

A string of pink lanterns with white cherry blossom patterns and blue and white checkered bases hangs against a background of pink cherry blossoms. The lanterns are decorated with green and blue ribbons.

Part 2

JPO's Initiatives



Chapter 1

Initiatives on Patents

The JPO has made various efforts to achieve its long-term objective outlined in the Intellectual Property Strategic Program 2004 formulated by the Intellectual Property Strategy Headquarters in 2004, which is to reduce first action (FA) pendency¹ to 11 months by FY2013. The landscape surrounding the JPO has greatly changed since that time and accordingly, users' needs in terms of patent examinations have changed. In particular, issues that the JPO needs to deal with now and in the future have arisen, such as the increase in international applications associated with globalized business activities, the diminishing percentage of Japanese-language patent documentation in spite of the increase in emerging-country applications, and continuing active discussions about formulating a common patent classification based mainly on the Japanese classification system (FI) and the European cooperative patent classification (ECLA). The needs of users for expediting patent examination and ensuring stable rights worldwide have been growing greater by year.

This Chapter introduces various initiatives that Japan is undertaking to expedite patent examination in order to achieve its long-term target of reducing FA pendency to 11 months by the end of FY2013, meaning the period of time starting from the filing date to the date when the first notice of examination results is issued, i.e., the First Action. It is also working to ensure that applicants can acquire stable patent rights, advance international work sharing to deal with overlapping applications associated with globalization, and make specific efforts to achieve future patent strategies.

1. Efforts to Speed-up Patent Examination

In October 2001, the period of time to request for examination was shortened from seven years to three years. As a result, the number of requests for examination increased temporarily to a large extent, but this prolonged the 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, set a long term goal of reducing FA pendency to 11 months by FY2013. The JPO has undertaken various efforts such as increasing prior art searches and hiring 500 fixed-term examiners, all under the aim of speeding up examinations. As a result, the long term goal of reducing FA pendency to 11 months was achieved at the end of FY2013. On the other hand, the JPO has offered "accelerated examination" and "super accelerated examination" in order to meet the needs of applicants who need to acquire 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 initiatives designed to expedite examination and meet applicant needs for registering their rights early.

(1) Method to Expedite Patent Examination

1) Increasing and Enhancing Prior Art Search Project

The number of prior art searches outsourced in FY2013 decreased by 2.5% year-on-year, to 233,000. Dialogue-based² outsourcing, that is much more efficient than paper-based³ outsourcing, accounted for 94% (220,000) of the total. (The figures in FY2012 were 92% and 219,000 searches, respectively.) This shows an increase in dialogue-based outsourcing to the

¹ The period from the time a request for examination is made, up to when the first notice of examination results is sent. FA is an abbreviation of First Action.

² In "dialogue-based" outsourcing, patent examiners receive not only written reports on the prior art search results from the searchers but also oral reports by the searchers based on the written reports. This is done in order to raise the understanding of the examiners on the details of the inventions and prior art documents.

³ In "paper-based" outsourcing, the results of prior art document searches are reported to patent examiners through written or "paper-based" search reports.

private sector. Although the number of outsourced prior art searches decreased, the number of dialogue-based outsourcing is increasing, and it is expected that examination efficiency will further improve through the JPO making use of dialogue-based outsourcing.

In recent years, it has been pointed out that both the ratio and importance of foreign patent documents are increasing. In order to address these circumstances, the JPO commenced a project to search foreign patent documents, making 6,000 searches on a trial basis in FY2013. This expanded the range of outsourced searches to include not only Japanese patent documents but also foreign patent documents.

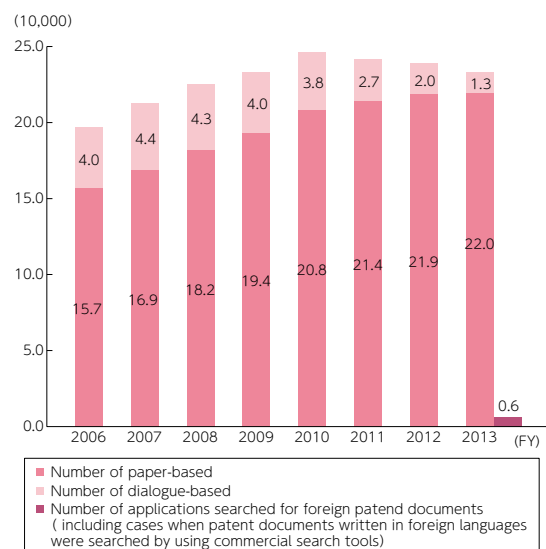
The number of registered search organizations conducting prior art searches is 10, as of April 1, 2014.

In FY2013, seven registered search organizations started operations in 11 technical fields.¹ In addition, with the aim of expanding the range of technical fields that can be outsourced, four search organizations were registered in 21 technical fields. As a result, registered organizations are able to handle wider technical fields. Therefore, these organizations are expected to be able to flexibly respond to the latest trends in application filings.



¹ In order to search specific fields of 39 technical fields in total, search organizations need to be registered in the fields that they are capable of contacting searches for, and need a contract of the prior art search project with JPO.

Figure 2-1-1 Changes in the number of prior art searches outsourced to registered search organizations



Note:

The number of applications searched for foreign patent documents is included in the number of dialogue-based outsourcing.

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, as mentioned above in 1), the JPO has actively enhanced preliminary searches of prior art made by registered search organizations. 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 its examiners by hiring around 490 fixed-term examiners each year between FY2004 to FY2008. Moreover, since FY2009, the fixed-term examiners who completed their five-year terms have been re-hired to maintain the JPO's examination capabilities.

With regard to the increase in examiners, the JPO hired 100 additional fixed-term examiners in line with its FY2014 budget, in order to grant stable rights in response to users' needs. The JPO needs to maintain and enhance its examination capabilities in FY2014 and onwards by ensuring the necessary number of examiners.

Figure 2-1-2 Change in the number of patent examiners

FY	2009	2010	2011	2012	2013	2014
Regular examiners	1,202(+12)	1,213(+11)	1,221(+8)	1,223(+2)	1,211(-12)	1,210(-1)
Fixed-term examiners	490	490	490	490	490	492
Total	1,692(+12)	1,703(+11)	1,711(+8)	1,713(+2)	1,701(-12)	1,702(+1)

Note:

The numbers in the brackets indicate the increase/decrease from the previous year

(2) Accelerated Examination System/Super Accelerated Examination System

1) Accelerated Examination System

The JPO has implemented an accelerated examination system that makes it possible for examinations to be conducted earlier, based on certain requirements outlined below.

This system is eligible for: (a) applications claiming 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 is eligible for applications involving environmental technologies (green-related applications). These types of applications 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 could be protected and utilized in an expeditious manner. In addition, applications for inventions relating to results of R&D projects that have been approved based on the Act on Special Measures Concerning the Promotion of R&D Projects by Specific Multinational Companies (the Act on the Promotion of Asian Site Locations in Japan) have become eligible. This was implemented from November 2012 on a pilot program in order to encourage global companies to establish R&D centers in Japan.

The number of applications filed using

this system has been increasing year by year.

The number was 15,187 in 2013. In 2013, the average FA pendency for applications under the accelerated examination system was about two 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 be both “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 for DO applications is basically within two months.¹). In addition, subsequent examination² also is to be finished within one month from the time the written opinion/amendment has been submitted. 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 485 petitions submitted for super accelerated examination in 2013. In 2013, the average FA pendency for applications requesting the super accelerated examination system was about 0.8 months from the time applicants filed their petitions. In addition, the average period of time for rights to be registered was about 2.1 months in 2013, much shorter than

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

the average for applications filed using the conventional accelerated system, which took about 4.9 months.

Figure 2-1-3 Change in the number of applications filed under the accelerated examination system

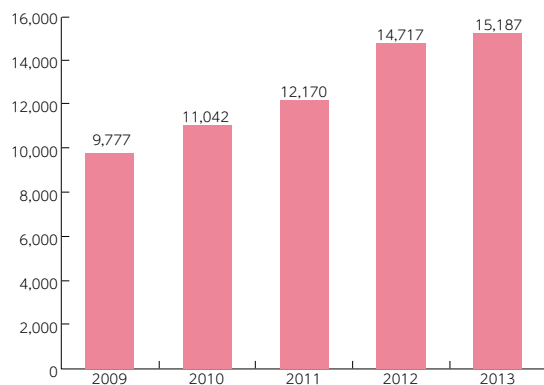
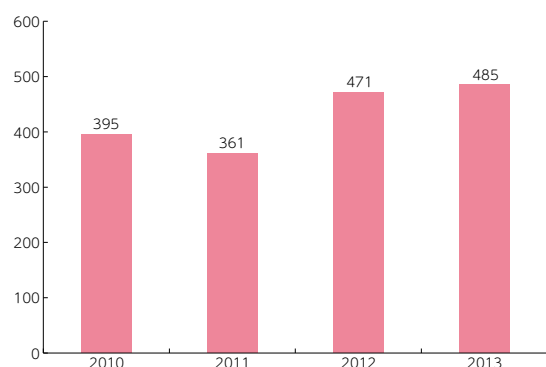


Figure 2-1-4 Change in the number of applications filed under the super accelerated examination system



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 stable and valid patent rights be granted 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 and related technical fields subject to examinations. In addition, it is important to conduct accurate prior art searches that include 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 when necessary in order to respond 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 for the JPO to implement measures that meet the needs of users by ensuring that they can acquire efficient and stable rights through smooth communications with examiners during the examination procedures.

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

(1) Initiatives that Respond to Users' Needs

1) Interview Examination System

The JPO has established an interview-based examination system to ensure that good communication is established between examiners and either the applicants or their attorneys.

This system, as a result, increases the efficiency of the examination procedure. (There were 4,057 interview examinations conducted in 2013.)

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 2013, the JPO conducted a total of 511 circuit interview examinations. Moreover, in 2013, the JPO also conducted 26 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 applicants to

conduct video interviews using their own computers connected to the Internet, without the need for special equipment or software. Applicants, agents and examiners are all able to take part in video conferences 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, but does not give estimates for applications that have not been published yet. 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 fee-refund-request system¹, as needed.

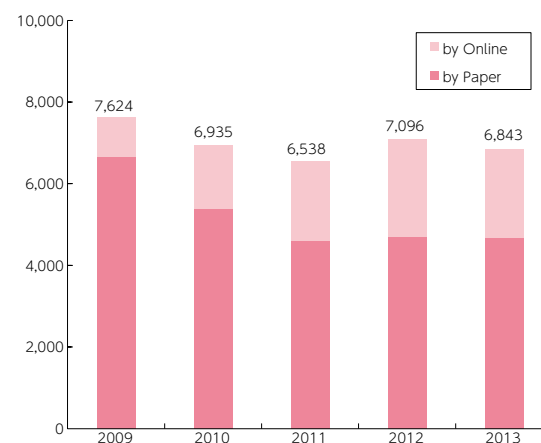
This system has been expanded so that third parties can also inquire about time estimates, enabling them to make use of the “information submission system” described below.

3) Information Submission by Third Parties

The “information submission system,” which is available to third parties, makes it possible for third parties to submit information to the JPO, which might be considered useful during the examination process. For example, this includes information on inventions that are related to the subject patent applications, showing that they do not have novelty or inventive steps; or information showing that the inventions do not fulfill the description requirement under the Ordinance for

Enforcement of the Patent Act Article 13-2. In 2013, 6,843 items of information were submitted.

Figure 2-1-5 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 applications. It is also essential for establishing high-quality rights which are internationally reliable, and for maintaining a sound patent system. In particular, recent social demand for maintaining and improving the quality of patent examinations as well as for speeding up the patent examination process is rising.²

Various discussions have advanced to the point where it is possible for the results of prior art searches and examinations conducted by one Office to be used by other Offices, thereby promoting international work sharing. A common issue at each Office is to improve their framework and procedures for patent

¹ Based on this system, half of the annual fees paid for requests for examination are refunded when applications have been withdrawn or abandoned before the JPO starts to examine them, and when applicants file requests for refunds within six months from the withdrawal or abandonment.

² In order to achieve high-quality patent examination, the Intellectual Property Strategic Program 2011-2013 lists its goal of formulating a quality policy for patent examination as a means of strengthening quality management. Moreover, the Intellectual Property Policy Vision approved on June 7, 2013 and the Japan Revitalization Strategy: Japan is Back, which was approved by the cabinet on June 14, 2013, incorporate the idea of expeditious patent examination and high-quality patent examination that should be recognized across the world, taking into account the expansion of global economic activities.

examination in order to achieve high-quality patent examination.

Under these circumstances, the Trilateral Offices (EPO, JPO, and USPTO) have been conducting a collaborative study on the quality of international search reports since 2011, as one part of their cooperative activities. Every International Search Authority and International Preliminary Examination Authority, including the IP5 Offices and the WIPO, has been committed to working together ever since 2012 to develop metrics to review the entire PCT system.

In addition, the Offices exchange information every year at the Meeting of International Authorities under the PCT (PCT/MIA) on the current status and improvements that have been made in the “quality management systems¹” that each international searching authority and international preliminary examination authority is required to establish. 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 related to 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. Based on the results of the deliberations, the revised examination guidelines were released in July 2013, which reflect the concepts under the Requirements of Unity of Invention and the Amendment that Changes a Special Technical

Feature of an Invention. The basic principles are that the determination made in regard to requirements of unity of invention, and also that the determination made in regard to whether or not an amendment changes a special technical feature of an invention, should not be overly strict but still take into account the requirements of the unity of invention and introduce a provision to prohibit amendments that change the special technical features of inventions.

Since the revised Examination Guidelines were released, the JPO has explained the guidelines to applicants and examiners on the revised Examination Guidelines by holding explanatory meetings and releasing journals on intellectual property.

3) Promoting Quality Control in Patent Examination

In order to satisfy requirements that users have in terms of the quality of patent examinations, it is important for each examination division at the JPO to make efforts to maintain and improve the quality of patent examinations. It is also important for the entire examination departments to promote measures pertaining quality control, taking into account, users' needs and make efforts for maintaining and improving the quality of patent examination.

The JPO established the Quality Management Office to implement comprehensive measures for quality control on patent examination. Specifically, the JPO maintains and even improves the quality of patent examinations by: a) implementing measures for maintaining and improving the quality at every examination division, b) collecting and utilizing quality related information, and c) using external advice, aiming to achieve examinations that comply with relevant laws, regulations and examination guidelines, making uniform decisions among examiners conduct necessary and sufficient prior art searches and conduct highly-satisfactory and convincing examinations based on smooth communication with applicants.

¹ Chapter 21 of “the PCT International Search and Preliminary Examination Guidelines” (hereinafter referred to as “the PCT Guidelines”) includes a regulation in its framework for ensuring quality. The regulation requires all International Search Authorities and International Preliminary Examination Authorities, including the JPO, to implement high-quality international searches and preliminary examinations by establishing a “quality management system”. This includes their monitoring and measuring the compatibility of their systems with the PCT Guidelines, and continually improving upon this and conducting customer surveys.

a. Initiatives for Maintaining and Improving the Quality of Patent Examination at Examination Divisions

The examination divisions that are responsible for examining applications under the respective fields of technology work to maintain and improve the quality of patent examination in order to conduct proper examinations of individual cases through consultations among examiners (in FY2013 about 60,000 consultations) and directors check on work products to promote the unification of the standard of the judgment among examiners.

In particular, in FY2013, about 2,600 consultations were conducted on PCT international applications based on establishing uniform viewpoints as to the appropriateness of final decisions and prior art document searches. As a result of these consultations, International Search Reports improved based on the knowledge shared by examiners. Moreover, examiners were able to effectively review the standards for judgment and also share their knowledge one another.

b. Collecting and Utilizing Quality Related Information

The Quality Management Office collects quality related information. For example, the Quality Management Office gathers information on the internal review on examination results of individual cases by third parties, and user reviews, and relevant statistical data.

In FY2013, continuing from FY2012, in-process sample checks were conducted on search and examination results by some examination divisions on a pilot basis for the purpose of enhancing the internal review system. These sample checks were conducted on the premise that checkers conduct prior art searches again when necessary and that when deficiencies are found, they correct them prior. Sixteen experienced examiners were assigned as checkers in this pilot program in FY2013. They checked about 450 cases that had been handled by about 170 examiners and assistant examiners. Based on the results, the JPO discussed the future direction of check systems.

Moreover, 2,400 internal reviews on

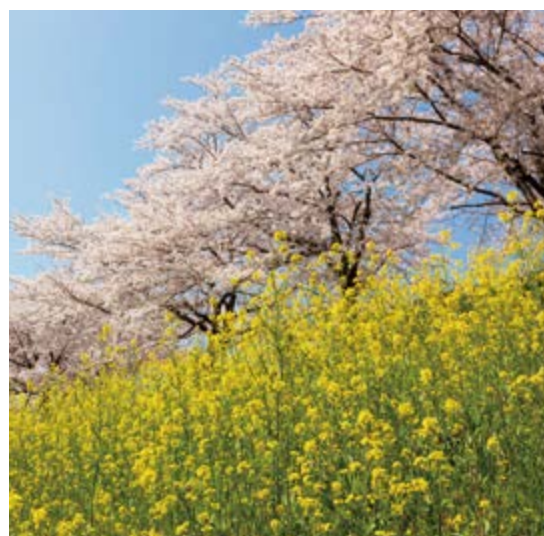
formality matters¹ of written notices of reasons for refusal were made. Also, the JPO analyzed factors that caused the differences in results of search and examinations, which were found in international search reports issued by the JPO and first actions conducted by other patent offices at national/regional stage.

A variety of information related to quality that were collected by the Quality Management Office base on these efforts is utilized to plan and improve initiatives relating to patent examination for improving the quality of examinations at sections concerned.

c. Using External Advice

In FY2013, continuing from FY2012, the JPO conducted a satisfaction survey of Japanese companies and attorneys (675 entities). The JPO analyzed the details of the user satisfaction and publicized them on the JPO website in March 2014.²

Furthermore, at meetings with users, the JPO explains the outline of its initiatives to maintain and improve the quality of the patent examination and asks the participants to given their opinions on and requests for the patent examination processes. The information obtained is used to ensure quality control of patent examinations conducted at the examination divisions and to further enhance the quality management framework.



¹ Matters that can be determined if they are correct or incorrect only by items written in notification of reasons for refusal such as errors in the grounds of reasons for refusal

² See Part 2, Chapter 1, Column 1

Column 1

User Satisfaction Survey on the Quality of Patent Examination

In recent years, as R&D and corporate activities have been globalized to a large extent and intellectual property strategies inside and outside the country have become more and more important, there is a growing demand for maintaining and improving the quality of patent examination.¹ In order to meet such demand, it is necessary not only to conduct efficient patent examination processes properly and grant high-quality rights recognized across the world but also to make improvements on a continuous basis by appropriately grasping the needs and expectations of users including applicants and third parties against which their right will be exercised. To this end, it is important to continuously gather opinions from users on the quality of patent examination. The Intellectual Property Strategic Program requires that the evaluation of quality based on users' opinions be conducted.²

Continuing from FY2012, a user satisfaction survey was conducted in FY2013 for the purpose of clarifying areas that need to be improved in patent examination and discussing a future course of evaluation of the quality of patent examination. In FY2013, a few changes were made to the questions for the survey, which was conducted on the same scope as the FY2012 survey. Over 90% of 675 users responded to this satisfaction survey.

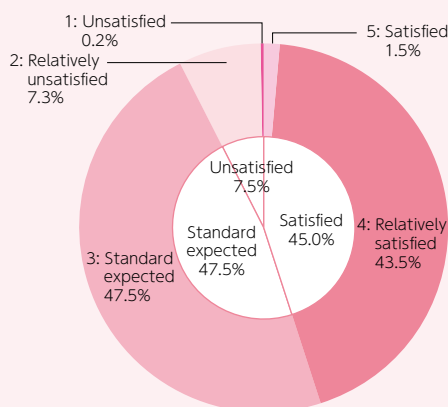
The results showed that 92.5% of users give the overall examination processes of national applications a rating of 3 and higher. A rating of 3 means "standard expected" and 4 means "relatively satisfied". The highest is a rating of 5 "satisfied". This is an increase of 4.3 points year-on-year, compared to FY2012's result which was 88.2%. Particularly, the combined 4 and 5 ratings increased by 13.4 points year-on-year

(31.6%). Moreover, 94.6% of users rated the overall search procedures PCT on international applications higher than "standard expected". This is almost the same result as that of the FY2012 survey (95.1%). However, the combined "5" and "4" ratings totaled 41.7%, which was 6.3 points higher year-on-year from the FY2012 survey (35.4%).

