedback for the purpose of further improving the level of satisfaction of parties concerned and ensure transparency of proceedings. Moreover, the JPO holds the proceedings by actively utilizing consultants for trials and appeals based on consultations from both civil and legal aspects.

2. Efforts for Expeditious Proceedings

The JPO has been doing the following for inter-partes trials and ex-parte appeals to ensure that proceedings will be expeditious in terms of dispute-settlements and acquisitions of rights early on.

(1) Expeditious Resolutions of Disputes: Post-grant Trials

The JPO gives preference in examining trials in which the effectiveness of post-grant rights is being fought over. This includes trials for invalidation, over pre-grant appeals, such as appeals against examiners' decisions of refusal, so as to quickly resolve disputes over the validity of industrial property rights.

In addition, in FY2010, a "Notice of Proceedings Matters[1]" was established. It shows proceeding matters on the oral proceedings in advance, enabling the parties concerned to make allegations and show absolute proof at the oral proceedings, and then improve the contents of the proceedings and shorten the length of the proceedings.

(2) Expeditious Acquisition of Rights: Pre-grant Appeals

In the case of pre-grant appeals, such as appeals against an examiner's decision of refusal, the JPO conducts efficient examination by confirming the demandant's intention to continue the appeal proceeding, through the inquire of examiner's reconsideration report mentioned in above 1 (1) 2).

With regard to appeals against an examiner's decision of refusal that satisfy

1 A Notice of Proceedings Matters is provided by the panel to the parties concerned to the oral proceedings for the purpose of informing such parties of the matters expected to be examined at the oral proceedings prior to the date of such proceedings and urging such parties 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 sources for making decisions.

specific requirements[1], the JPO implements an accelerated appeal examination system in which it conducts the proceedings preferentially upon request. The number of requests for accelerated appeal examinations in FY2012 was 149 for patents, 1 for designs, and 10 for trademarks. With regard to patents, the JPO accomplished the mark of FY2012 to send decisions within 10 months at the end of FY2012.

1 With regard to patents, appeals against an examiner's decision of refusal for applications that satisfy any of the following requirements are subject to this system: 1) Working-related applications whose demandant has already commercialized the invention, 2) Internationally filed applications that have also been filed in a foreign patent office, 3) The demandant is either an SME, individual, university, TLO, or a public research institution, 4) A person who is not the demandant (third party) has used the invention for business purposes after laying open the patent application of the proceeding case, 5) Patent applications related to environmental technologies (green-related applications), 6) Earthquake disaster recovery support applications whose demandant suffers from the damage caused by the Great East Japan Earthquake, and 7) Patent applications relating to R&D projects implemented in accordance with an approved plan for R&D project based on the Act on the Promotion of Establishment of Bases in Asia. 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.

Chapter 5

Efforts to Enhance the Use of Information Technology

In this chapter concerning the JPO's efforts to enhance the use of information technology, which forms a basis of its infrastructure, the JPO so far has initiated future system development and global computerization projects.

1. Efforts to Enhance the Use of IT by the JPO

In this section, the efforts to enhance the use of information technology which have been achieved by the JPO such as the Paperless Project are introduced. In addition, the principles for future system development of the JPO are introduced.

(1) Introduction of the JPO's Systems

The JPO, ahead of other countries, formulated the "Paperless Project" in 1984. The Paperless Project computerizes overall patent administration activities and maintains a database. The JPO has introduced various systems such as the world's first electronic[1] filing system in 1990, which makes use of information technology. As a science-technology based nation, the JPO has been continuously improving its system in order to offer efficient and improved examination processing in response to the increased volume of examinations and administrative work due to more advanced and complicated technologies, the increased volume of examination documents, and the restrictions on hiring in the course of administrative and financial reforms. So far the system has played a vital role in establishing Japan as a leading country in terms of e-government; as well as supporting patent administration as a fundamental work platform.