In addition, a relatively large number of users answered that they were satisfied with the searches conducted on national patent documents; the interviews, examinations, and responses to phone calls; and the practice of novelty. On the other hand, the results indicate that there is a high need for the JPO to reduce the amount of discrepancies seen in judgment, and to enhance searches on patent documents written in foreign languages. Many users submitted specific opinions on the descriptions of notifications of reasons for refusal and on judgment as to requirements for patents, which was the same case in the FY2012 survey, enabling the JPO to obtain important information. Furthermore, a new question was added about the quality of patent examination by other persons in the FY2013 survey. Some users commented that prior art searches and technical judgments were not complete or that they had a problem with patents being granted when descriptions of claims or the scopes of patent rights were unclear.

The JPO will continue to conduct satisfaction surveys to maintain and improve the quality of patent examination.

User evaluations on patent examinations on national applications



Please view the following website for the report (Japanese Only).
http://www.jpo.go.jp/shiryuu/toushin/chousa/h25_shinsa_user.htm

¹ Patent examination here includes International Search Reports and International Preliminary Examination Reports related to PCT international applications.

² The schedule of the Intellectual Property Strategic Program 2013 describes that a future course of quality evaluation by users should be considered to establish quality evaluation by users in FY2013 - FY2014.

3. Initiatives in International Work Sharing

The number of patent applications being filed in the world is increasing in line with the ongoing globalization of economic and business activities and the increasing importance of Intellectual property along with such globalization. In addition, it is indispensable for companies to accurately and smoothly obtain and utilize intellectual property rights in countries where they operate business so as to conduct global business activities strategically.

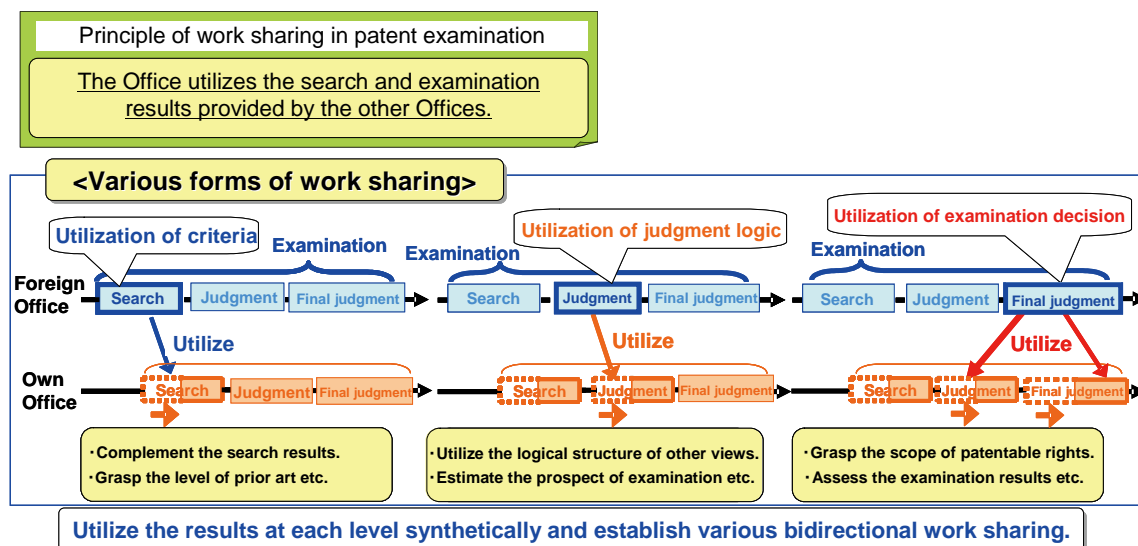
As a result, the number of duplicate applications* is increasing. In line with this, the examination workload at all offices has been increasing. Under this situation, the JPO is encouraging work sharing among various IP offices on patent examinations. Using the framework of international cooperation to improve the accuracy and efficiency of examinations worldwide, the JPO and other offices are working to create a landscape in which applicants can strongly protect their intellectual property worldwide.

*Duplicate applications means applications that are filed for the same invention 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 give more credibility to the examination results by considering the validity of the searches and examination results of other offices. Every office's utilizing the valid parts can eliminate duplicate work while they search and examine only 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 the most use of them, in order to ensure that bi-directional work sharing at various levels truly functions as designed. The JPO's initiatives on work-sharing issues are as follows (Articles (1) and (2)).

Figure 2-1-6 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, i.e., 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.

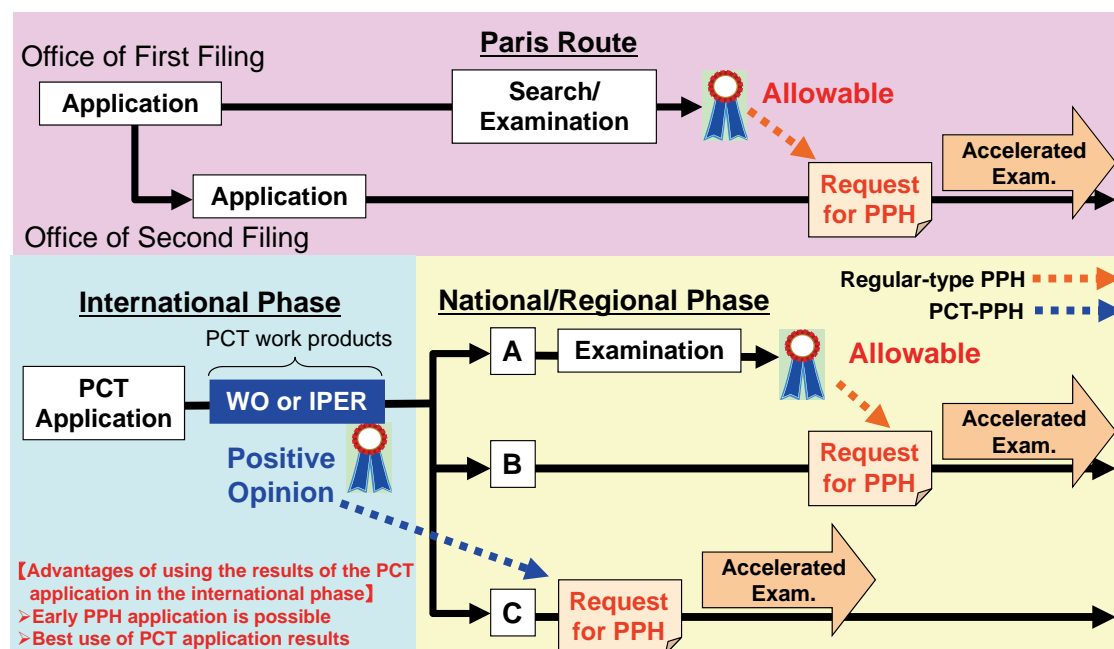
By enabling all the offices to make use of search and examination results released by other offices, applicants can acquire efficient, stable, and strong patent rights in multiple countries and regions.

Moreover, the framework of the above-mentioned PPH was expanded, and a pilot program for PCT applications under the Patent Prosecution Highway (PCT-PPH) was launched in January 2010. This PCT-PPH 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, in July 2011, the PPH MOTTAINAI pilot program commenced with eight countries, including Japan. This program has fewer requirements. It allows examination results that have determined patentability to be possible and which were issued by any of the patent offices participating in the program, to be used, regardless which office the application was first filed with.¹ In addition to above-mentioned eight countries, as of January 2014, thirteen countries and regions² participate in this pilot program as of January 2014.³

Figure 2-1-7 Outline of the Patent Prosecution Highway: Regular-type PPH (above) and PCT-PPH

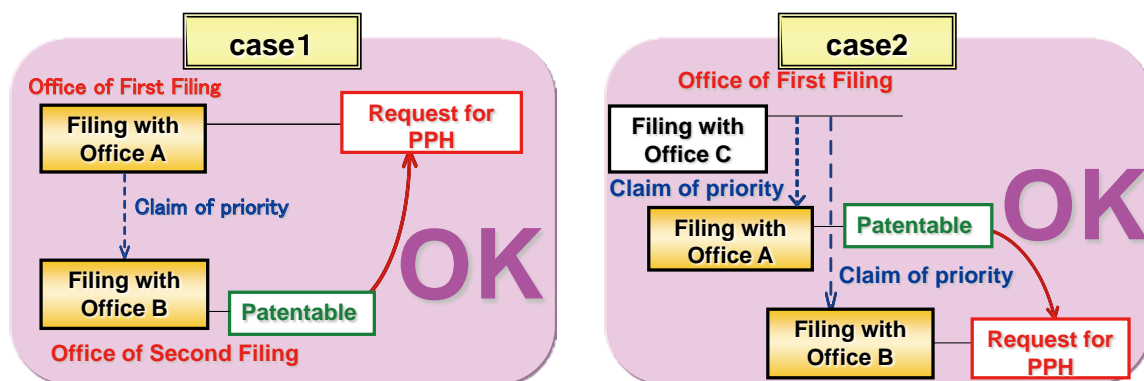


¹ Australia, Canada, Finland, Japan, Russia, Spain, the United Kingdom and the United States

² China, Denmark, the EPO, Germany, Hungary, Israel, Norway, the Philippines, Portugal, the Republic of Korea, Sweden and Taiwan

³ See Part 2, Chapter 1, 4.(2),1)

Figure 2-1-8 Cases in which the Request for PPH is Allowed under the PPH MOTTAI Program



There are three major benefits to applicants using the PPH.

The first benefit is improved patent quality. For example, the grant rate of regular applications filed from the USPTO to the JPO is usually 54.4%, while the grant rate of applications using the PPH is much higher, at 75.0% (2013). The ability of applicants to forecast their probability of acquiring patents is higher, making it possible for them to acquire more stable rights because examiners in the JPO and the USPTO examine the applications essentially 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 a notification of first action was issued, was about 14.1 months in 2013. However, the examination pendency of PPH applications, from the acceptance of the PPH request up to the commencement of the examination, was about 2.0 months in 2013. In addition, the average pendency, from the time when the examination began up to the time the final decision is made, is usually about 10.2 months for applications filed from the USPTO to the JPO, while that of applications using the PPH is about 4.5 months (2013).

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 examiners and applicant is less, thereby reducing workloads and costs. This enables the applicants to save costs when acquiring patents, so they can invest the amount that they saved in additional R&D activities

On the other hand, under the PPH programs, 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.

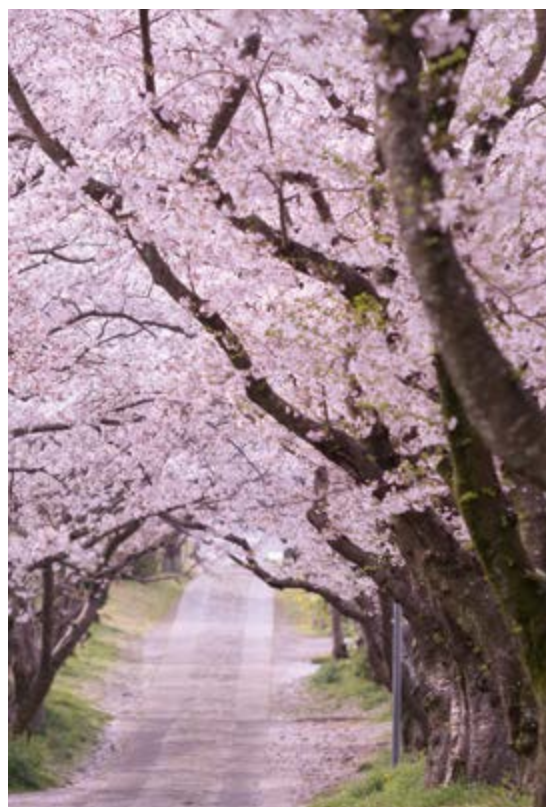
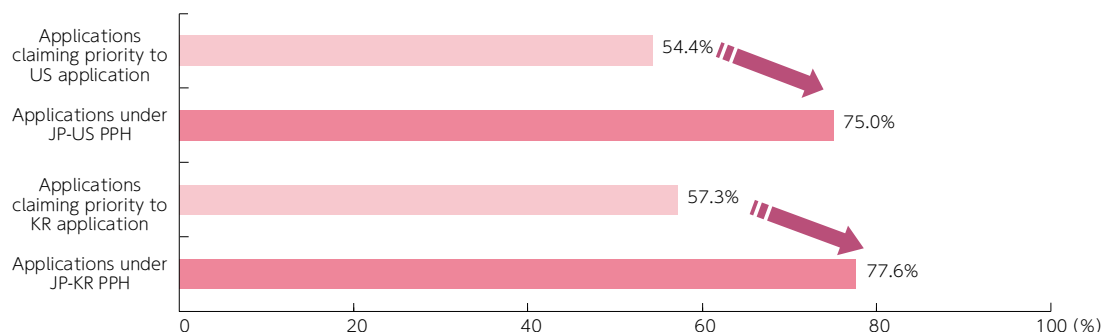
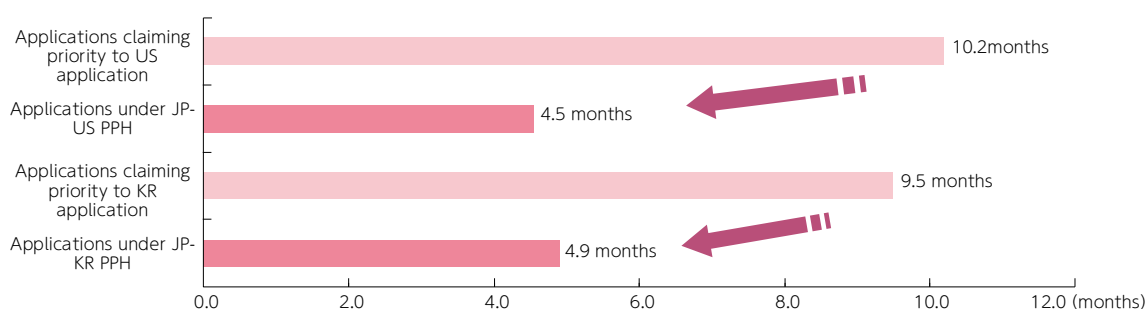


Figure 2-1-9 Benefits of using PPH
Grant Rate at the JPO



Average pendency from FA to final decision at the JPO



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

The principle of patent examination work-sharing, as described above, is for each office to utilize the search and examination results released by other offices. However, in some cases in the past, examination results from the JPO as the Office of First Filing 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 in the decision made in the Office of Second Filing.

Due to this circumstance, the JP-FIRST was implemented in April 2008 in order to solve the above-mentioned problem, taking into consideration the patent system of the JPO. This includes an examination system in which requests for examination are to be made within 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 their filing date, from among patent applications eligible for

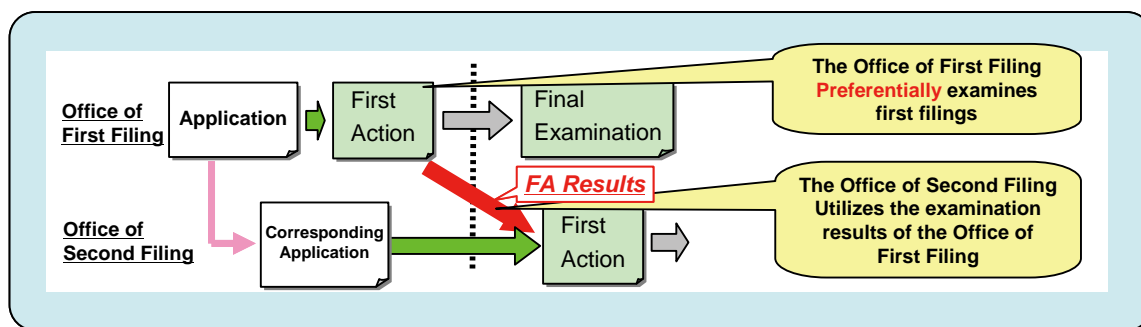
priority under the Paris Convention.¹ (PCT applications are not eligible for JP-FIRST).

- the JPO conducts examination basically within six months from the latter date of either the examination request date or the publication date, and no later than 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 2013, examination results for 8,496 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 other offices, so promoting the utilization of these results in foreign offices is important.

¹ When applicants first file applications to a country participating in the Union of the Paris Convention, i.e., the country of first filing, and intend to file their applications to another country participating in the Union of the Paris Convention, i.e., country of second filing, they have the right for the judgment on novelty/inventive step, etc. to be handled in the same way as that made as of the filing date at the country of first filing, provided that the period from the first filing date to the second filing date is less than 12 months.

Figure 2-1-10 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 in line with the overall increase in number of patent applications. There are concerns that intellectual property disputes will become even more heated in the future.

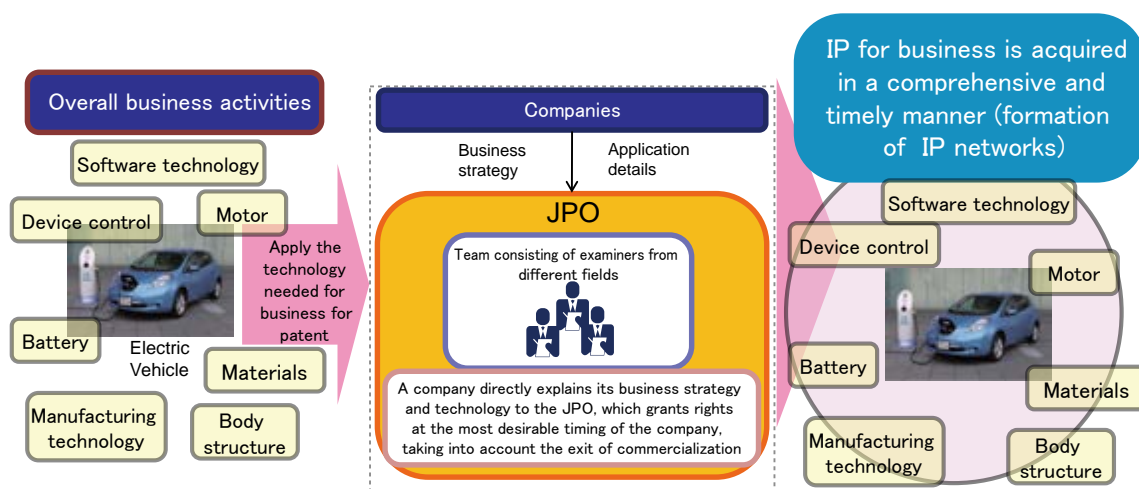
In view of these circumstances, the JPO has made various efforts to create a patent policy in Japan, which allows stable patent rights to be granted and valid worldwide and allows rights to be obtained expeditiously and smoothly in other countries so that Japanese companies can conduct business operations effortlessly all over the world. This section introduces initiatives that the JPO has undertaken to create an examination system that aligns with the business strategies of companies, harmonizes international patent systems, enables users to acquire stable rights valid worldwide, expands the jurisdiction of PCT international searches in English, and conducts PR activities on the PCT for international filings.

(1) Initiatives for creating an examination system that aligns with business strategies of companies

Intellectual property strategies of companies have become more business based in line with the globalization of business activities and the diversification of business models. In order to address this situation, the JPO in April 2013 introduced a system enabling “collective examinations for IP portfolios” to be possible, in response to corporate business strategies. In FY2013, 23 collective examinations were conducted out of the 244 patent applications eligible.

Under this system, the JPO conducts examinations of different types of intellectual property such as patents, designs and trademarks all at one time, which are the catalysts driving business in Japan and other countries. By granting cross-sectional rights timed to business expansion activities, the JPO is advancing deliberations on this examination system so as to address applications based on the above-mentioned intellectual property strategies. In response to business strategies, the system of collective examinations makes use of interviews and information obtained about companies’ businesses so that examinations based on a full understanding of business backgrounds, and their connections to technologies, can be conducted. Moreover, the schedule of explanations on businesses, interviews, and launches of examination procedures are coordinated to support companies in acquiring rights at their most desired timing.