1 Electronic filing system was introduced in KIPO in 1999, and EPO and USPTO in 2000.

1) Electronic Filing System

After the JPO introduced the electronic filing system to handle applications for patents and utility models in December 1990, it undertook various initiatives such as expanding the number of applications eligible for electronic filing and introducing new communication technologies. The Japanese government set a target of promoting the use of the electronic filing system in the "New Plan for Online Use" (August 2011). Based on this, the various efforts made by the JPO since the electronic filing system was introduced have borne fruit, and the electronic filing rate has been high; for example in 2012, it was 98.0% for patents/utility models, 92.4% for designs, 82.0% for trademarks, 99.4% for ex-parte appeals, 99.8% for PCT applications in the national phase, and 94.8% for PCT applications. The JPO has continuously accepted electronic applications 24 hours a day, 365 days a year (excluding the down-time for maintenance) since October 2005 when it started to accept applications via the Internet.

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 bulletin and the "peripheral examination assistance system" for substantive examinations.

The administrative processing systems of file wrappers consist of a filing system that receives application data/receipts online, a formality check system that conducts formality checks both automatically and manually, an original record management system 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. Among them, those involving patents and utility models started to operate in 1990 as the first electronic filing system, and those involving designs and trademarks in 2000.

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 1993 for patents/utility models and in 2000 for designs and trademarks as the administrative processing systems of file wrappers.

3) Search System

Searching bulletins is necessary in order to conduct patent, trademark, and design substantive examination duties at the JPO.

The patent and utility model search system is used for patents and allows searches by search keys such as F terms, FI, and free words assigned to examination sources such as bulletins according to technical characteristics, names of the applicants or inventors, titles of the inventions, and full text.

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 figure classification (since April 2004)) and similar group code, and the construction of the well-known/famous trademarks database and search system.

In the examination and appeals/trial duties, the search system for already decided cases of appeals and trials has been used to improve the quality of examinations and proceedings, and enables searches of bulletins of trial decisions and court decisions using search indexes such as J terms and texts.

(2) Development of Future Systems at the JPO

1) Background of "Plan for Optimization of JPO Operations and Systems"

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", which was decided at the Chief Information Officer (CIO) Council in July 2003, and amended 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 to optimize its operations and entire system.

After that, the JPO conducted a review of the plan details and schedules and the progress of the project, amending them in August 2005, October 2008 and October 2009.

The "Technological Verification Committee on the JPO's Information System (hereinafter referred to as the "Technological Verification Committee")" verified the efforts that the JPO is doing in developing the operations infrastructure

system, the progress of the project etc. In January 2012, the Technological Verification Committee submitted a "Technological Verification Report" and the JPO decided to discontinue the current projects and formulate a new system development project based on the report. A new system development project was designed based on the deliberations from a specialized technical viewpoint made by the Technological Verification Committee utilizing knowledge of external IT vendors and publicized in March 2013 as the revised Plan for Optimization, which was also based on public opinion.

2) Goals and Principles for Renovation of the Plan for Optimization

The Plan for Optimization advocates the following four goals, aiming to achieve them.

(i) To build the infrastructure essential for promptly establishing high-quality rights of the world's highest standards, in responding to global environmental changes in a flexible and expeditious manner.