Figure 2-1-11 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 PPH¹ 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 2013, there have been 10,304 requests filed to the USPTO and 2,931 requests filed to the JPO under the US-JP PPH. In

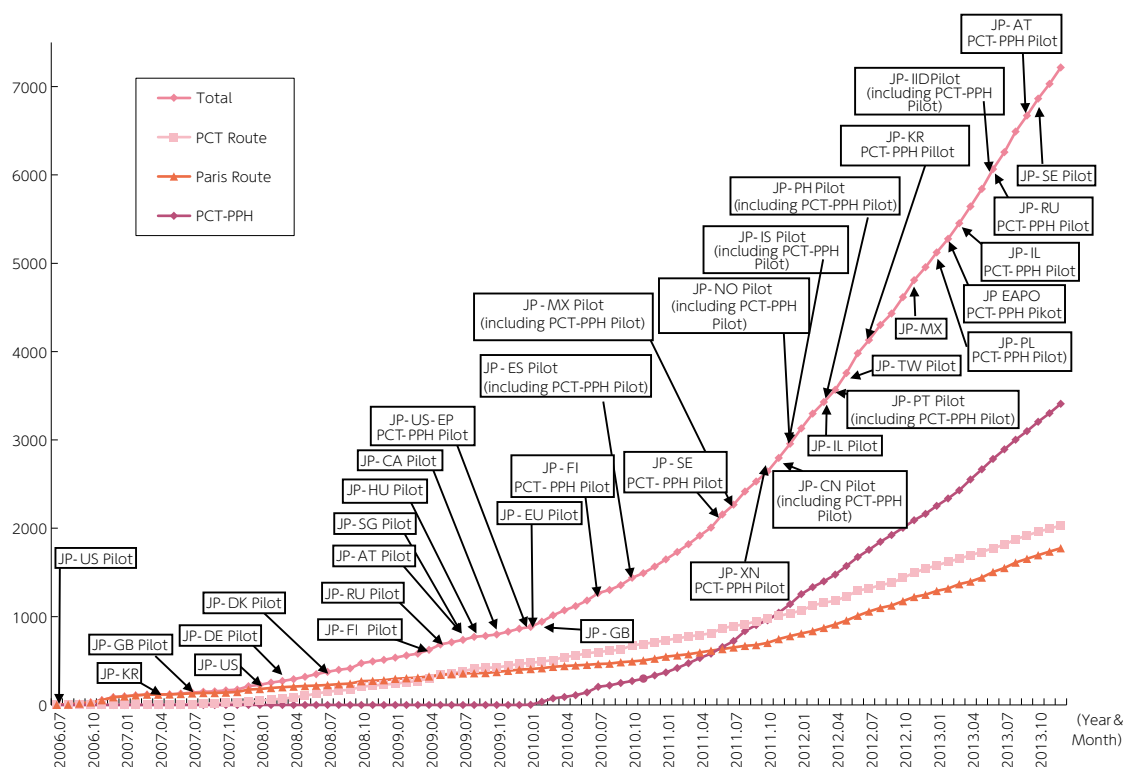
addition, 3,038 requests to the KIPO and 344 requests to the JPO have been filed under the KR-JP PPH, 2,148 requests to the EPO and 1,004 requests to the JPO have been filed under the EU-JP PPH, and 3,477 requests to the SIPO and 82 requests to the JPO have been filed under the CH-JP PPH.

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 from each office.



¹ See Part 2, Chapter 1, 3.(1)

Figure 2-1-12 Number of applications for the PPH (as of December 2013)



a) Increasing PPH Countries and Regions

As of the end of January 2014, Japan is conducting either full or pilot PPH programs of some form with 28 countries and regions. As a result, more than 90% of international applications filed by Japanese applicants can be examined under PPH programs.

In addition, as of the end of January 2014, the JPO has been conducting a pilot PPH MOTTAINAI program with 18 countries and regions, which are countries with which the JPO has been conducting either full or pilot PPH programs. (See Figure 2-1-13.)

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

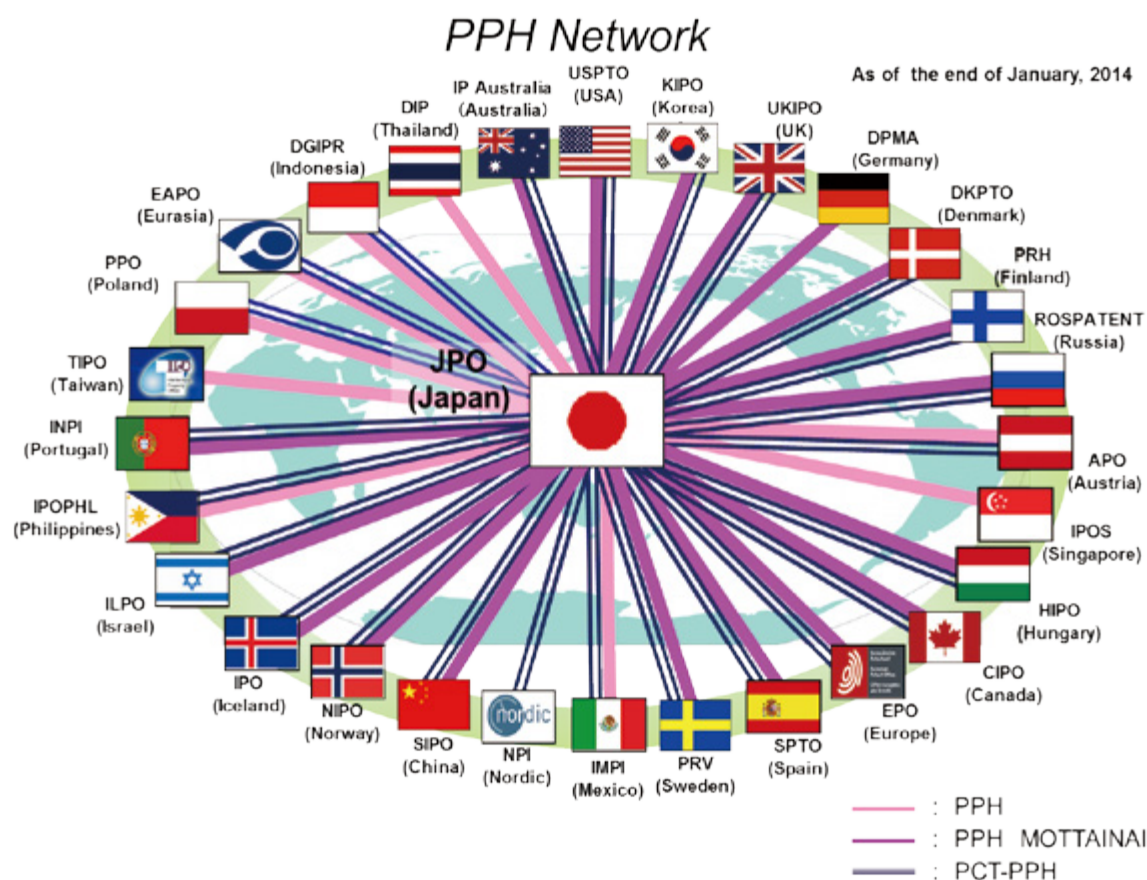
The number of countries and regions with which the JPO conducts the PPH program and the PCT-PPH program is increasing every year.¹

Particularly, the importance of China has increased in terms of intellectual property. However, patent applications subject to accelerated examination had been limited in China. As a result, users who wanted to quickly acquire patent rights in China to protect their technologies requested the JPO to launch a PPH with China. To that end, the JPO was the first office in the world to launch a PPH and PCT-PPH with the SIPO, in November 2011. In January 2014, the JPO and the SIPO also introduced a PPH MOTTAINAI program to ease the requirements for PPH applications, increasing the applications eligible for the program.

Moreover, in January 2014, the JPO launched PPH program with Thailand, following Singapore, the Philippines and Indonesia among the ASEAN member countries showing remarkable potential for economic development in recent years. Furthermore, in January 2014, the JPO launched PPH MOTTAINAI and PCT-PPH programs with Australia, programs that users have strongly requested to have.

¹ Since April 2013, the JPO has launched PPH programs with Indonesia, Sweden, Thailand and Australia and PCT-PPH programs with the United Kingdom, Russia, Hungary, Canada, Indonesia and Australia.

Figure 2-1-13 Network of the PPH between the JPO and other offices



b) Easing and Standardizing the Requirements for PPH Applications

Each of these PPH programs have been conducted under bilateral agreements so there is a problem when the Office of Second Filing has different requirements for its PPH, even though the PPH applies to applications filed with the JPO. Due to this situation, many users are requesting that the PPH requirements be standardized.

Thus, the first Plurilateral Patent Prosecution Highway Commissioner Meeting and Working-Level Meeting were held in February 2009. Since then, subsequent meetings have been held, with the sixth Working-Level Meeting held in Tokyo, Japan in June 2013. Represented at that meeting were IP offices and organizations from 24 countries and regions.

During discussions at the sixth Working-Level Meeting on designing a plurilateral PPH program with standardized requirements, the

JPO submitted a proposal it called the Common PPH Guidelines, which outlines common requirements for achieving standard application procedures. In addition, the JPO proposed the PPH Policy. It promotes several initiatives, including the maximum use of the examination results of the office of earlier examination and the accelerated examination to final decisions, the transparency of data about PPH, and others, setting a common understanding about the PPH. All participating offices agreed that these proposals should be used as fundamental elements in designing a Plurilateral PPH framework for the future, deciding to continue discussions. Taking this into account, 17 countries and regions including Japan agreed to launch a Global Patent Prosecution Highway¹ from January 2014.

Moreover, at the Meeting of the IP5 Heads

¹ See Part 2, Chapter 1, Column 2.

of Office that was held in Geneva, Switzerland, in September 2013, the five offices (EPO, JPO, KIPO, SIPO and USPTO) agreed to launch an IP5 PPH program from January 2014. The five offices will continue to have further discussions to improve quality and management systems through the PPH arrangements among the five offices.

As a result, the five offices can use all types of PPH programs such as the regular PPH, the PPH MOTTAINAI and the PCT-PPH. This broadens the options of users for acquiring rights strategically and improves user convenience based on simplified procedures. As a result of these initiatives, it is expected that the PPH will become a more effective framework.

b. International Examiner Exchange Program

The number of opportunities for examiners at the JPO to utilize the examination results of other offices, and vice versa, has been increasing because of the rising number of applications being filed for identical or similar inventions at numerous offices as a result of the globalization of economic activities, the expansion of the PPH programs, and the development of information networks among patent offices. Under these circumstances, the International Examiner Exchange Program is designed to provide examiners with opportunities for interacting directly with examiners from other offices to promote work sharing based on understanding each other's prior art searches and examination practices, to share examination practices and examination results, to harmonize the quality of patent examinations at a high level, to harmonize patent classifications, and to act on initiatives under taken by the JPO and other offices. From April 2000 to the end of March 2014, the JPO had completed short-term, mid-term, or long-term examiner exchanges based on the International Examiner Exchange Program with 21 IP offices and organizations. (See Figure 2-1-15.)

In FY2013, the JPO sent two examiners each on a short-term assignment for the first time to the Intellectual Property Office of Singapore (IPOS) and the National Office of Intellectual Property of Vietnam to support mainly examination practices at those offices. Moreover, the JPO hosted the Five Office

Examiner Workshop in which examiners from the JPO, EPO, USPTO, SIPO and KIPO identified each other's search and examination methods, sharing the best practices.

Moreover, in FY2013, the JPO sent examiners on mid-term and long-term assignments to the EPO (2 persons), to the USPTO (2 persons), the IPOS (1 person), the IP Australia (1 person), and the WIPO (1 person). The JPO discussed initiatives and policies concerning work sharing on patent examination, information infrastructure, patent examination quality with the EPO and the USPTO. The JPO supported and coordinated the development of information infrastructure by sending examiners to the IP Australia and the WIPO. The JPO shared examination practices with the IPOS through training conducted by JPO examiner.

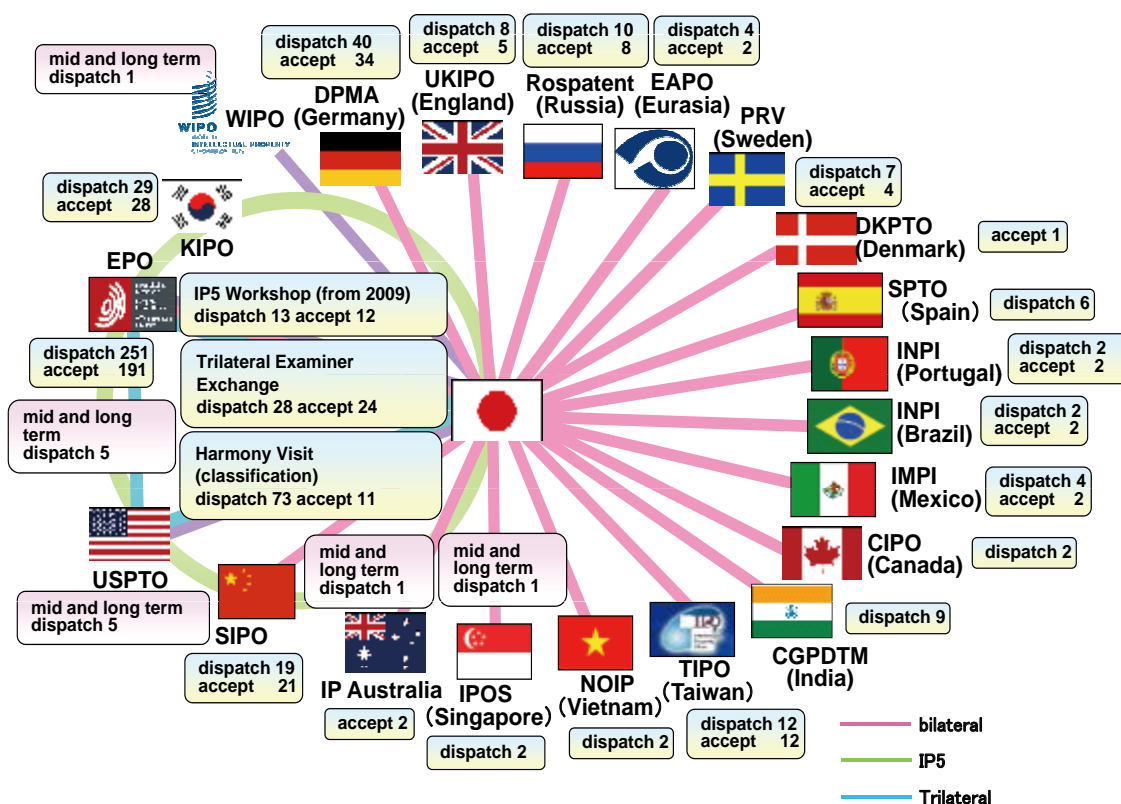
In FY2014, the JPO will send even more examiners, especially to emerging countries such as the ASEAN-member countries and India on short-term, mid-term and long-term assignments under the International Examiner Exchange Program, enhancing cooperation on examination in order to meet various needs in accordance with the level of development of each country.

2) Discussions for Harmonizing International Patent Systems

Every country has its own patent system, so applicants basically need to file applications with each IP office to acquire patents overseas. Due to this situation, it is essential to harmonize patent systems so as to allow smooth and predictable acquisition of patent rights overseas. Discussions on patent system harmonization began in 1985, mainly led by the WIPO, but no major progress had been achieved.

Then, the US Congress advanced deliberations on a patent reform bill in 2011, creating the momentum for IP offices to re-discuss patent system harmonization. At the fifth Meeting of the IP5 Heads of Office held in June 2012, the IP5 Offices agreed to establish a Patent Harmonization Experts Panel to discuss this issue. In December 2012, the first Patent Harmonization Experts Panel was held and discussions are still being held to this day.

Figure 2-1-14 Actual records of examiner exchange programs (total number from April 2000 to March 2014)



Moreover, the Tegernsee Group¹ consisting of the JPO, the USPTO, the EPO, and the IP Offices of major European countries such as the United Kingdom, Germany, France and Denmark has held discussions on patent system harmonization since July 2011. Currently, discussions by the Tegernsee Group are focused on four key issues for the harmonization: the grace period, treatment of conflicting applications, 18-month publication, and prior user rights in which large difference of patent systems among countries are still seen.

At the fourth Tegernsee meeting held in September 2013, a summary of results of user consultations held by each office was given. The consultations were held in response to an agreement reached at the third Tegernsee

meeting for conducting consultations. In addition, the participating offices agreed to release the results to the public. They also discussed how to bring forward works at the Tegernsee Group in the future, agreeing that an expert group formed of members from each office should produce a joint factual summary analyzing both common ground and differences found in the results of user consultations.

The JPO will promote initiatives aimed at achieving patent system harmonization via all types of meetings such as the Patent Harmonization Experts Panel and the Tegernsee Group Meetings working to maintain the increased momentum of discussions on harmonization.

¹ Since the first meeting toward harmonization of patent systems and practices, attended by these IP offices, had been held at Tegernsee in the suburb of Munich, Germany, in July 2011, the attendees were called the "Tegernsee Group".

Column 2

Global Patent Prosecution Highway

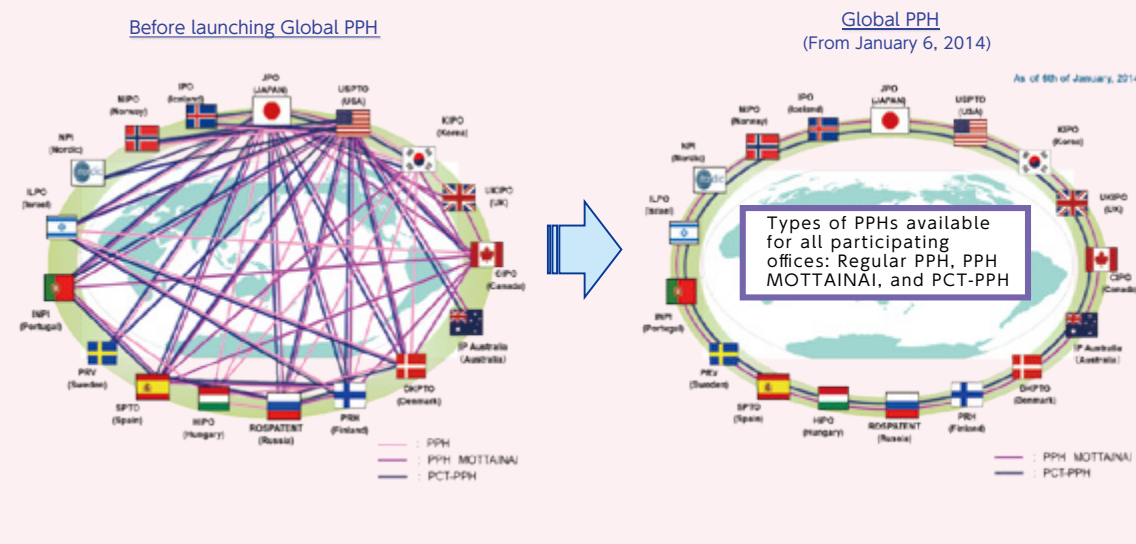
The JPO has promoted the PPH programs so as to enable Japanese applicants overseas to speedily acquire patent rights. Moreover, the JPO has strived to improve the usability of the PPH programs by introducing the PCT-PPH and PPH MOTTAINAI programs.

However, it has become difficult for applicants to know which types of PPH programs are available in each country, since the programs vary country by country. This has caused confusion. For example, the PCT-PPH is available in the United States, while it is not in the United Kingdom.

In order to address this situation, the JPO

agreed to commence a multilateral framework called the Global Patent Prosecution Highway, which commenced from January 2014. The Global PPH standardized PPH programs for 17 countries/regions, which consists of Australia, Canada, Denmark, Finland, Hungary, Iceland, Israel, Japan, the Republic of Korea, Nordic Patent Institute, Norway, Portugal, Russia, Spain, Sweden, the United Kingdom and the United States.

All offices participating in this framework have made all PPH programs available to users, so they do not need to identify which PPH programs are available in each country. It is anticipated further expansion of this framework in the future will make the PPH programs be more accessible.



(3) Establishment of internationally valid and stable rights

1) Initiatives for revising the International Patent Classification (IPC)

Patent classifications are important elements used to search worldwide patent documents in an efficient manner. The IPC that is currently used globally contains only about 70,000 classifications, which is not enough, so the current IPC is not really efficient in terms of searching documents. The Committee of Experts of the IPC Union at the WIPO in February 2013 decided that the WIPO is to present to the IPC-member countries on a regular basis technical

fields for which the IPC needs to be revised, since there are more patent documents from emerging countries than there are classifications. The WIPO's efforts in this respect will make the IPC more segmentalized in the future, particularly in fields that have a large number of patent documents from emerging countries.

On the other hand, the IP5 Offices are cooperating in revising the IPC. To begin with, the IP5 Offices agreed on revised IPC tables and presented a proposal to the IPC-member countries for revising the IPC. In their efforts to harmonize patent classifications, the IP5 Offices have discussed the CHC (Common Hybrid

Classification) project. However, this project has reached a deadlock due to the different positions of each office. In response to this situation, in January 2013, the USPTO made a proposal to establish the GCI (Global Classification Initiative), an IP5 framework in place of the CHC project. At the sixth Meeting of the IP5 Heads of Office held in June 2013, the IP5 Offices agreed to introduce the GCI, which seeks to combine and reorganize the JPO FI/F term classifications and the EPO and the USPTO CPC into the IPC so as to harmonize technical fields as a way to revise classification. This is called Activity i. In Activity ii, the IP5 offices will collaborate and create new classifications corresponding to new technologies.

In June 2013 the JPO submitted proposals for 35 technical fields as a means for revising the IPC under the framework of the GCI. In November 2013, classification revision projects were launched in 16 technical fields at the IP5 Classification Working Group, which held its first meeting after agreement had been reached on the GCI. Currently, the IP5 Offices and the IPC-member countries hold discussions on an on-line bulletin board, formulating specific revised IPC classification tables.

The JPO will cooperate with other countries in revising the IPC so as to make it more efficient, taking into account technical development aspects.

2) Enhancement of Quality Control in Response to Globalization¹

With the increase in global applications, patent offices in major countries have been focusing on improving the quality control of patent examination, establishing their quality control systems. The JPO has continuously worked to maintain and improve the quality of patent examination, so as to achieve quality control that is among the best in the world.

Moreover, in FY2013 the JPO formulated its form Quality Policy on Patent Examination² which outlines the fundamental principles for maintaining and improving the quality of patent examination at the JPO. It was released on the

JPO's website in April 2014.³ This Quality Policy is the basis of various initiatives that the JPO is implementing to improve the quality of patent examination. It also serves to further raise awareness on quality by the JPO staff involved in patent examinations, and further improve the level of confidence that users both in and outside Japan have in patent examinations conducted by the JPO.

Furthermore, the JPO during FY2014 will set up a comprehensive evaluation index to evaluate the quality of patent examination and strengthen quality control so as to achieve the highest level of patent examination quality in the world. The JPO will also establish a committee consisting of examiners and academic experts in early FY2014 to objectively evaluate the status of quality control and the degree it is being implemented.

(4) Expanding the competence of international searches for PCT international applications filed in English

Japanese companies are expanding their R&D centers outside Japan, especially in emerging countries such as in Asia and other regions. This is an indication that their IP activities outside Japan are becoming more and more important. Under such circumstances, the JPO needs to create a framework in which R&D achievements produced by Japanese companies in foreign countries can be properly protected.

Under the PCT system, the JPO can establish international search reports for the PCT international applications filed in countries where the JPO act as an international search authority (ISA), upon the requests of the applicants. The JPO can transmit the results of prior art searches worldwide through international search reports, creating the framework that enables Japanese companies to acquire stable rights overseas.

Based on this, the JPO has actively expanded the competence in which it can act as an ISA for PCT international applications, especially in Asian emerging countries.

¹ See Part 2, Chapter 1, 2, (2),3)

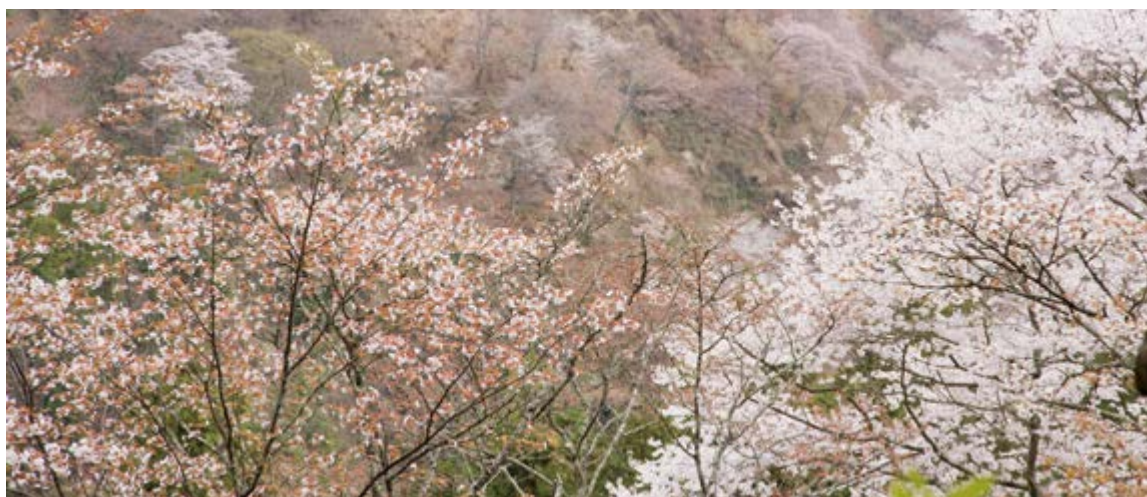
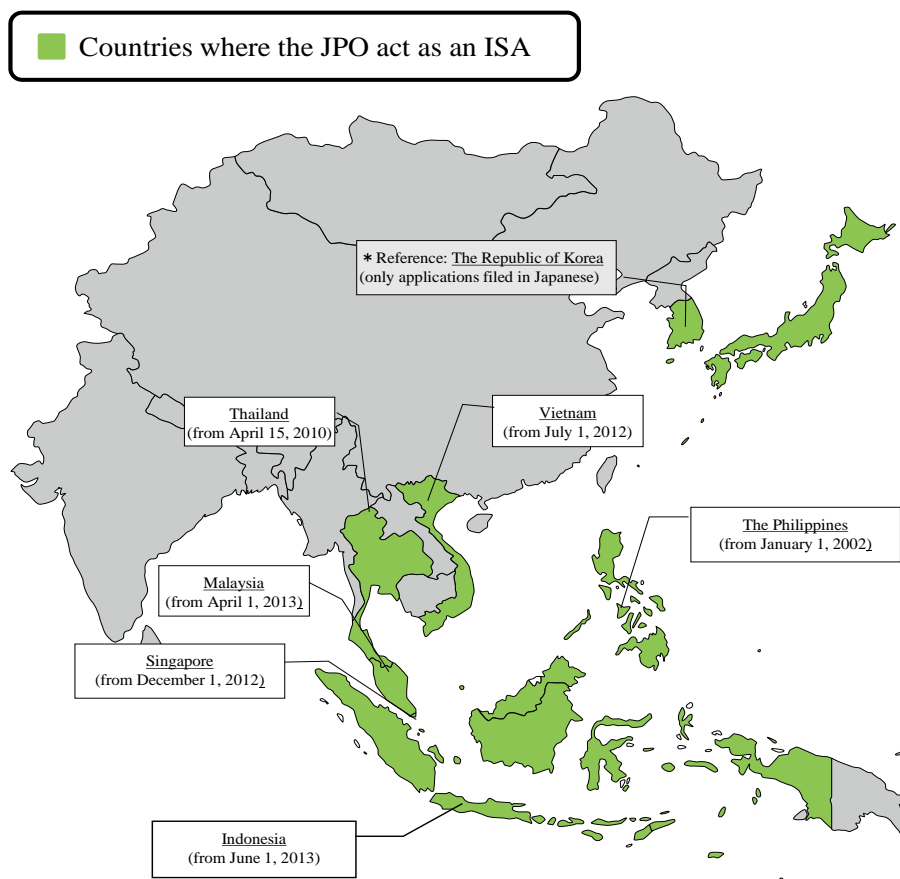
² See Part 4, 3, Column 3

³ http://www.jpo.go.jp/seido_e/s_gaiyou_e/pdf/patent_policy/policy.pdf

Specifically, the JPO started acting as an ISA for PCT international applications filed in English in Vietnam from July 2012, in Singapore from December 2012, in Malaysia from April 2013 and in Indonesia from June 2013, in addition to the Philippines and Thailand.

The JPO as an ISA will continue to improve this framework by transmitting results of high-quality prior art searches under the PCT, so that applicants who intend to acquire rights worldwide are able to secure stable rights.

Figure 2-1-15 JPO's Status of competence of PCT international searches (as of January 31, 2014)



(5) PR Activities on International Filing Systems under the PCT

From October to December 2013, the JPO held 11 explanatory seminars on international filing system under the PCT in seven locations in Japan, including Tokyo, Osaka and Nagoya. These seminars were done to explain the outline and merits of the PCT system. Moreover, the procedures for filing documents and the procedures for preparing documents that will be filed with the JPO as a receiving office and as a designated office were explained. At the explanatory seminars, brochures were distributed such as “the Outline and Procedures of the PCT System” and “Procedures for International Applications under the PCT ”, explaining in detail the formats and how to fill in documents to be submitted.

Upon requests from organizations and local governments, the JPO sent lecturers to the explanatory seminars. A lecture was given at the Yokohama IP Seminar in June 2013 and the Shinagawa IP Seminar in November 2013 respectively for owners and persons involved with IP at SMEs, under the theme of “International Applications”, giving basic knowledge on how to run a business utilizing IP.

In addition to these activities, the JPO created a pamphlet called International Application System under the PCT, which summarizes the PCT system and makes it easier for users to understand it. The JPO distributes this pamphlet at the counter at its office and at its IP system explanatory seminars.

The JPO is also raising awareness on the PCT at an international level. For example, officials from the JPO, the KIPO and the SIPO, as well as patent attorneys, participated as lecturers in a seminar for PCT users in the EU (Munich, Germany) held in June 2013. They lectured on the procedures for each country's national phase. In addition, in June 2013, the JPO held a seminar in Namibia for staff at IP offices in member countries of the Africa Regional Intellectual Property Organization (ARIPO), which either have already acceded to or are considering acceding to the PCT. This seminar was held in cooperation with the WIPO, the ARIPO, and the Namibian government and was a part of the support given to Africa under the WIPO/Japan

Funds in Trust. The aim of the seminar was to enhance the participants' understanding of the PCT system and practices, and encourage more effective utilization of this system.¹ Moreover, the JPO welcomed an investigation team consisting of government officials from Myanmar in May 2013 and an investigation team including the Vice Minister for the Ministry of Commerce from Cambodia in October 2013. The JPO gave presentations to them on the various operations in the JPO under the PCT.

It is hoped that by raising interest in the PCT system by conducting these and other activities, Japanese users making use of the PCT system will be encouraged to acquire rights overseas and further develop their businesses outside Japan.



Pamphlet called International Application System under the PCT



JPO welcomes an investigation team from Cambodia (at the international application counter)

¹ See Part 3, 2. (3)

Chapter 2

Initiatives on 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 the improved technological capabilities of companies in emerging countries and modularization of manufacturing techniques in recent years. Consequently, many companies are reconsidering the value of their product designs, which strongly motivate consumers to buy products. Many companies have come to realize that their designs are a means for improving the appeal of their products. Although good designs make profits, the fact is, counterfeit products that take a free ride on these good designs are being manufactured. Companies know that protecting their design rights is essential to ensure that they can gain profits from products to which high value is added based on their designs. What is important is creating a user-friendly system for registering designs, which effectively achieves protecting design rights.

In addition, problems involving counterfeit products 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 Japanese companies' conducting more globalized activities. Design rights are expected to be, as well as regarded as, effective measures to respond to problems with copying. In order for Japanese companies to compete with foreign companies in domestic and overseas markets, simple international design registration system and harmonized standards need to be introduced. This is based on the idea that such systems will bring about improved convenience for users of the Japanese design registration system.

In order to address these situations, the JPO undertook the following initiatives in FY2013.

1. Support for Global Activities of Japanese Companies Based on Protecting Creative Designs

With the globalization of business activities, it has been becoming more important to prevent from imitations and further promote “Japan brand” based on their creative designs, in order to ensure their global competitiveness. In fact, more Japanese companies file applications overseas based on their greater awareness of the need to protect their design worldwide and on the improved reputation of “Cool Japan” in other countries. The number of applications for design registrations filed with the USPTO, EPO, KIPO and SIPO from Japan has increased by about 30% between 2003 and 2012, after Intellectual Property Basic Act was enacted. It is necessary to promote international harmonization of design registration systems in order to develop global activities of Japanese companies based on designs. In particular, consideration needs to be given on how to support applicants when they acquire design rights worldwide and alleviate any inconsistencies with designs protected under the Design Act.

Under these circumstances, the Japan Revitalization Strategy (decided by the Cabinet in June 2013) advocates providing support to protect design rights globally, as one of the pillars for greatly strengthening the intellectual property system. One means to achieve this is Japan's accession to the Geneva Act of the Hague Agreement Concerning the International Registration of Industrial Designs (the “Geneva Act”). Moreover, the Intellectual Property Strategic Program 2013 takes up the enhancement of protection of graphic image designs as an issue that needs to be considered in terms of creating an infrastructure under which Japanese companies can get through the global competition in intellectual property systems.

(1) Efforts to Become a Member of the Geneva Act of the Hague Agreement Enabling Applicants to File Applications to Multiple Countries at One Time

In line with the globalization of business activities, it has become important for companies to prevent damage caused by imitations and

promote their excellent Japanese designs overseas so as to remain competitiveness in the global market.

Under such circumstances, the Japan Revitalization Strategy (decided by the Cabinet in June 2013) advocates reviewing and revising the design registration system and make it comply with the Geneva Act, as one of the pillars for significantly strengthening the intellectual property system. This Strategy, which supports the global protection of rights, was approved in FY2013 and the bills to revise laws were submitted to the Diet immediately.

The Design System Subcommittee under the Intellectual Property Policy Committee of the Industrial Structure Council deliberated on the future direction for Japan's accession to the Geneva Act that allows users to acquire design rights globally at reasonable costs based on simplified procedures; and for Japan to accede to the Locarno Agreement Establishing an International Classification for Industrial Designs signed at Locarno on October 8, 1968, as amended on September 28, 1979 (the "Locarno Agreement"). As a result, a report titled "Support for Japanese Companies to Expand Their Businesses Overseas by Protecting Rights on Creative Designs" was compiled and approved at the fifth Intellectual Property Policy Committee of the Industrial Structure Council held on February 24, 2014.

1) Outline of the Geneva Act of the Hague Agreement and the Locarno Agreement

a. Geneva Act of the Hague Agreement

The Geneva Act is an agreement on the international registration of designs, which aims at integrating filing procedures in two or more countries. It was adopted in 1999 and came into effect in 2003. This Act allows applicants to file a single application with the International Bureau of WIPO and register their designs in multiple countries, as if they had filed applications to each country individually.

An international application is registered after formality examination by the International Bureau and then published internationally. If countries that conduct substantive examination refuse the effect of international registrations, the first office action is notified within 12 months

after the said international publication. The holders of the international registrations have to follow the prescribed procedures to renew or transfer them, with the International Bureau and not with the designated country. Rights are protected in every country for at least 15 years, on the condition that applicants renew their registrations every 5 years after the date of the international registration.

A total of 46 countries and organizations including the EU and individual European countries have ratified or acceded to the Geneva Act as of the end of December 2013. The United States and the Republic of Korea are preparing to accede.

Figure 2-2-1 Direct Route

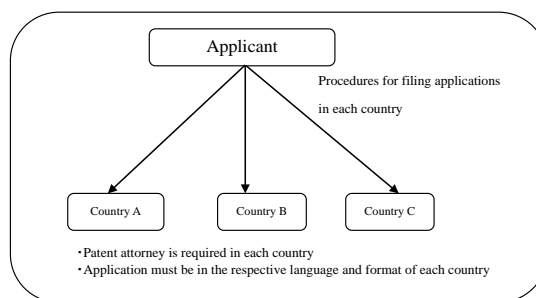
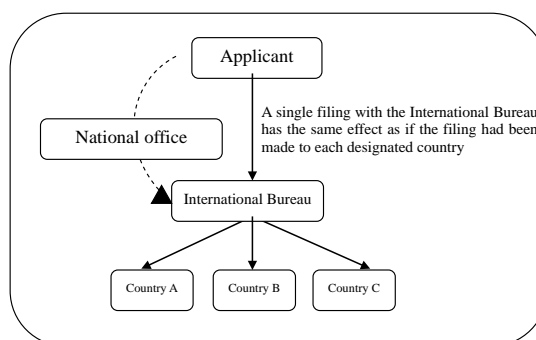


Figure 2-2-2 Filing under the Geneva Act



b. Locarno Agreement

The Locarno Agreement came into effect in 1971, establishing the international classification for industrial designs. The 10th edition of the Locarno international classification came into effect on January 1, 2014. 53 countries have ratified or acceded to the Locarno Agreement as of January 2014. Although Japan and the United States have not yet acceded to it, they have included both the Locarno



international classification and their own respective national classification in their Design Gazettes, helping applicants conduct prior art searches based on the Locarno international classification. This Locarno international classification is prepared in English and French and consists of 32 classes and 219 subclasses. When any country accedes to the Locarno Agreement, it is obliged to include the number of the Locarno international classification in official documents and official publications for deposit or registration of designs.

2) Future Direction for Acceding to the Geneva Act and the Locarno Agreement

The above-mentioned report by the Design System Subcommittee states that Japan should make preparations to accede to the Geneva Act and the Locarno Agreement, based on the fact that users are requesting Japan's prompt accession because both treaties harmonize international procedures for protecting designs and support global business activities of Japanese companies. Japan is making preparations to accede to the Geneva Act, having submitted bills to revise its laws such as the Design Act, to the 186th regular Diet session taking into account the content of the report.

The Working Group on the Examination Guidelines for Designs will continue to deliberate more on how operations should be conducted. The JPO will also continue to coordinate with the International Bureau of WIPO and actively participate in the Hague Union Assembly and its working group meetings so as to improve user convenience. Besides, the JPO will explain these experiences to other countries and encourage them to revise their rules where necessary.

(2) Deliberations for Enhancing Protection of Graphic Image Designs

In order to respond to the worldwide growth of smartphone usage and the expanding market for software based on the development of information technology, the importance of graphic image designs such as graphical user interfaces (GUIs) used for software has been increasing. This is because graphic image designs enable one company to differentiate its products and services from those of other

companies. While other jurisdiction such as the United States and the EU give extensive protection to graphic image designs, Japan provides limited scope of protection for these designs.

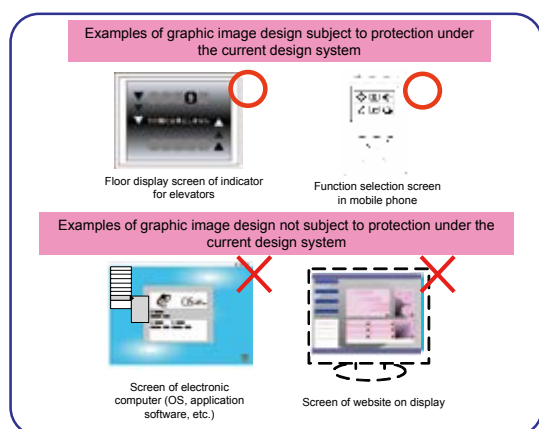
In order to address this situation, the Design System Subcommittee in December 2011 started to deliberate on this issue in addition to the issue of Japan's accession to the Geneva Act for the purpose of establishing a system conducive to global activities of Japanese companies. The Subcommittee issued a report titled "Support for Japanese Companies to Expand Their Businesses Overseas by Protecting Rights on Creative Designs". This report was approved at the 5th Intellectual Property Policy Committee of the Industrial Structure Council held on February 24, 2014.

With regard to the issue of protection of graphic image designs, the industrial sector expects, on one hand, that the scope of protection will be expanded under the Design Act. On the other hand, however, there is concern that the scope of exercising design rights will also be expanded. Based on these opinions, the report concluded that deliberations are to be made in the following way.