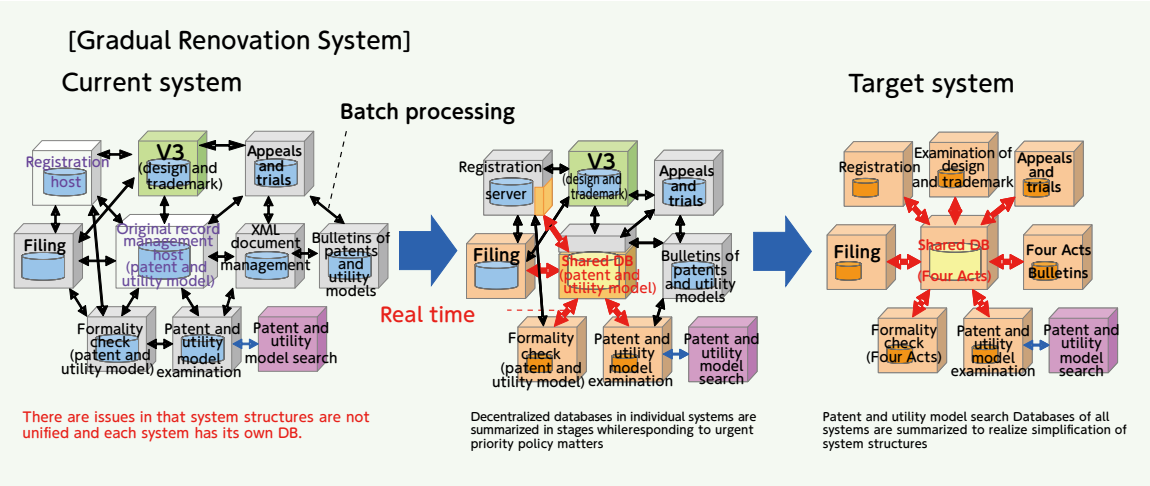
(ii) To ensure the capability of transmitting information is strengthened and the convenience of users is improved for the purpose of promoting innovation based on inventions, designs and brands.

(iii) To create safe and reliable systems and operations, in order to properly secure information and conduct sustainable business,

(iv) To review systems and cut costs, in order to achieve the simplification, streamlining, rationalization and improvement of the quality of administrative operations, operations, systems, and system structures.

The amended Plan for Optimization calls for upgrading the system[1] in stages instead of renewing collectively in order to achieve the above-mentioned goals. This system allows the JPO to respond to new and urgent policy matters to which it should give priority step by step such as technical documents of foreign countries such as China amid the IP landscape which is changing rapidly and significantly. Also, it allows the JPO to simplify the system structure for speeding up business processing and saving system operation costs.

【Figure 3-5-1 Basic Concept of Gradual Renovation】



1 A system proposed in the "Technical Verification Report" (January 2012) to achieve a simplified system structure by gradually summarizing decentralized databases in individual system and by responding preferentially to urgent policy matters step by step.

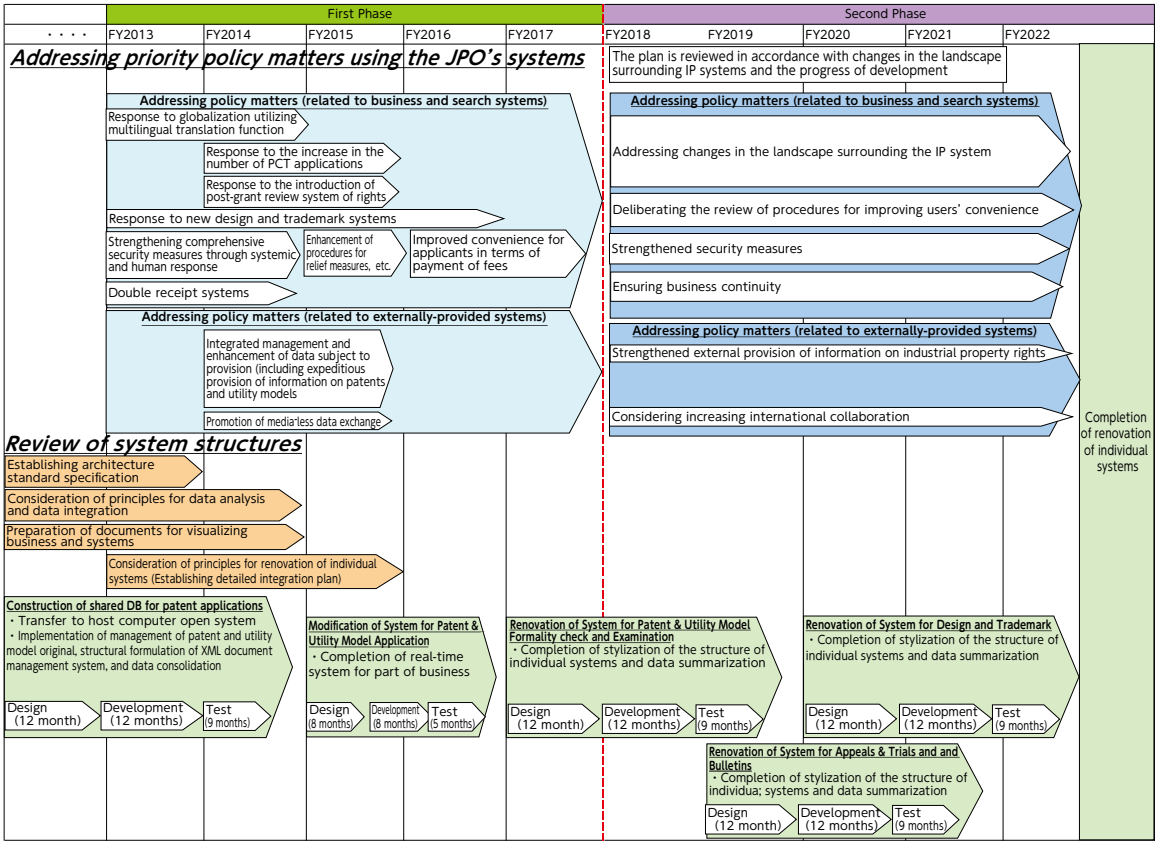
3) Process of Renovating JPO Systems in the Plan for Optimization