- Immediately start the work to create a support tool for conducting retrieval of registered designs, which utilizes the image matching technology. The tool is scheduled to become operational during FY2015.
- Based on the premise that the introduction of the above-mentioned support tool is prepared, the Working Group on the Examination Guidelines for Designs will deliberate on the possible expansion of the scope of graphic image designs that will be given protection by improving the examination standards.
- The Design System Subcommittee will further consider the scheme based on the results of deliberations by the above Working Group. Together with this consideration, the Subcommittee will clarify the interpretation of provisions referring to e.g. working and infringement of the design right and the presumption of negligence, and deliberate on the issue of the treatment for the acts of such as end users and providers.
- For the midterm and long term, the

Subcommittee will, on the premise that the accuracy of the above-mentioned support tool is improved, continue to deliberate on what the most desirable design system should be, on the basis of progress of the deliberations, users' needs, and international consistency by focusing on the issues mentioned in the report.

Figure 2-2-3 Example of graphic image designs



2. Promoting the Utilization of Design Systems

In recent years, progress is being made in product development activities that make use of designs that focus on consumer tastes and customer usability and which provide greater added value without resorting to easy cost competition.

The JPO has been working to create a framework in which companies can strategically use design systems and make use of their designs. Examples include sending experts to give advance and promoting cooperation between academia and industry in the field of design.

(1) Sending Experts to Encourage Users to Make Better Use of the Design System

Since FY2012, the JPO has strengthened the support it provides, such as the support it offers at the IP Comprehensive Support Counters¹ by providing information on the strategic development and utilization of designs

and design systems. Specifically, the JPO is (i) sending experts on designs and design systems to local areas where there are few such experts and (ii) giving lectures to staff at the IP Comprehensive Support Counters about strategic activities that SMEs are conducting in terms of their using designs and the design system.

The above-stated (i) is designed to support applicants in strategically filing their applications, right from the product development stage, and enhancing their intellectual property mindset, in addition to helping them with product sales. Depending on the situation, the JPO sends experts such as design consultants, designers, and patent attorneys who have expertise in using designs, to respond to questions from regional SMEs. Persons from the IP Comprehensive Support Counters also are present with the experts. From FY2013, experts on brands, trademarks and overseas IP systems have been sent.

These experts addressed concerns users had with designs, responding to questions about product strategies, the companies' own sales appeal, sales channels, proposals on design revisions, and general advice on the shapes of products. And in terms of design systems, they responded to concerns about effective ways to file applications based on the shapes of products, similarity/dissimilarity with prior designs, differences in filing applications for partial designs and applications for design parts, points to pay attention to when filing foreign applications, and combining protection in various regions. Moreover, in some cases, experts in two fields were sent at the same time, depending on what the users wanted to know, to provide consultations on filing applications for current products and on further design improvements.

Companies requested consultations on industrial designs of various products including medical equipment, products for social services and nursing care, industrial juicers, AV system stands, loudspeakers, air cleaners, nail files, smartphone accessories, gloves, and block puzzles. Experts were sent to give advice on the utilization of both designs and design systems in response to requests about folk craft designs such as those for ceramics, lacquer ware, glassware, and woodwork; and package designs

¹ See Part 2, Chapter 6, 3.(1)

for food such as processed fruits (dried fruits and juice), seafood, confectioneries, liquors, and teas.

In FY2012, experts on designs and design systems were sent about 60 times based on 54 requests. In FY2013, the number of requests increased due to greater awareness about the program for sending experts. Design experts were sent a total of 89 times, but the number rises to 161 times when including experts on brands and trademarks (47 times) and experts on overseas IP systems (25 times), based on 148 requests. A number of applicants filed design applications after experts had visited them. A number of designs, for which support had been given since FY2012, were either commercialized or exhibited. Support was also given to applicants to enable them to acquire design rights and trademark rights. The outline of the program for sending experts was published in an article for the October and November editions of the JPO's journal called *Tokkyo*, which in English means "Patent". The theme was Experts Talk about Designs and Design Systems for SMEs and Intellectual Property.



Examples of nursing care products and ceramics commercialized and exhibited as a result of consultations on designs

(2) Promoting Academia-Industry Collaboration and Protecting Designs Created by Academia

In recent years, art and design universities have been cooperating with companies in the field of design based on the inherent advantages found in local communities and academia. Various examples of this can be seen. For example, there are cases when large companies request universities to submit proposals on advanced designs and services or to objectively evaluate products based on human engineering. Other examples include those in which SMEs work together with universities to develop products utilizing their proprietary technologies.

1) Standardizing Contracts Suitable to Academia-Industry Cooperation

While academia-industry cooperation has become more popular, a number of issues related to the handling of intellectual property have arisen, when art and design universities and companies conclude design contracts. In response to these issues, the JPO analyzed the contracts that the universities and companies were using for design agreements. The JPO developed a standardized contract suited to the agreements reached between academia and industry. The contract is designed in a way so that both parties can benefit.

2) Sending Intellectual Property Advisors to Set IP Management Systems at Art and Design Universities

IP management systems at art and design universities generally lag those that are used by four-year universities and science and engineering universities. The JPO and the INPIT, by having advisors skilled in setting up IT systems go to art and design universities, are working to ensure that IP rights are properly protected and utilized.

3. Providing Information on Designs

The JPO strives to provide better information on examination for designs. This includes better organizing Examination Standards for Designs, clarifying the criteria used in making decisions during the design examination process, announcing the design examination schedule, providing information on similar and related designs, and publicizing publicly known designs, all for the purpose of improving usability.

(1) Organizing Examination Standards for Designs

The JPO added and modified specific examples of methods used for identifying parts for which design registration is requested. It outlined these in its Guidebook on Description of Design Applications and its Drawings. This Guidebook clearly provides specific examples of ways for applicants to file applications and list drawings, enhancing user convenience.

In FY2013, like in 2012, the JPO further

improved the content on its website by uploading examples of actual designs, which include graphic image designs that were registered after the Examination Standards for Designs were amended in July 2011. These examples are found under the area in the website called Collection of Registered Graphic Image Designs.

Additionally, some examples were added to the Collection of Registered Related Designs of Partial Designs, which contains examples that can be used to judge similarity during the examination process for designs, selected from designs registered as principal designs and related designs from applications for partial designs. This Collection was uploaded on the JPO's website.

(2) Clarifying Criteria Used in Making Decisions on Designs

In responding to user demand calling for the JPO to better clarify the criteria that it uses in making decisions of refusal on designs, the JPO has been making it a practice to clearly describe in some of the notices of reasons for refusal the reasons for similarity and dissimilarity found between the designs claimed in applications and those in cited designs. This is when the reasons are based on Article 9(1) (prior application)¹ of the Design Act from October 2004. From FY2007, as another practice, the JPO started to describe additional reasons for refusal based on Article 3(1) (iii) of the Design Act (novelty)².

In addition to the above-mentioned practices, from 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 its decisions by describing the characteristic features of the designs claimed in the subject applications with those in cited designs or those claimed in other applications, giving reasons for the final decisions.

(3) Publication of Design Examination Schedules

The JPO uploads the Design Examination

Schedule on its website so that users can refer to it when filing their design applications. The Design Examination Schedule displays the estimated schedule for examinations on designs based on the particular dates on which design applications are filed. It is updated every quarter, with new information about finalized examinations being added.

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

(4) Providing Similar/Related Design Information on the IPDL

In order to provide information that is useful for user to determine either similarity or dissimilarity of designs, in March 2006, the JPO launched a service providing information about similar/related designs 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 determined to be similar when examined.

(5) Publishing Publicly Known Design Sources

For the purpose of determining novelty and creativity in the design examination process, the JPO has collected 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 important sources for examination purposes.

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 to develop further creative and value-added designs in Japan.

For that purpose, in 2007 the JPO started a service by which it can upload publicized documents on designs that it digitized and for

¹ See Examination Guidelines for Designs Part 6

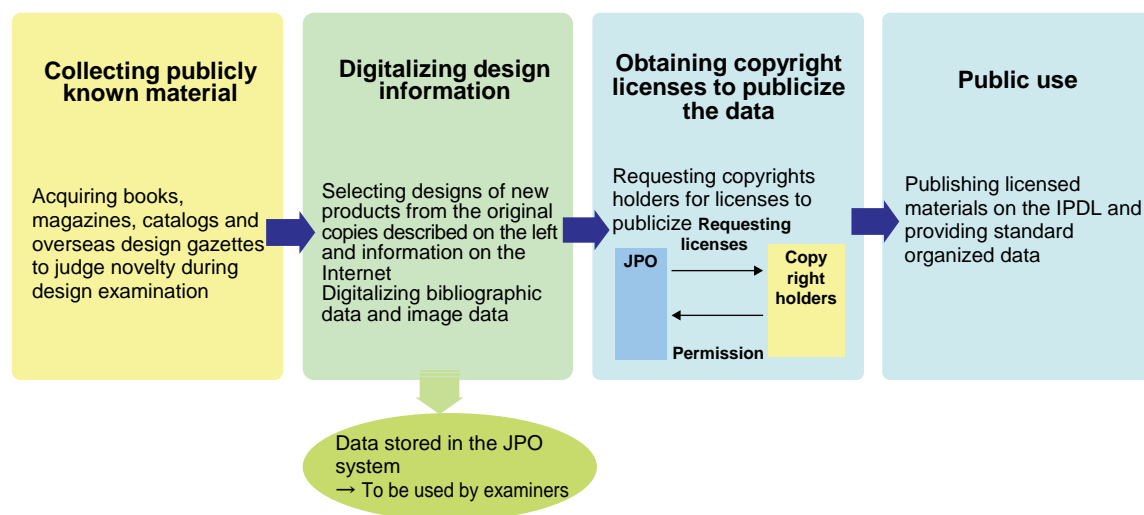
² See Examination Guidelines for Designs Part 2, Chapter 2

which it gained the copyright licenses to use, on the IPDL.

In March 2006, the Publicly Known Design Inquiry Service was launched in the IPDL, which allows users to view the bibliographic data and images of publicly known designs, by entering

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 2-2-4 Outline of Collecting and Publicizing Publicly Known Design Materials



4. Quality Management of Design Examinations

(1) Background of Initiatives Involving Quality Management for Design Examinations

The Design Examination Department continually maintains and enhances the quality of design examinations. Some of the initiatives include checking examiners' work 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 Division to provide consistent examination results in response to the expected increase in documents to be examined. The Preparatory Committee started to deliberate on organized quality management. In FY2010, the Preparatory Committee was reformed into the Design Examination Quality Management Committee (consisting of six members including directors) for the purpose of implementing and improving various measures.

(2) Initiatives

1) Conducting Sample Checks

Since FY2010, the JPO has been conducting sample checks twice a year on applications for which final decisions have been made. The applications are randomly chosen by machine.

2) Gathering Opinions and Information from Users

a. User Questionnaire on Examination Results (among Sample Checks)

In addition to conducting internal sample checks, the JPO, ever since it initiated sample checks in the latter half of FY2011, has conducted surveys asking users their opinions about their examination results.

b. Information from Users about Individual Applications (excluding pending applications)

In the survey, there is a space called "Please provide additional comments about the subject application". Moreover, examiners

request users to provide comments on individual applications in which the users felt that there could be issues with the quality of examination.

3) Gathering and Using Information on Trials and Appeals

The Design Examination Department shares information on examination results and acquires and analyzes statistics.

4) Providing Statistics on Examination Procedures Conducted by Individual Examiners

The JPO keeps various types of statistics on each examiner, which can be used to compare the level of work of examiners with the overall standard level at the Design Examination Department. The purpose of this is to see trends in examiner work.

(3) Feedback

The JPO works to improve the quality of design examinations by looking for any issues that there might be with quality, which were revealed in the results of analyses conducted on the above-mentioned initiatives, giving feedback to the Examination Department and other concerned departments and offices.



5. Accelerated Examination Based on Applicants' Needs

An accelerated examination system for applications filed to register designs was introduced on December 15, 1987. Under this system, accelerated design examinations are conducted for (i) working applications that urgently need to be registered and (ii) internationally filed applications. In 2013, 140 requests were made for accelerated examinations and the average period of time, from the time the requests were made until the notices of first action were sent, was 1.8 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 when counterfeit products are already being sold.

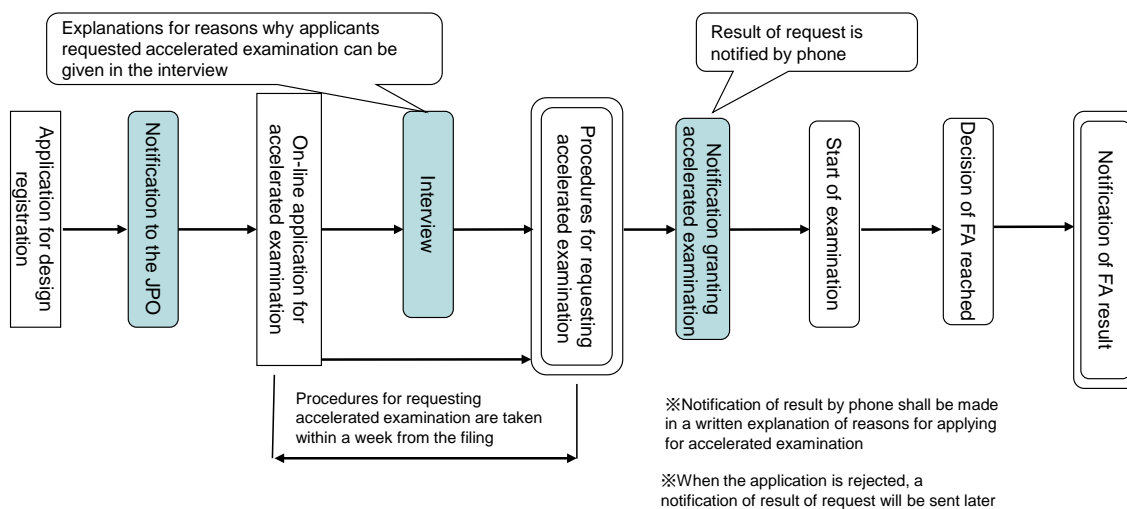
Under this system, if counterfeiting is known to be occurring, the first notice of examination results, i.e., the first action, will be made within one month from the time the applicant submits a request for accelerated examination, as long as no issues have been found in the application. Sixteen requests were made for accelerated examinations due to counterfeiting in 2013, and the average period of time, from the time the requests were made until the notices of first action were sent was 0.8 months.

In addition, an Earthquake Disaster Recovery Support Accelerated Examination System was introduced in August 2011 to examine applications as soon as possible for design registrations filed by companies damaged by the Great East Japan Earthquake. 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 areas¹ covered under the Disaster Relief Act.² Thirteen requests for Earthquake Disaster Recovery Support Accelerated Examination were made in 2013, with the average period of time, from the time when the requests were made up to the time the notices of first action were sent, was 2.4 months.

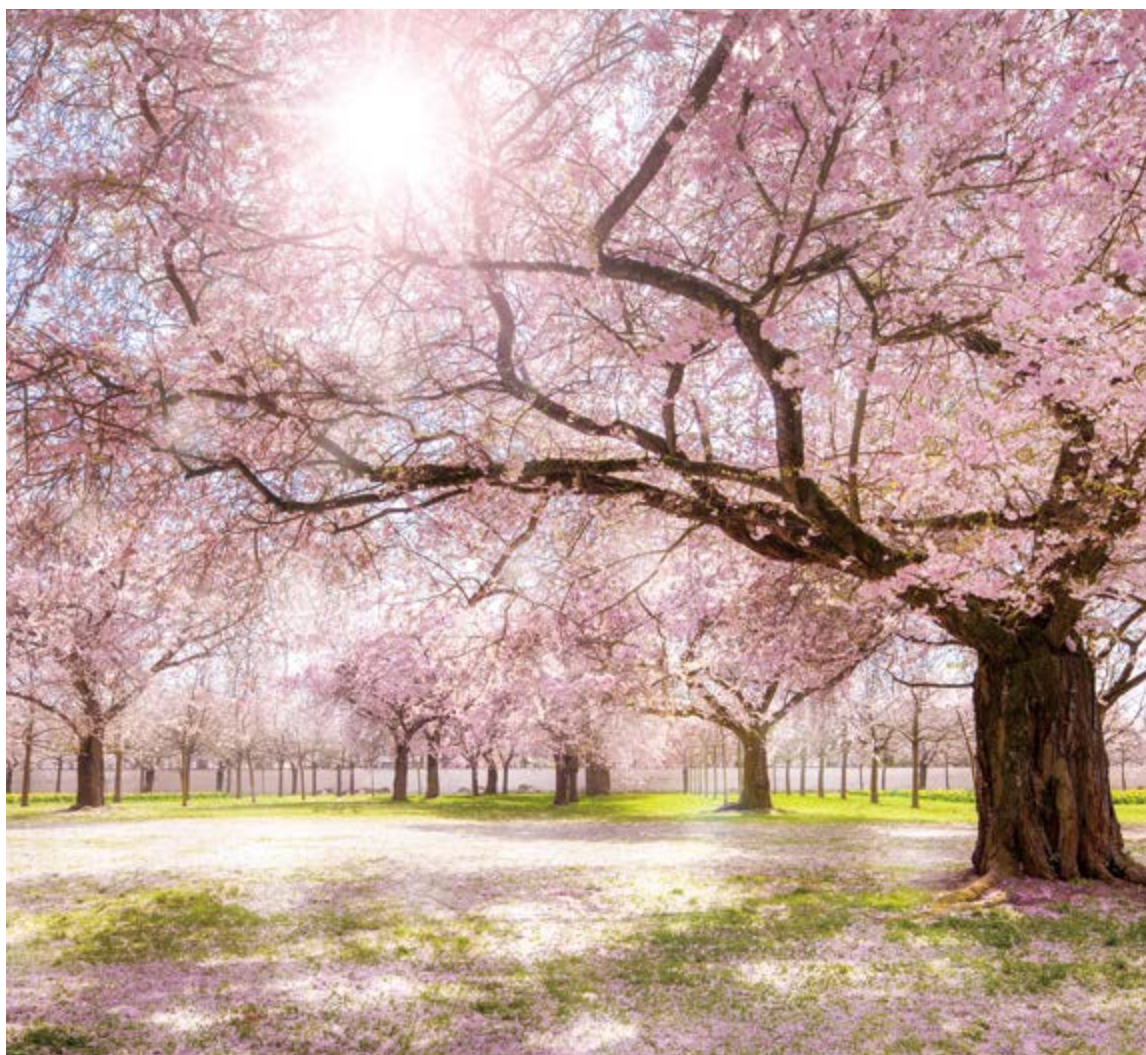
¹ Except Tokyo Prefecture

² Act No.118 of 1947

Figure 2-2-5 Outline of accelerated examination system designed to respond to anti-counterfeiting measures



A FA result is notified within one month from the time the applicants request accelerated examination, based on the condition that counterfeit products are already being produced.



Chapter 3

Initiatives on Trademarks

In recent years, trademarks are playing a greater role in terms of economic globalization and diversified sales strategies of goods and services. This is due to the rapid growth of the Internet and strengthened competitiveness of Japanese industries. Moreover, the landscape 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 implementing various initiatives so as to appropriately protect trademarks and improve user-friendliness in response to these conditions.

This chapter introduces initiatives that the JPO is implementing in order to improve the convenience of users in Japan and the Republic of Korea, respond to changes in the international classification of goods and services, conduct PR activities on the international registration system, conduct accelerated examination to meet the needs for early registration of trademarks, enhance the regional collective trademark system to protect regional brands under the trademark system, and to improve the quality management of trademark examinations.

1. Project between the JPO and the KIPO to Create and Publish Tables Corresponding to Japanese and Korean Similar Group Codes

(1) Similar Group Codes Used by the JPO

1) Similar Group Codes

No trademark can be registered if it is identical with, or similar to, another person's registered trademark, and if the designated goods and/or designated services connected with the application are identical or similar (Trademark Act Article 4(1)(xi)).

The JPO, in examining whether trademarks filed for registration have any reasons for refusal, determines the similarity between designated goods or designated services of the trademark and designated goods or designated services of another person's registered trademark based on the Examination Guidelines for Similar Goods and Services.

The Examination Guidelines for Similar Goods and Services group goods that have common manufacturing departments, sales departments, raw materials, and quality or services that have common means of provision, purposes, and places of provision. Goods or services in one group are, in principle, assumed to be similar goods or services.

Similar group codes consist of 5-digit alpha-numeric codes. They are assigned to goods and services of each group.

In terms of examination practices, goods and services that have same similar group codes are assumed to be similar to each other.

<Examples of similar group codes>

a. Similar Group Codes of Goods and Services

(Examples of Similar Group Codes of Goods)

Class 16: Books (26A01)

Class 24: Towels (17B01)

(Examples of Similar Group Codes of Services)

Class 41: Education and instruction services relating to arts, crafts, sports or general knowledge (41A01)

Class 44: Medical services (42V02)

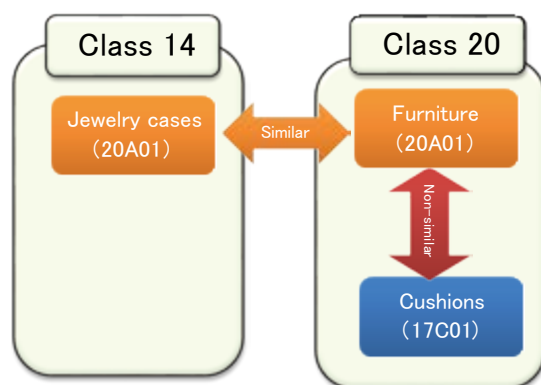
b. Non-similarity between similar goods or similar services; and similarity between non-similar goods or non-similar services

There are goods or services that are not similar, although they belong to the same class.

On the other hand, the same similar group code may exist not only in one class but also in different classes, and similarity may be found in goods and services that actually belong to different classes.



Figure 2-3-1 Example of non-similarity between similar goods or similar services; and similarity between non-similar goods or non-similar services



2) Use of Similar Group Code

Similar group codes are assigned to all designated goods and designated services and are used to search for the existence of any prior, registered trademarks, check of the scope of rights, check for any amendments to designated goods or designated services to eliminate reasons for refusal, and determine whether there is a conflict of rights with other persons' registered trademarks.

(2) Creating and Publishing Tables Corresponding to Japanese and Korean Similar Group Codes (in conformity to the Nice International Classification (Edition 10-2014))

The JPO and the KIPO are conducting a joint project to create tables corresponding to Japanese and Korean similar group codes (the "corresponding tables"). These corresponding tables describe the relationship of similar group codes used for trademark examinations by the two offices. (See (1) above.)

In December 2013, the JPO created and publicized a corresponding table that conforms to the Nice International Classification (Edition 10-2014), which came into effect on January 1, 2014.

Three types of corresponding tables were created, taking into account user-friendliness: 1) table corresponding to specific numbers in the Nice International Classification (See Figure 2-3-2), 2) table corresponding to similar group codes used by the JPO, and 3) table corresponding to

similar group codes used by the KIPO. These corresponding tables are available on the JPO website in PDF and in Excel.

Japanese and Korean users can refer to the corresponding tables before filing applications to register their trademarks. These tables improve the predictability of examination results and support proper filing strategies. Moreover, they also are expected to reduce the workload on examiners at the two offices. The JPO and the KIPO agreed to discuss enhancing these corresponding tables at the 25th JPO-KIPO Commissioners Meeting held on December 5, 2013.

Figure 2-3-2 Table corresponding to specific numbers in the Nice International Classification

A	B	C	D	E	F	G	H	I
Class (Basic No.)	EN - Goods and Services NCL (10-2014)	Acceptable or not by the KIPO	Korean Translation	KIPO's similar group code	Acceptable or not by the JPO	Japanese Translation	JPO's similar group code	
1	1/11001	○	수업지원을 위한 자료	1/11001	○	教科書用紙	1/11001	
2	1/11002	○	수업용 책상	1/11002	○	授業用机	1/11002	
3	1/11003	○	수업용 의자	1/11003	○	授業용椅子	1/11003	
4	1/11004	○	수업용 책상	1/11004	○	授業용机	1/11004	
5	1/11005	○	수업용 의자	1/11005	○	授業용椅子	1/11005	
6	1/11006	○	수업용 책상	1/11006	○	授業용机	1/11006	
7	1/11007	○	수업용 의자	1/11007	○	授業용椅子	1/11007	

Items in the corresponding table

- Class: Class to which goods or services belong
- Basic No.: Specific number of goods or services assigned to goods and services in the Nice International Classification
- EN-Goods and Services NCL (10-2014): Indications of Goods and Services in English Listed in the Nice International Classification (Edition 10-2014)
- Acceptable or not by the KIPO:
 - = Indications of goods and services which are approved by the KIPO
 - × = Indications of goods and services which are not approved by the KIPO
- Korean Translation: Korean translation of goods and services corresponding to the alphabetical list
- KIPO's similar group code: Similar group code used by the KIPO which is assigned to goods and services
- Acceptable or not by the JPO:
 - = Indications of goods and services which are approved by the JPO
 - × = Indications of goods and services which are not approved by the JPO
- Japanese Translation: Japanese translation of goods and services corresponding to the alphabetical list
- JPO's similar group code: Similar group code used by the JPO which is assigned to goods and services

2. Initiatives in Response to Changes in International Classifications under the Nice Agreement

(1) Nice Agreement

The Nice Agreement¹ was concluded with the aim of adopting a common international classification because it is more complicated to manage trademarks in terms of conducting prior trademark searches and following filing procedures to register trademarks due to differences in classifications of goods and services in every country. Under the Agreement, contracting states are obligated to adopt the international classification. Japan acceded to this Agreement on February 20, 1990² and has been using the international classification as its principal trademark system since April 1, 1992, when the trademark registration system was introduced.³

The number of states and regions participating in the Nice Agreement is 84 as of October 2013. However, the number of states including non-contracting parties and intergovernmental organizations such as the OHIM using the international classification of the Nice Agreement is more than 150.

(2) International Classification

The international classification is a common international classification of goods and services for registering trademarks that are stipulated in the above-mentioned Nice Agreement. The original text is written in English and French.

The main parts of the international classification are as follows.

1) General remarks: They indicate the standards for cases when certain goods or services cannot be classified according to 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: This list provides the names of goods and services, respectively, and the classes to which each of these goods or services belong, in alphabetical order.

(3) Japan's Response to Changes in the International Classification

The Committee of Experts stipulated in the Nice Agreement is responsible for making changes to the International Classification. These changes are divided into "amendments"⁴, which refer to any changes in classes or additions of new classes; and into "other changes"⁵, which refer to changes to the list of classes that include explanatory notes, as well as additions, deletions, and changes in the goods or services on the alphabetical lists.

At the 23rd Session of the Committee of Experts held at the WIPO in April 2013, the participants discussed the above-mentioned "amendments" and "other changes" of the Nice International Classification, finally deciding to delete cross references⁶. The new 10th edition which reflected the decisions made at the 23rd Session of the Committee of Experts about "other changes" and the deletion of cross references

¹ 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."

² 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.).

³ 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.

⁴ They are reflected when the classification is updated every five years. Next amendments will be issued in the 11th Edition which is scheduled to be issued in 2017.

⁵ They are reflected in a new additional edition which is issued every year.

⁶ Indication in which word orders are inverted so that the main words indicating the goods or services are placed at the top (e.g. Skin care (Cosmetic preparations for -))

were issued as the 10th Edition, version 2014 on January 1, 2014. The JPO, in order to comply with the international classification, formulated the Appended Table of the Ordinance Enforcing the Trademark Act (Ministerial Ordinance of METI No.58 of 2013, promulgated on December 2, 2013) that stipulates the goods or services belonging to the goods and services classification. It came into force on January 1, 2014.

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

The major additions and deletions in the International Classification 10th Edition, version 2014 are as follows.

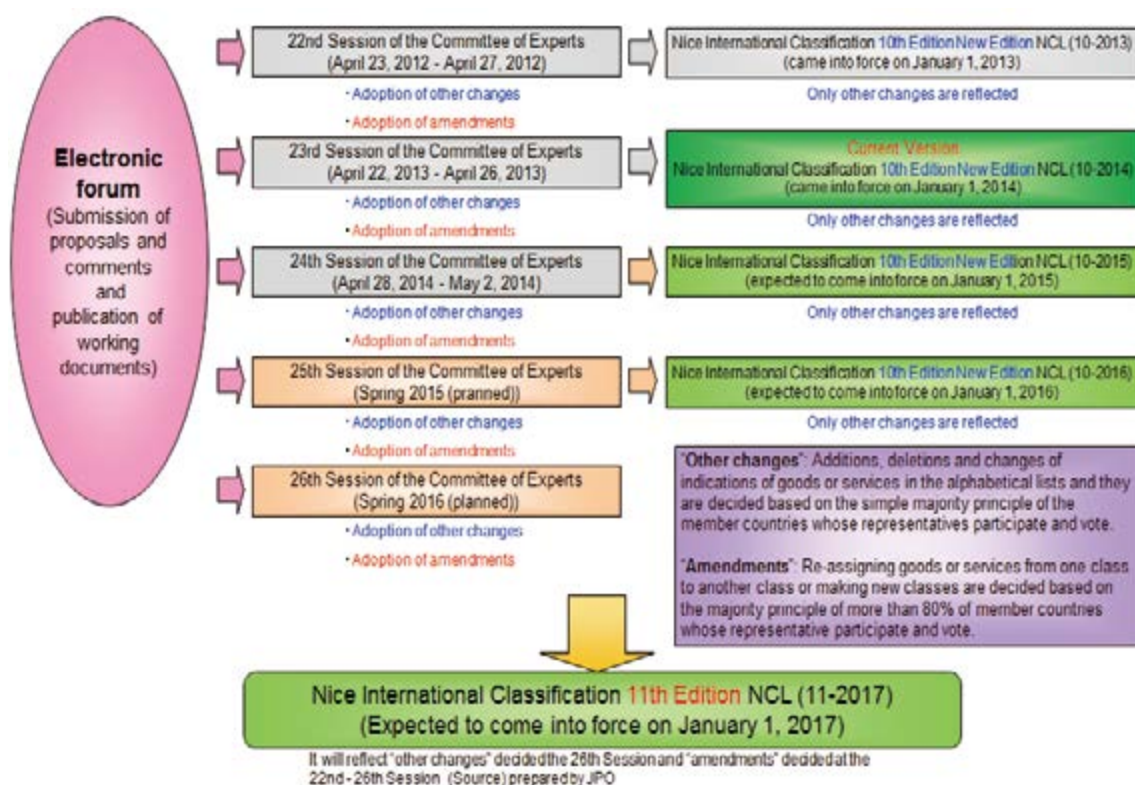
Addition

Class 3: Bath preparations, not for medical purposes
Class 9: 3D spectacles
Class 28: Ball pitching machines
Class 42: Cloud computing
Class 45: On-line social networking services

Deletion

Class 30: Pastry
Class 41: Videotape film production

Figure 2-3-3



3. PR Activities for the International Registration System (Madrid Protocol¹)

In January 2013, the JPO gave a lecture in Myanmar outlining the procedures for filing applications to register trademarks under the Madrid Protocol, in order to share the knowledge and experiences of Japan in this regard, and supporting Myanmar's initiative for its accession to the Madrid Protocol. In addition, the JPO welcomed an investigation team consisting of government officials from Myanmar in May 2013. The JPO took the investigation team to the office where applications for international trademark registrations are filed, an area of interest to the team, and explained examination practices.

In addition, in September 2013, the JPO invited government officials such as trademark examiners from the ten ASEAN-member countries to Japan in order to support their countries' accessions to the Madrid Protocol. The JPO provided a one-week training course called the ASEAN Madrid Protocol Practical Course that specialized in the Madrid Protocol system. This training included lectures on rules of the Madrid Protocol system, formality check practices, substantive examination practices and OJT. During this training, the JPO explained about JPO's experience in acceding to the Madrid Protocol and offered advice on how to effectively utilize the system. In addition, the participants exchanged information on the progress that each of the countries is making towards acceding to the Madrid Protocol. In October 2013, the JPO received an investigation team from Cambodia, including the Vice Minister for Commerce, in order to introduce the JPO's

administrative duties related to the Madrid Protocol.

These activities are expected to help Asian countries accede to the Madrid Protocol and encourage Japanese users to further expand their trademarks overseas based on the system.

In Japan, a lecture called International Applications was given at the Yokohama IP Seminar held in June 2013, and another was given at the Shinagawa IP Seminar held in November 2013, for owners of SMEs and persons who are involved in IP. These lectures gave the attendees basic knowledge on how to run business by making use of IP. In September and October 2013, explanatory meetings titled "Application Procedures under the International Registration System of Trademarks (Madrid Protocol)" were held in Tokyo, Osaka and Nagoya. In these seminars, the outline of the Madrid Protocol system, the procedures for dealing with the JPO as an office of origin, the procedures to dealing with the International Bureau, and the procedures for dealing with the JPO as a designated office were explained and publicized for IP practitioners. At the explanatory meetings, the JPO distributed a brochure titled International Registration System for Trademarks (Madrid Protocol) outlining the procedures for filing under the Protocol. This brochure is also available on the JPO website.

Apart from these explanatory meetings, the JPO, along with the WIPO Japan Office, promotes the Madrid Protocol system by visiting industrial organizations and companies to collect user opinions about the usability of the system and to address their concerns with regard to the system.

Also, the JPO prepared a pamphlet titled "Guide for Using the Madrid Protocol International Registration System for Trademarks," which summarizes the key points of the Madrid Protocol system. The pamphlet is designed to help users easily understand the outline of the system. It is available at the JPO's counter, as well as the IP Comprehensive Support Counters and the regional patent offices set up in each prefecture, and they were distributed at the Explanatory Meeting on Intellectual Property Rights.

¹ Outline of the international trademark application system under the Madrid Protocol: Based on a trademark applied for or registered with an Office of one of the Contracting Parties (Office of origin), a request for designating an Office/Offices of Contracting Party (designated Office) for which protection is sought is filed for international registration with the WIPO International Bureau (IB) through the Office of origin. This application for international registration is registered in the International Register managed by the IB. The IB sends the notification of an extension to the designated Contracting Party to the designated Office. The international registration is protected in the designated Contracting Party unless the designated Office notifies reasons for refusal within one year or 18 months by declaration (18 months in the case of Japan).



Pamphlet: Guide for Using the Madrid Protocol International Registration System for Trademarks

4. Initiatives Involving Regional Collective Trademarks

(1) Regional Collective Trademark System Introduced in 2006

In order to appropriately protect regional brands through 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 to achieve 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 more speedily. It eliminates third parties from taking advantage of the reputations of the trademarks and is expected to provide an incentive for business operators conducting regional branding activities to register their trademarks and, consequently, to stimulate the economies of their respective regions. Furthermore, it is expected that each regional brand that is in the development stage will be widely recognized throughout the nation based on the regional collective trademark system and thorough brand management.

The utilization of regional collective trademarks is thought to bring a wide variety of benefits. There are five major benefits.

The first benefit is the rise in income that results from higher sales or selling prices of goods and services brought about by regional collective trademarks. Increased brand values are expected to have positive effects on the

prices of goods and services, and thereby improve income by granting licenses to other persons.

The second benefit is the ability to combat counterfeit products. Acquiring regional collective trademarks allows rights holders to request injunctions against infringements and receive compensation for damage against parties that infringe the rights of similar products.

The third benefit is the ability to maintain and improve quality. Establishing standards for managing brands is expected to result in more thorough quality control of goods and services and improve production/manufacturing methods, including cultivation methods.

The fourth benefit is the ability to advertise goods and services so as to enhance their image. Thorough publicity activities for goods and services are expected to revitalize local economies, such as creating new sales routes for the goods and services, increasing their reputations, and activities which include holding events, utilizing mass media, developing new products, and collaborating with tourism projects.

The fifth benefit is greater motivation/participation by members of regional unions. When regional union members, who include producers, are aware that they have acquired interests in regional collective trademarks, their outlooks change. This leads to developing human resources and strengthening organization power of regional unions. Based on strengthened organizations, cooperative frameworks can be easily established inside and outside regions.

(2) Applications and Registrations for Regional Collective Trademarks

1) Status of Applications

Having started receiving applications for regional collective trademarks on April 1, 2006, the JPO has received 1,051 applications as of the end of December 2013. Looking at the number of applications filed by region, 44 were from Hokkaido, 84 from Tohoku, 101 from Kanto, 73 from Koshin-etsu, 73 from Hokuriku, 132 from Tokai, 277 from Kinki, 60 from Chugoku, 39 from Shikoku, 118 from Kyushu, 41 from Okinawa and 9 from overseas.

2) Status of Registrations

By the end of December 2013, the JPO had registered 554 regional collective trademarks. Looking at the number of registrations by sector, we can see that agricultural products, industrial products and processed food are the predominate type. There were 78 registrations for crafts, bags,

bowls and sundries; 55 for meat, beef and chicken; 52 for fabric, clothing and fabric goods; 50 for vegetables; and 50 for processed food.

Looking at the number of registrations by prefecture, Kyoto by far has the most, with 60 registrations; followed by Hyogo, Gifu, Ishikawa and Hokkaido.

Figure 2-3-4 Breakdown of regional collective trademarks by product

Unit: Applications

Vegetables	Rice	Fruits	Meat, beef and chicken
50	7	40	55
Fish & seafood products	Processed food	Milk and dairy products	Seasoning
38	50	5	15
Confectionaries	Noodles and grains	Tea	Liquors
11	11	15	13
Soft drinks	Plants	fabric, clothing and fabric goods	crafts, bags, bowls and sundries
1	3	52	78
Pottery and tiles	Toys and dolls	Buddhist shrines, Buddhist objects, funeral objects and furniture	Articles of precious metals, blades and tools
28	15	36	9
Lumber, stones and coal	Hot springs	Services (excluding hot springs)	
14	41	14	

Note: When one registration designates several goods, it is accounted for under each good.

(3) Publicity Activities for the Regional Collective Trademarks System

In promoting 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 December 2013, the JPO published a booklet entitled, "Regional Collective Trademark 2013," listing the goods and services that had been registered by the end of September 2013. The JPO conducts diversified publicity activities by distributing this booklet to prefectures, municipalities, commerce and industry associations, chambers of commerce, tourism associations, and rights holders, as well as to participants in the seminars on the regional collective trademark system.

This booklet includes ways that regional collective trademarks can be registered and

gives five actual examples based mainly on opinions of right holders who experienced the positive effects registering their regional collective trademarks. These effects included an improvement in brand recognition. In addition, the booklet explains the regional collective trademark system by using cartoons to help readers to easily understand it and introduces 551 regional collective trademarks, including the latest 32.



Pamphlet: Regional Collective Trademark Systems and Booklet: Regional Collective Trademark 2013

5. Quality Management of Trademark Examinations

(1) Background of Initiatives on Quality Management of Trademark Examinations

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

From years ago, the JPO has been continuously implementing initiatives to improve the overall quality of trademark examinations. It accomplishes this by having managers check the work done by examiners, revising the Examination Guidelines for Trademarks, and enhancing the search system in order to maintain and even improve quality. In FY2011, the Trademark Examination Quality Management Committee was launched in order to implement these initiatives in an organized manner. Further to that, the Conference of Representatives of Quality Management for Trademark Examinations was launched as its upper organization. This conference is responsible for evaluating the quality of trademark examinations and deciding principles for improvement.

In addition, since October 2013, a Trademark Examination Director Conference, consisting of management-level staff such as the Director-General of the Trademark and Customer Relations Department, the Director of the Trademark Division, and directors from trademark examination offices has been held every week to ensure that issues and proposals for improving the examination office are shared. Also, each Examination Office had active discussions about the quality of examination.

The JPO has been implementing initiatives to improve the overall quality of trademark examinations by the above system and will continue to establish necessary systems and take measures under the leadership of the directors, in order for each examiner to improve the quality of examination, staying aware of the problems involved.

(2) Initiatives

1) Analyzing Quality of Examination

a. Sample Checks of In-process Applications

The JPO has been conducting sample checks of examination processes since FY2009. After FY2011, it has been randomly extracting applications covering specific periods of time and conducting sample checks of examination processes involving applications that were still under examination. If any sample check result shows the need for improvement, directors send feedback to the respective examiners to improve the quality of in-process examination documents.

b. User Questionnaire on Individual Examination Results

A questionnaire on specific trademark applications was conducted to gather feedback and opinions from users about the quality of examinations on specific applications. Specifically, opinions on the quality of trademark examinations were gathered to analyze the current status of examination processes and grasp problems from the viewpoint of users.

2) 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 examinations 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. Initiatives for Preventing Delays in Processing Examinations

The JPO has been preventing delays in processing examinations by providing statistics on finalized examinations, as a way of improving its capability to ensure thorough management from the time applications were received up to when examination was started. The aim is to further accelerate processing.