With regard to the specific process of renovation, the Plan for Optimization divides the overall 10-year process into the first five years (Phase I) and the next five years (Phase II), taking into account the scale and complexity of the JPO's systems.

In Phase I, the JPO will address important policy matters that need to be implemented urgently using its systems such as strengthened search functions of patent documents written in foreign languages such as in Chinese and Korean, new design/trademark systems, responses to related duties using the JPO's systems based on deliberations about post-grant reviews, strengthened security measures, and construction of back-up centers for the receiving system. Moreover, priority is given to simplifying system structures and speeding-up external information provision services ahead of other issues in considering the JPO's principal duties involving patents and utility models, which have a significant impact on expeditious processing; and efficient renovation and cost cutting, as they account for a high percentage of weight in the JPO systems. Furthermore, system operational costs will be cut by gradually discontinuing the former (legacy) systems.

In the Phase II, the JPO will continue to address important policy matters that need to be addressed urgently, using its systems for the purpose of realizing simplified system structures and expeditious external information provision services for all duties including those for patents, utility models, designs, trademarks and international applications.

【Figure 3-5-2 Schedule of the Plan for Optimization of Operations and Systems of the JPO】



2. Efforts Towards Adopting Global Information Technology

Patent offices have been making efforts towards adopting information technology (IT) to electronically manage documents related to patent applications and examinations, and computerize examination procedure for the purpose of addressing the increasing number of applications filed globally and improving the efficiency of their procedure. In doing so, it is hoped that information communicated among the offices or between an office and applicant(s) will be distributed and used in an efficient and unified manner, so that information owned by each office will be mutually used by utilizing IT.

This section introduces the international efforts to standardize international information formats and the international cooperation in terms of utilizing IT.

(1) International Efforts to Standardize Information Formats in the Field of Intellectual Property Rights

International efforts to internationally standardize the information formats used at each patent office have been made so as to facilitate utilization and distribution of electronic data in efficient and unified manner in electronic data exchange with other offices, search systems, dissemination service of various industrial property right information, and so on.

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

The electronic filing format for patents prescribed as a standard in Annex F of the PCT Administrative Instructions has been used for not only PCT electronic applications but also national electronic applications filed to the JPO, the EPO, and so on. This standard prescribes to use XML (eXtensible Markup Language) format, in which tags are embedded to documents and data. The JPO developed an electronic filing system conforming to XML and began to accept applications conforming to XML as of July 2003 in response to the adoption of XML as the document format for PCT electronic filings.