3) Raising Awareness on the Descriptions of Proper Indications of Designated Goods and Designated Services in Applications

In many cases, reasons for refusal such as inadequate descriptions of designated goods and services can be avoided, if applicants are able to obtain appropriate information in advance. The JPO has been providing information on examinations such as at meetings and giving updates on its website, mentioning important points applicants should remember about reasons for refusal such as the inadequate descriptions of designated goods and services. The JPO does this to make information widely available for the purpose of helping users to acquire rights smoothly.

(3) Feedback

The JPO works to review issues based on analytical results of its quality initiatives, providing 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.

6. Implementation of Accelerated Examination Based on Applicant Needs

(1) Expanded Scope of 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.

Previously, applications eligible for accelerated examination used to be only those under "Scope 1" in Table 2-3-5. However, in order to expand the scope in response to greater demands for earlier acquisition of rights, in February 2009 the JPO expanded the scope of applications eligible for accelerated examination, adding Table 2. Moreover, in terms of intellectual property the JPO felt that it was necessary to support the reconstruction of the areas damaged by the Great East Japan Earthquake, and decided from August 2011 to temporarily expand the scope of applications eligible for accelerated examination to include those filed by companies located in the affected areas. For this category, the number of requests filed by the end of 2013 was 495.

Table 2-3-5 Outline of Accelerated Examination for Trademarks

	Applications subject to accelerated examination for trademarks	Use of trademark (or making preparations to use)	Urgency	Designated goods/services
Scope 1	Applicants or licensees already use or are making preparations to use their trademarks for designated goods/services, so they have urgent needs to acquire rights	○ Necessary	○ Necessary	When several goods (services) are designated, accelerated examination is possible if applicants use or are preparing to use any of the goods (services)
Scope 2 (February, 2009)	The trademarks designating only goods/services that applicants or licensees already use or are making preparations to use	○ Necessary	× Not necessary	Applications designating only goods/services in use or for which preparations are being to use

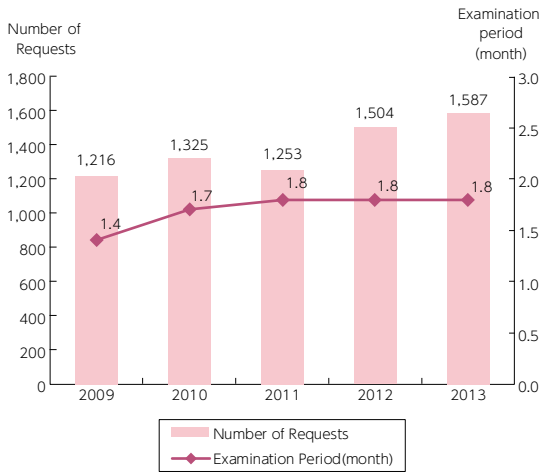
Note:

- Applications indicating urgent needs for acquiring rights in Scope 1 refer to applications that fall under any of the following conditions.
 - It is obvious that a third party without authorization is using a trademark or is preparing to use a trademark, for which an applicant or licensee has already filed an application to register, which is either identical or similar to that being used or being prepared to be used either on the actual or on similar designated goods or services of the applicant or licensee.
 - A third party warns the applicant about using the trademark being filed.
 - A third party needs a license for the trademark being filed.
 - The applicant had filed an application to patent offices or governmental offices other than the JPO.
- Applications falling under Scope 2 became eligible for accelerated examination system from February 2009.
- Whenever it has been determined that trademarks, for which applicants have filed applications to register, are not being used on or are not being preparing to be used on designated goods or services included within Scope 2, applicants must file amendments either before or at the time they request accelerated examination in order to have such goods/services eliminated from their applications.

(2) Trends in Accelerated Examination for Trademarks

In 2013, 1,587 requests were filed for accelerated examination (an increase of 5.5% from 2012). The average period of time from the date applicants requested accelerated examination to the date on which initial notices of examination results were sent was 1.8 months.

Figure 2-3-6 Changes in the Number of Requests for Accelerated Examination and Length of Examination Period



Note:
Examination period: The period of time starting from the date on which applicants file applications up to the date the first office action is issued.

Chapter 4

Initiatives on Trials and Appeals

Trials and appeals proceedings give higher-level decisions in regard to decisions of refusal made by examiners, serving to quickly settle disputes involving the validity of intellectual property rights. In order to ensure that trials and appeals effectively fulfill their roles, it is necessary to ensure that both the quality and speed of proceedings are maintained. To this end, the Trial and Appeal Department implements the following multi-dimensional initiatives.

1. Initiatives 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 court decisions. The JPO strives to further rationalize the operations by actively utilizing the knowledge of industry and external experts.

(1) Improving Proceedings

The JPO has implemented the following four initiatives in trials and appeals to improve their quality.

1) Communicating with the Parties Concerned

The JPO actively conducts oral proceedings in order to accurately understand and review issues, and raise the satisfaction level of the parties concerned in inter-partes trials such as trials for invalidation¹ and trials for rescission². (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 understand and review the conflicting

issues.

Moreover, the JPO established a trial and appeal court equipped with IT devices for the purpose of conducting oral proceedings more smoothly. These devices enable all the participants to accurately and expeditiously understand the documents and evidence presented by the parties concerned to give technical explanations and investigation records created by the panel.³ The parties concerned can express themselves to their full extent.

Furthermore, in appeals against examiners' decisions of refusal,⁴ interviews in the proceedings of appeals ensure smooth communications between demandants and the panel, and improve the quality of the proceedings. In addition, the JPO has been utilizing the first action pendency to issue what is termed an "examiner's report of reconsideration before appeal proceedings"⁵ as means for inviting the demandants to give their opinions on the reports written by the original examiners,⁶ as required in making reconsideration reports⁷.

2) Analyzing the Trends in Court Decision

In order to conduct accurate examinations, the JPO analyzes and shares the details of court decisions in lawsuits against trial/appeal decisions and the details of the effectiveness of rights in court decisions against infringement lawsuits. In addition, in trials for invalidation, the JPO obtains evidence related to claims of invalidation submitted in infringement lawsuits

³ The Panel consists of three or five administrative judges who examine trial and appeal cases.

⁴ A trial against an examiner's decision of refusal

⁵ The procedure for notifying the demandant of the opinion of the examiner in the reconsideration by examiners before appeal proceedings

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

⁷ When an amendment has been made to the scope of claims at the time an appeal against an examiner's decision of refusal is made, an examiner will examine the appeal, pursuant to Article 162 of the Patent Act. This examination is called a "reconsideration by examiners before appeal proceedings". If the examiner determines that the decision of refusal is to be upheld in spite of the amendment being made, the examiner will report this result to the Commissioner of the JPO. This is called a reconsideration report made to the JPO Commissioner in the procedure of reconsideration by examiners before appeal proceedings.

¹ A trial requested with the JPO to invalidate any registered patent, utility model, design or trademark

² A trial to request rescission of any registrations in cases where a registered trademark is not in use or its right holder illegally uses the trademark

by exchanging information with the courts, confirming with parties concerned, and utilizing such information in the proceedings.

3) 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 in panels across their respective fields and have them share their knowledge in how to direct proceedings in difficult, special cases.

4) Contributing to Maintenance and Improvement of the Quality of Examination

The Trial and Appeal Department exchanges information with the Examination Departments by providing feedback on the results of trials/appeals and exchanges opinions with them at meetings. The Trial and Appeal Department as higher authority works to maintain and improve the quality of examination.

(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 two initiatives.

1) Executive Legal Advisor on Trials and Appeals

Since the end of FY2007, the JPO has recruited former experienced judges and academic experts in the IP field to serve as executive legal advisors on trials and appeals. They provide advice on complicated legal issues and serve as instructors for training. In addition, the executive legal advisors on trials and appeals give direction to the future role and operations of the trial and appeal system, so that the Trial and Appeal Department will function more effectively.

2) Consultants on Trials and Appeals

The JPO utilizes consultants with legal qualifications on trials and appeals in order to

obtain referential opinions on oral proceedings and know the details of notices of proceedings and minutes based on external viewpoints. It also does this to provide chief administrative judges who directed oral proceedings with feedback, which is used to further improve 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. Initiatives to Speed-up Proceedings

The JPO has been doing the following for inter-partes trials and ex-parte appeals to ensure that proceedings will be expeditious in settling disputes and granting rights.

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

To settle disputes expeditiously, the JPO gives priority to cases in which the validity of post-grant rights is being fought over in trials for invalidation.

In addition, in FY2010, the JPO started issuing Notices of Proceedings Matters¹ in order to provide the details of the proceedings in advance of the oral proceedings, enabling the parties concerned to make allegations and show absolute proof at the oral proceedings. This improves and shortens the proceedings.



¹ A Notice of Proceedings Matters is provided to the parties concerned prior to the oral proceedings for the purpose of informing the parties of the matters that are expected to be examined at the oral proceedings, urging the parties to prepare a written summary of their statements for oral proceedings based on the matters reported. This helps to make the oral proceedings go smoother and establish the necessary criteria for making decisions.

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

The JPO conducts accelerated appeals trials based on defendants' requests, giving priority to cases involving examiners' decisions of refusal, which satisfy specific requirements¹. The number of requests for accelerated appeal examinations in FY2013 was 153 for patents, 1 for designs, and 8 for trademarks. With regard to patents, the JPO accomplished the mark of FY2013 to send decisions within 10 months at the end of FY2013.



¹ Patent appeals against examiners' decisions 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 offices, 3) The demandant is either an SME, individual, university, TLO, or a public research institution, 4) A person who is not the demandant, i.e., a third party, has used the invention for business purposes after laying open the patent application of the proceeding case, 5) Patent Applications for green-related inventions (inventions designed to conserve energy, reduce CO₂, etc.), and 6) Patent applications relating to the Act on the Promoting the Establishment of Business Operations in Asia. Appeals against an examiner's decision of refusal in regard to designs and trademarks, which satisfy the same requirements for accelerated examination, are subject to this system. Moreover, applications whose demandant suffers from damage caused by the Great East Japan Earthquake are subject to the Earthquake Disaster Recovery Support Accelerated Appeal Examination.

3. Initiatives for Strengthening Global Cooperation

The JPO endeavors to strengthen global cooperation by exchanging information on trials and appeals with foreign IP offices.

(1) The People's Republic of China

In November 2013, the JPO made a visit to the Re-Examination Board of the SIPO (equivalent to the Trial and Appeal Department of the JPO) to collect information on bilateral cooperation in the field of trials and appeals and the trial and appeal systems of the two countries. At the JPO-SIPO Commissioners Meeting held subsequently, the two offices agreed to hold the JPO-SIPO Meeting of Experts on Trials and Appeals on a regular basis to deepen the exchange of information between Japan and China.

(2) The Republic of Korea

The JPO held the fourth JPO-KIPO Meeting of Experts on Trials and Appeals in July 2013 in Tokyo to exchange the latest information on the trial and appeal systems of the two countries, agreeing to implement the International Administrative Judge Exchange Program.

In response, for the first international administrative judges' meeting, administrative judges were sent from Japan to the Intellectual Property Tribunal of the KIPO (equivalent to the Trial and Appeal Department of the JPO) in November 2013 to hold discussions on oral proceedings and investigate the practices of trial and appeal proceedings.

Additionally, the first Trilateral Appeal and Trial Expert Group Meeting was held in Tokyo in August 2013, with the aim of promoting mutual understanding and exchanging information on trials and appeals among the JPO, the KIPO and the SIPO.

Chapter 5

Initiatives to Enhance the Use of Information Technology

This chapter introduces initiatives for IT (Information Technology) up until now, system development in the future and international initiatives through IT, regarding initiatives in respect to IT which supports the JPO's operations.

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

This section introduces initiatives with regard to IT which so far has been achieved, including the Paperless initiative. Furthermore, this introduces a policy with regard to the JPO system development for the future.

(1) Introduction of the JPO's Systems

The JPO, anticipating other countries, formulated the "Paperless Project" to realize comprehensive computerization and database systems for overall patent administrations in 1984. The Paperless Project computerizes overall patent administrative activities and maintains a database. The JPO has introduced various systems such as the world's first electronic filing system¹ in 1990, which utilizes information technology.

1) Electronic Filing System

After the JPO introduced the electronic filing system to handle applications of 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.

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 2013, it was 98.2% for patents/utility models, 92.5% for designs, 82.4% for trademarks, 99.4% for ex-parte

appeals, 99.9% for PCT applications in the national phase, and 95.9% for PCT applications. The JPO has continuously accepted electronic applications 24 hours a day, 365 days a year (excluding the downtime 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, and an original record management system that stores and manages application data, 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, FI², and free words assigned to examination sources such as

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

² It is an abbreviation of File Index and refers to an own classification of the JPO segmentalized based on the IPC.

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 and a figure trademark examination system¹, and the configuration of the well-known/famous trademarks database and search system.

(2) Development of Future Systems at the JPO

1) Background of Formulating the “Plan for Optimization of Operations and Systems of the JPO”

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 Operations and Systems of the JPO” (hereinafter referred to as the “Optimization Plan”) in October 2004 to optimize its operations and entire system.

After that, 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 Optimization Plan (hereinafter referred to as the “Optimization Plan”), which was also based on public opinion.

2) Goals and Principles for Renovation of the Optimization Plan

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

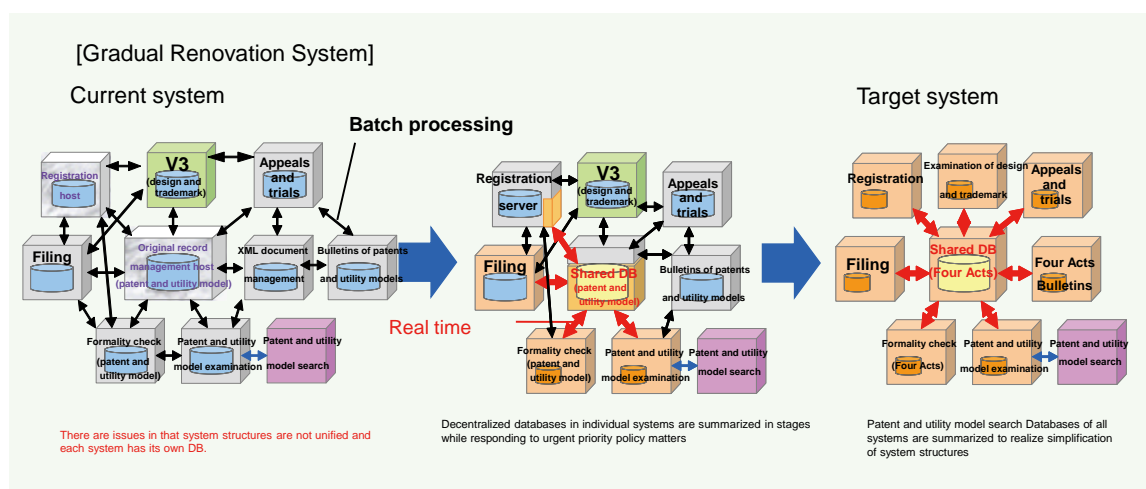
- (i) To build the infrastructure essential for promptly establishing high-quality rights of the world’s highest standards, in responding to global environmental changes in a flexible and expeditious manner.
- (ii) To ensure the capability of transmitting information is strengthened and the convenience 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 operations and system structures, in order to achieve the simplification, streamlining, rationalization and improvement of the quality of administrative operations and to cut system operation costs.

The Optimization Plan calls for upgrading the system structure in stages instead of renewing collectively in order to achieve the above-mentioned goals. This system² 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.

¹ Searches are made by character string search, classification (figure term, Vienna figure classification (since April 2004)) and similar group code.

² A system proposed in the “Technological 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.

Figure 2-5-1 Basic Concept of Gradual Renovation



3) Process of Renovating JPO Systems in the Optimization Plan

With regard to the specific process of renovation, the Optimization Plan 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.

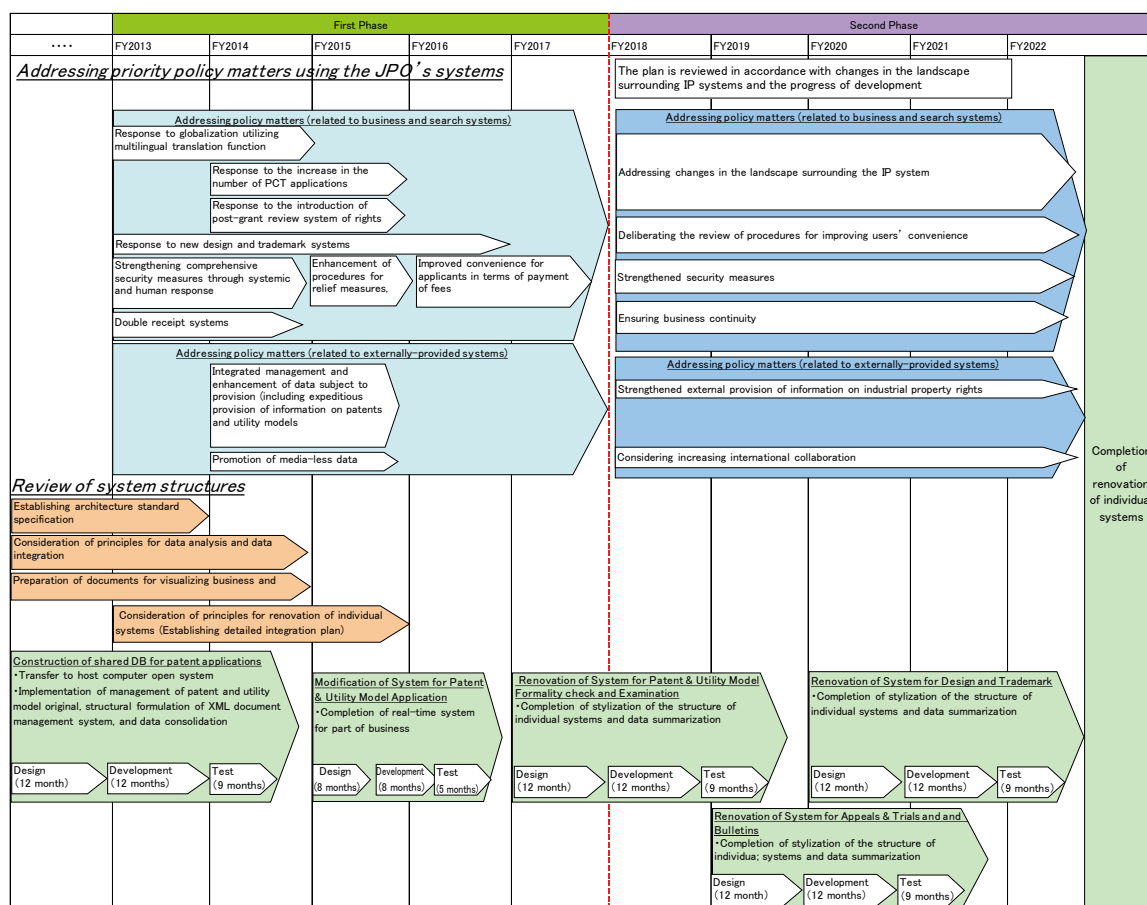
In Phase I, the JPO will address important policy matters that need to be implemented urgently using its systems such as strengthened search functions of patent documents written in foreign languages such as in Chinese and Korean, new design/trademark systems, responses to related duties using the JPO's systems based on deliberations about post-grant reviews, strengthened security measures, and construction of back-up centers for the filing system. Moreover, priority is given to simplifying the system structure 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 the simplified system structure and expeditious external information

provision services for all duties including those for patents, utility models, designs, trademarks and international applications.



Figure 2-5-2 Schedule of the Optimization Plan



4) Efforts for Implementing the Optimization Plan

Information Technology Promotion Headquarters of the JPO whose principal members are the Commissioner and the Deputy Commissioner who serves as Chief Information Officer (CIO) was established with a view to implementing the Optimization Plan so that decisions can be made under strong top management and projects can be promoted. Moreover, as explained in 2), the JPO adopts a Gradual Renovation System in the Optimization Plan and several system development projects will be implemented simultaneously. The JPO has, in response, established the JPO Program Management Office to steadily manage the progress of each project in view of the entire ongoing projects.

The JPO has made various efforts such as examinations focusing on the capability of executing projects in the procedures for tendering and the introduction of hearing before conducting a technical examination with the project manager,

with a view to selecting business operators equipped with high technical capabilities, when a business operator that takes charge of each system development projects is selected.