The World Intellectual Property Organization (WIPO) is striving to standardize the WIPO Standards, taking into account the trends seen in major countries. The WIPO Standards are also utilized in various types of electronic information on intellectual property (Figure3-5-3). The number of WIPO Standards has been increased year by year. The WIPO Standard ST.96 related to XML that is commonly applicable to patent, utility model, design and trademark documents was adopted at the second meeting of the Committee on WIPO Standard in May 2012, except for some annexed documents.

On the other hand, the Trilateral Offices (EPO, JPO and USPTO) began to deliberate about the standardization of patent application formats in January 2005, as an approach to unify application formats. In November 2007, the Trilateral Offices reached a final agreement on the Common Application Format (CAF) which standardizes patent application formats used in each country based on the PCT international application format. Moreover, in May 2008, the JPO played a leading role in agreeing to deliberate about the CAF by the IP Five Offices (EPO, JPO, KIPO, SIPO and USPTO). From January 2009, the Trilateral Offices began accepting applications in the CAF. The KIPO and the SIPO began to accept online applications using the CAF in January 2010 and August 2012, respectively. Nowadays, all five of the IP Five Offices are able to accept applications using the CAF.

【Figure 3-5-3 Outline of WIPO standards/the Number of standards (As of April 2013)】

Explanation	Number
Standards relating to Nature, common to Information and Documentation Examples: ST.3: Country code ST.96: Industrial property information using XML	4
Standards relating to Patent Information and Documentation Examples: ST.9: Bibliographic data on patents ST.36: Patent information using XML	40
Standards relating to Trademark Information and Documentation Examples: ST.60: Bibliographic data on trademarks ST.66: Trademark information using XML	6
Standards relating to Industrial Design Information and Documentation Examples: ST.80: Bibliographic data on industrial designs ST.86: Industrial design information using XML	3

2) Standards for Data Exchange through the Trilateral Network

The Trilateral network became available in 1998 as the Virtual Private Network (VPN) managed by the USPTO and has been used to exchange priority documents online among the Trilateral Offices and share examination information (dossier information) among the offices. In 2003, the network was changed to the Internet and a system that defines various services in XML was adopted. In November 2005, the Trilateral Offices agreed to adopt a specification called Trilateral Document Access (TDA), which allows users 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 the revision of TDA to conform to priority document exchange and the WIPO Digital Access Service (DAS)[1] in March 2008. Moreover, at the Trilateral Offices meeting held in November 2010, it was agreed to carry out a study on an alternative network for various applications executed on the Trilateral network with the aim for securing data exchange open to all IPOs in the future. Discussions are still being held on this matter.

(2) Various International Cooperative Activities Based on Utilizing IT

1) Priority Document Exchange

In cases where an application with claim of priority based on the Paris Convention is filed, an applicant needs to obtain priority documents in writing from the Office of First Filing and submit them to the Office of Second Filing. Therefore, it was troublesome for applicants to go through the procedures to submit priority documents and bear the costs for doing so. It was also troublesome for each office to perform administrative procedures to issue priority documents to applicants. In response, the JPO has been advancing an online, mutual exchange project for priority documents among the offices, in cooperation with the patent offices in other countries. Under this project, applicants are able to skip the procedures involved with submitting priority documents. This initiative began between the JPO and the EPO in January 1999, between the JPO and KIPO in July 2001, and between the JPO and the USPTO in July 2007. Moreover, in 2009 it became possible for the JPO to acquire the

1 See following (2) 1).

priority documents issued by the offices, with which the JPO does not exchange priority documents online, through the offices, with which the JPO does exchange them online, if the offices have the priority documents concerned. As a result, this reduced the burden of paperwork on applicants who are planning to use priority documents issued by the offices with which the JPO does not exchange priority documents online. The electronic data exchange of priority documents between two countries increases the burden on offices to make individual arrangements between the offices and build networks, in response to the increase in the number of participating offices. Thus, discussions were held to build an electronic exchange system for priority documents among several offices via WIPO. Then in 2009, the WIPO Digital Access Service (DAS) became available. The JPO has participated in the DAS since April 2009 and provided applicants with it. As of March 2013, the number of countries are participating in this system: the United States (since April 2009), Korea (since July 2009), the United Kingdom (since October 2009), Spain (since October 2009), Australia (since December 2009), Finland (since April 2011), Sweden (since November 2011), Denmark (since November 2011) and China (since March 2012). Moreover, since January 2010, it has become possible to request priority documents using the DAS to the International Bureau of WIPO, even for PCT applications. At the DAS Working Group held in July 2011, it was agreed to expand DAS to designs and trademarks and adopt a new DAS system which significantly simplified the procedures for users. In response to this, the International Bureau of WIPO adopted this new DAS system in July 2012 and the JPO also followed in March 2013. It is expected that more offices will migrate to the new DAS system with the increase in the number of countries participating in DAS.

2) Foreign File Wrapper Reference

In order to respond to the globalization of intellectual property activities, it is necessary for patent offices to cooperate in the examination process by mutually utilizing both examination results and prior art search results. Under such circumstances, the JPO has worked to develop a system to obtain examination information owned by other offices, in order to enable examiners to refer to search/examination results and status information in other countries by using IT. Based on a suggestion made by the JPO, the Trilateral Offices built the Dossier Access System that provides examiners at each office with examination information from other offices, through the Trilateral Network in 2006. In 2007, the JPO began to share examination information with KIPO by using this system. If the examination information is in Japanese, it will be translated into English by machine translation and provided to each office. Almost five years have passed since the system began its operation, examiners at the JPO access other offices to view the examination results about 440,000 times a year for conducting examinations, for example. This type of infrastructure for examination cooperation enables to maintain the efficiency and improve the quality of examination while improving predictability of examination results at other offices.

In order to further expand the framework of the Dossier Access System and promote work sharing, in 2008, the JPO took the lead among the IP Five Offices in making a proposal toward building the One Portal Dossier (OPD) that collectively displays the examination information of related applications at each office. A project to make this possible began in the same year. In March 2011, the IP Five Offices largely agreed to work toward building OPD system in an open network environment. Currently, preparations are being made to launch the system in July 2013.

At the JPO, information on search/examination results is translated into English

by machine translation and provided to 61 patent offices (as of March 2013) through the AIPN using the Internet. It is expected that, for example, when the PPH is used, the ability to refer to examination history of applications filed to the JPO during the examination process at foreign patent offices improves the efficiency and quality of examination at the offices concerned. It is also expected that it enables Japanese applicants to obtain rights appropriately in other countries, contributing to their smooth economic activities.

3) Advanced Search Environment

In the examination process for patent and other rights, "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 one's own country but also worldwide. To achieve this, it is necessary to advance cooperation in examination and to pursue the sophistication of a search platform enabling global work sharing by making a linkage of document databases and search tools owned by other offices. In order to solve this issue, discussions have been held repeatedly in the IP Five Offices. In 2008, the Common Documentation project to build a search database was proposed so that examiners in other offices can access the same scope of document data. In 2009, as the core activities of the project, the IP Five Offices agreed to consider creating lists of common document sets (authority files), exchanging data among the offices without using CDs or any other recording media (media-less data exchange) and establishing "intelligent documentation" that allows users to search information on chemical structural formulas and numerical formulas. In February 2013, the IP Five Offices completed creating authority files and in March 2013, the JPO deployed a FTP server as a first step toward media-less data exchange through the Internet.

4) Efforts Supporting Developing Countries

In developing countries such as Asian countries that are becoming more important for Japan as growing markets and manufacturing sites, it is essential not only to confront problems in counterfeiting and piracy but also to build infrastructures that protect IPs. In addition to cooperation in the area of human resource development and examination, the JPO has been focusing on building information-handling infrastructures step by step in Southeast Asian countries that have strong economic and cultural ties with Japan, for example; building intra-office databases, a platform for dissemination of IP information such as the IPDL, and a system of e-filing. This is being done under the banner of "cooperation for informatization". Furthermore, for the purpose of modernizing the IP offices in developing countries, the JPO sends experts to assist in building their information-handling infrastructure.