When business operations that take charge of each system development project are decided by bidding, the JPO gives priority to examination of their capabilities of enforcing projects in the bidding procedures for the purpose of selecting business operators with high technological capabilities and introduces interviews with project managers before conducting technical examinations.

In addition to the above-mentioned efforts, the JPO will steadily implement system development projects based on the Optimization Plan. In order to achieve this goal, the JPO thoroughly analyzes its duties through comprehensive documentation works of the current duties and ensures objectivity by establishing an external audit system based on audits conducted and advice given by the Technological Verification Committee.

2. Initiatives to Enhance the Global Use of IT

Patent offices have been making efforts to electronically manage documents related to applications and examinations, and strengthening the information system infrastructure which supports the examination procedures for the purpose of addressing the increasing number of applications filed globally and improving the efficiency of their procedure.

This section introduces the various international cooperative activities utilizing information technology (IT) conducted by the JPO in cooperation with overseas offices and Global Dossier, a recent effort towards providing useful IT-related services for users.

(1) Various International Cooperative Activities Utilizing IT

1) Electronic Priority Document Exchange

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, the Office of First Filing, instead of the applicant, sends priority documents to offices of other countries. This system significantly alleviates the workload placed on applicants and lowers their cost-burden in terms of submitting documents. It also reduces the workload at offices, too, in terms of issuing priority documents to applicants.

This electronic exchange of priority documents began bilaterally between the JPO and the EPO in January 1999, between the JPO and the KIPO in July 2001, and between the JPO and the USPTO in July 2007. Moreover, the JPO started this bilateral electronic exchange with the Taiwan Intellectual Property Office (TIPO) in December 2013.

Furthermore, in April 2009, the WIPO Digital Access Service (DAS) became available to exchange priority documents electronically among several offices via the WIPO. The JPO has participated in the DAS since April 2009 and has offered its service to applicants. From July 2012, a new DAS system with significantly-simplified procedures was launched. The JPO introduced this new system in March 2013. As of March 2014, the following countries and organizations are participating in the DAS system (in the order

of participation): the WIPO, the JPO, the United States, the Republic of Korea, Spain, the United Kingdom, Australia, Finland, Sweden, Denmark and the People's Republic of China.

2) Filing and Examination Information Reference System

In order to respond to the globalization of IP activities, it is necessary for IP offices to cooperate in the patent examination process by mutually utilizing examination results and/or prior art search results. Under such circumstances, the JPO has worked to develop a system that can be used to share filing and examination information (Dossier information) among offices, in order to enable patent examiners to refer to search/examination results and filing status information in other countries by using IT.

The Trilateral Offices (EPO, JPO and USPTO) have advanced a project to establish a system which allows the examiners of each office to access Dossier information on patents owned by them through a dedicated network line. This system was launched by the Trilateral Offices in 2006, and the KIPO also joined this project in 2007.

In order to further expand such mutual reference network of Dossier Information and improve its usability, the JPO took the lead under the IP5 Offices (EPO, JPO, KIPO, SIPO and USPTO) framework in a project to build the One Portal Dossier (OPD) that collectively displays Dossier information of related applications filed in several countries. The OPD was developed under the cooperation of the IP5 Offices and was launched in July 2013. Through the OPD system, the JPO's examiners have accessed filing and examination documents owned by other offices of more than 400,000 applications by March 2014.

As a pilot project for expanding the mutual reference network of Dossier information, the JPO has developed a linkage system between the JPO's OPD and WIPO-CASE (Centralized Access to Search and Examination), which is a Dossier information sharing system empowered by the WIPO. The linkage system was launched in March 2014.

In addition, at the JPO, Dossier information is translated into English by machine

translation and provided to 64 patent offices (as of March 2014) 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, to unify the scope of document data owned by worldwide offices and to pursue the sophistication of a search platform enabling global work sharing. 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) Supporting Emerging Countries in Terms of IT

Emerging countries such as Asian countries are becoming more important for Japan as growing markets and manufacturing bases. Therefore, it is essential not only to request these countries to confront problems related to IP such

as counterfeiting and piracy but also to support building infrastructures that protect IPs.

In addition to cooperation in the area of human resource development and examination, the JPO, in cooperation with the WIPO and other organizations, has been focusing on building IT infrastructures in the emerging countries, such as building intra-office databases and a platform for dissemination of IP information. Furthermore, the JPO sends experts to assist in building their IT infrastructure.

(2) Global Dossier

The Global Dossier Initiative aims to construct an IT infrastructure based on the international efforts made in the past and their achievements for the purpose of providing various services which are expected to be helpful not only for examiners and other officials of IP offices but also for all users who engage in IP such as applicants and the public.

Because of recent globalization of business activities, the number of applications filed worldwide has been increasing year by year, and accordingly users’ needs have become more diverse. Under these environmental changes surrounding IP offices, in June 2012, the JPO and the USPTO presented the Global Dossier Initiative at the Meeting of IP5 Offices with the aim of speeding up the acquisition of results of activities related to IT, reviewing them in a way that they contribute to more users who engage in IP, and converting them into more effective activities by setting comprehensive goals for IT-related international projects. The IP5 Offices agreed to promote the Global Dossier Initiative at the meeting taking into account users’ needs.

For example, the Global Dossier Initiative intends to expand the Dossier information sharing networks made mainly of the “one portal dossier (OPD)¹” and to establish a common virtual system in which many users including applicants and the public can easily access necessary data.

¹ See Part 2, Chapter 5, 2.(1), 2).

Chapter 6

Support and Initiatives on SMEs, Local Communities and Universities

The JPO has given support to users such as SMEs, local regions and universities from various aspects by providing information on intellectual property, fee reductions, consultations, etc. This chapter introduces the outline of these various types of support.

1. Support by Providing Information

(1) Global IP Data Bank¹

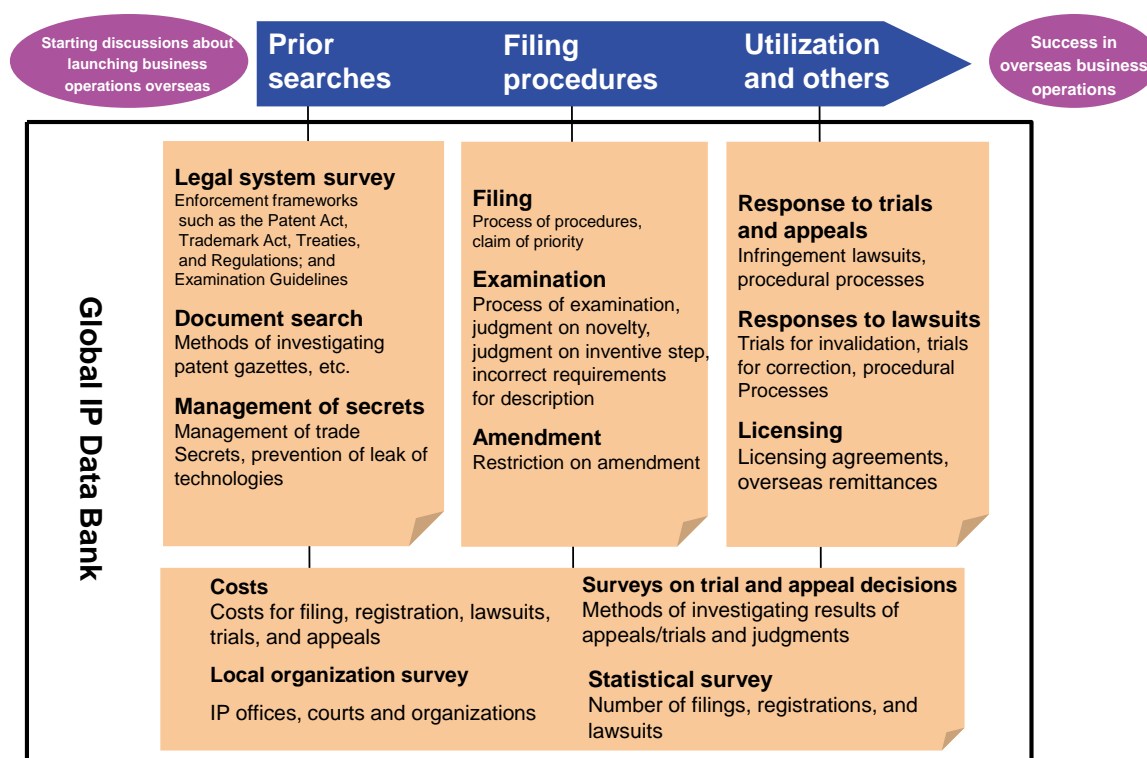
Global IP Data Bank is a website to provide persons in charge of legal affairs and IP at Japanese companies that operate in emerging countries with a wide variety of information on

IP in each country.

It provides information to users in order for them to avoid or eliminate IP risks overseas, which might arise in their business dealings such as importing products, exporting products, investing in overseas companies, providing overseas companies with technologies and licenses, establishing production and sales facilities overseas, and dealing with overseas companies in the future.

The JPO collects information found in books, magazines, the Internet, etc. and writes articles, after analyzing and reviewing the information by conducting surveys on domestic and global companies and law firms; and by collecting information in collaboration with overseas patent firms.

Figure 2-6-1 Image of Global IP Data Bank



¹ <http://www.globalipdb.jpo.go.jp/>

(2) Publication of 2014 Collection of Outstanding Companies Utilizing Intellectual Property Rights: SMEs Focusing on Wisdom and IP

SMEs in Japan form the backbone of the Japanese economy and support its growth as the leaders of creation, innovative technologies, and local economies.

A number of SMEs have acquired the highest market share in their fields and operate in overseas markets including Asia where there has been remarkable economic growth achieved by protecting and utilizing creative technologies, designs, and brands as intellectual property rights.

The JPO published the 2014 Collection of Outstanding Companies Utilizing Intellectual Property Rights: SMEs Focusing on Wisdom and IP in February 2014 to share information on initiatives that SMEs have undertaken. The success of SMEs is a result of their own wisdom and intellectual property rights, and has enabled them to prosper. This information is available to the public and serves as a useful reference for existing and future small business owners.

This collection of case examples outlines the initiatives undertaken by 139 companies, categorizing them by line of business to enable readers to search each issue by index so that they can read about companies that have faced issues similar to their own. It is distributed at the nationwide IP comprehensive support counters in order to be available to as many SMEs as possible. These cases showing how many SMEs have utilized intellectual property rights have encouraged other SMEs to discover new technologies, serving as a springboard for new IP strategies and business activities.



2014 Collection of Outstanding Companies Utilizing Intellectual Property Rights

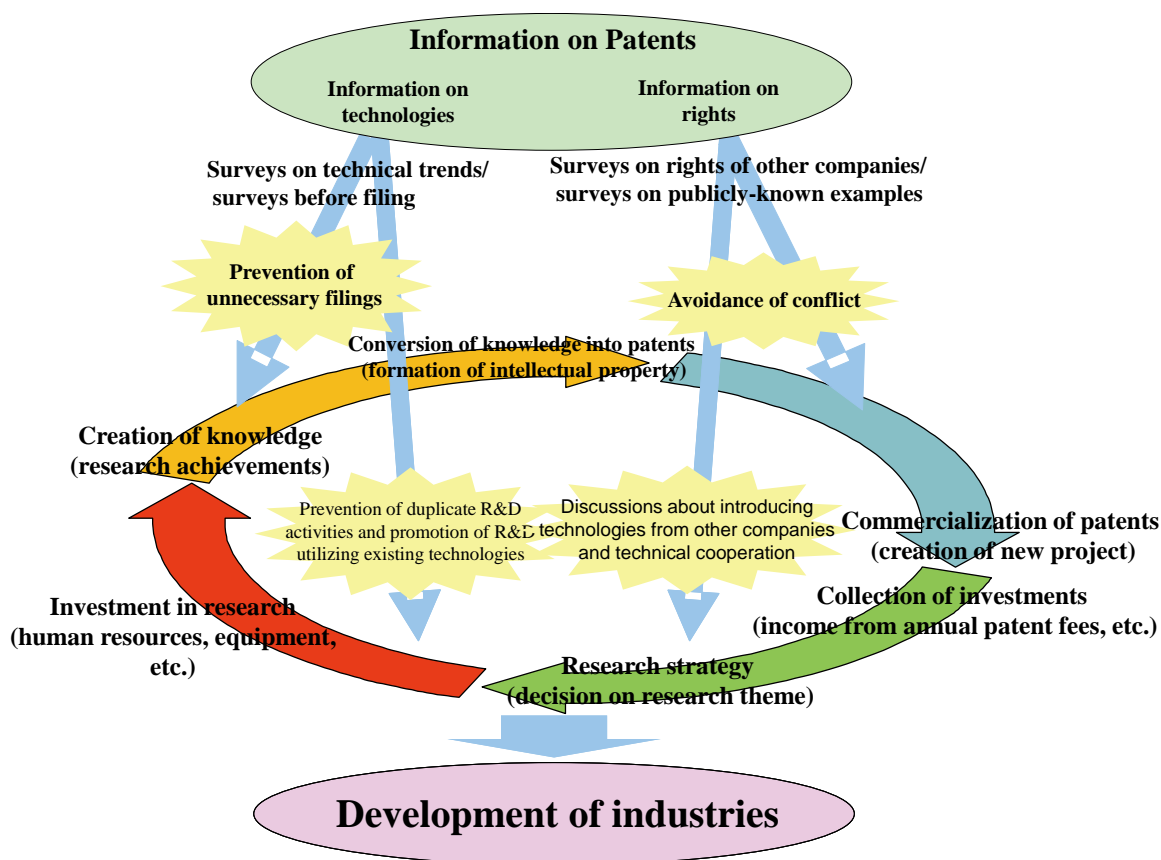
(3) Providing Information on Industrial Property Rights

1) Industrial Property Right Information

Information on industrial property rights is created from the time when applicants file applications for patents, utility models, designs, and trademarks; up to when they acquire those rights. Such information plays an important role in helping companies and research institutes to understand trends in R&D activities, designs, and technologies; and market trends in goods and services. The information helps them avoid performing duplicate R&D activities, promotes more R&D activities based on their utilizing existing technologies, and helps avoid unnecessary conflicts through the effective utilization of industrial property right information. The effective use of information on industrial property rights is a major element in the intellectual creation cycle in which IP is created, protected and utilized. Information on patents, such as patent gazettes, is created as the result of applicants' filing patent applications and acquiring rights. This types of information especially becomes the basis of all information on industrial property rights because it has both information on technologies and information on rights.



Figure 2-6-2 Intellectual Creation Cycle and Information on Patents



a. Information on Technologies

The patent system of Japan is based on the first-to-file system. Therefore, technologies developed by companies, universities, and research institutes are contained in patent applications filed as soon as possible and disclosed to the public after a certain period of time. Information on patents becomes a huge source of information on technologies and enables users to learn information on state-of-the-art technologies in a comprehensive and expeditious manner. Applicants must describe the details of their inventions (technologies) in the documents that they file. Moreover, the International Patent Classification (IPC), which is an international common classification system; and the FI/F-term, which is a classification system unique to Japan and more segmentalized, are assigned to patents information depending on the technical content. By accessing information on patents based on these classifications, users can systematically gather information on technologies.

b. Information on Rights

Since patent gazettes published by the JPO outline the specific scopes of rights, everyone can easily understand any linkage or connection between their own rights with those of competitors in detail.

2) Industrial Property Digital Library (IPDL)

In March 1999, the JPO launched the IPDL, which provides information on industrial property free of charge via the Internet, in order to develop a means in which information on industrial property can be more widely and easily used. Later, the INPIT took over management of the IPDL in October 2004, and the IPDL is currently accessible from the INPIT website.

The IPDL contains 98 million gazettes on patents, utility models, designs and trademarks published since the end of the 19th century; as well as gazettes published in other countries, allowing users to search related information such as the status of examinations, registrations and appeals and trials by document

number, classification and key words.

Moreover, new services and functions are added to the IPDL every year to improve usability and enhance services for users.

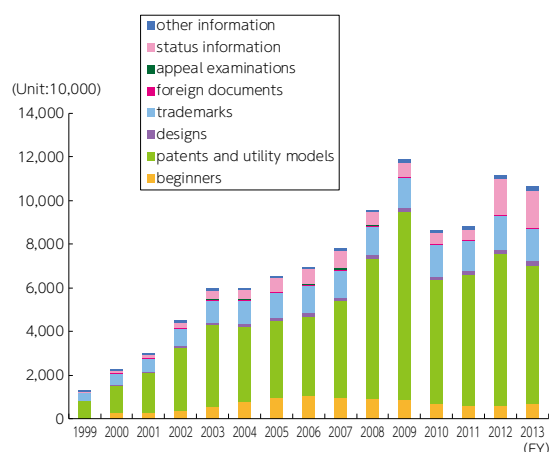
For example, in September 2013, the service of displaying Japanese abstracts of Chinese patents and English abstracts of Chinese patents (including figures), Japanese abstracts of Chinese utility models and English abstracts of Chinese utility models (including figures) on the same screen at once was added to the IPDL.

Moreover, in March 2014, the service of displaying and searching FI of Japanese abstracts of Chinese patents was added to the IPDL. It has now become possible to search Chinese patent documents by using texts and FI in gazette text search.

While the annual number of searches was about 12.7 million immediately after the launch of the IPDL (FY1999), the number of users has increased in line with the subsequent upgrading of services. In FY2013, the annual number of searches reached about 106.54 million (290,000 searches on average per day).

The creation, protection and utilization of intellectual property is expected to further progress in line with the increase in use of industrial property information via the IPDL.

Figure 2-6-3 Change in the Number of Annual Searches in the IPDL



Note:

The legends conform to the search categories of the IPDL.

3) Exchanging and Making Use of Industrial Property Right Information with Foreign IP Offices and International Organizations

The JPO regularly exchanges industrial property information data and gazettes based on an agreement with the IP5 Offices (JPO, USPTO, EPO, SIPO and KIPO) and on a bilateral basis with other foreign IP offices. The exchanged industrial property information is used for searching examination sources and prior arts in the JPO, with a part of this information being disclosed to the public through the IPDL and other means.¹ The JPO creates Japanese abstract data of foreign publications in Japanese, from the information exchanged for use inside and outside the JPO.

In addition, the JPO regularly provides foreign IP Offices and international organizations with industrial property information so that patent applications filed with the JPO can be properly regarded as prior arts in other countries.

At the Meeting of IP5 Heads of Offices held in June 2013, the five Offices agreed on the fundamental principle for providing information on patents at marginal costs² or without charge. The Five Offices shall continue to hold consultations on a specific method of concretizing this fundamental principle in the future.

4) Creating and Providing Standardized Data and JPO-format Data

Currently, the JPO creates various data, such as Standardized Data, Patent Abstracts of Japan (PAJ) and Japanese abstracts of US, EU and Chinese patent documents. They are used in the JPO as examination materials, provided to the general public through the IPDL, and also provided in batches to private business operators of providing IP-right information service³ (hereinafter referred to as "private business operators") at marginal costs to meet diversified needs for information on industrial property

¹ See Part 2, Chapter 1, 4, (3), 1) for more details.

² This refers to additional expenses that are incurred for data reproduction, empty storage media, and delivery of media. It does not include the costs for data creation and maintenance.

³ There are more than 200 small and large private information-service providers in Japan.

rights.

The details of each data are as follows.

- Standardized Data

Standardized data includes various items of information, such as examination legal status, that has been converted and processed into a generally accessible format such as XML. The creating and providing of standardized data mentioned above started when the IPDL service was launched in March 1999. The work to create standardized data was transferred to the INPI in October 2004.

- Patent Abstracts of Japan (PAJ)

The PAJ contains human translation of publication of unexamined patent applications in Japanese into English consisting of bibliographic data, abstracts and representative drawings.

In order for the PAJ to be at least used properly as minimum documentation¹ in PCT international searches and international preliminary examinations, as well as prior art documentation in examinations at foreign IP offices, the JPO provides it to foreign IP offices such as PCT International Searching Authorities and International Preliminary Examining Authorities.

- Japanese Abstracts Data of US and EU Documents

The translators read the contents of the descriptions, claims and drawings of US patent documents, US publications of patent applications, and EP publications of patent applications, which cover a wide range of technical content in Japanese, and create abstracts of the contents of inventions in Japanese.

- Japanese Abstracts Data of Chinese Documents

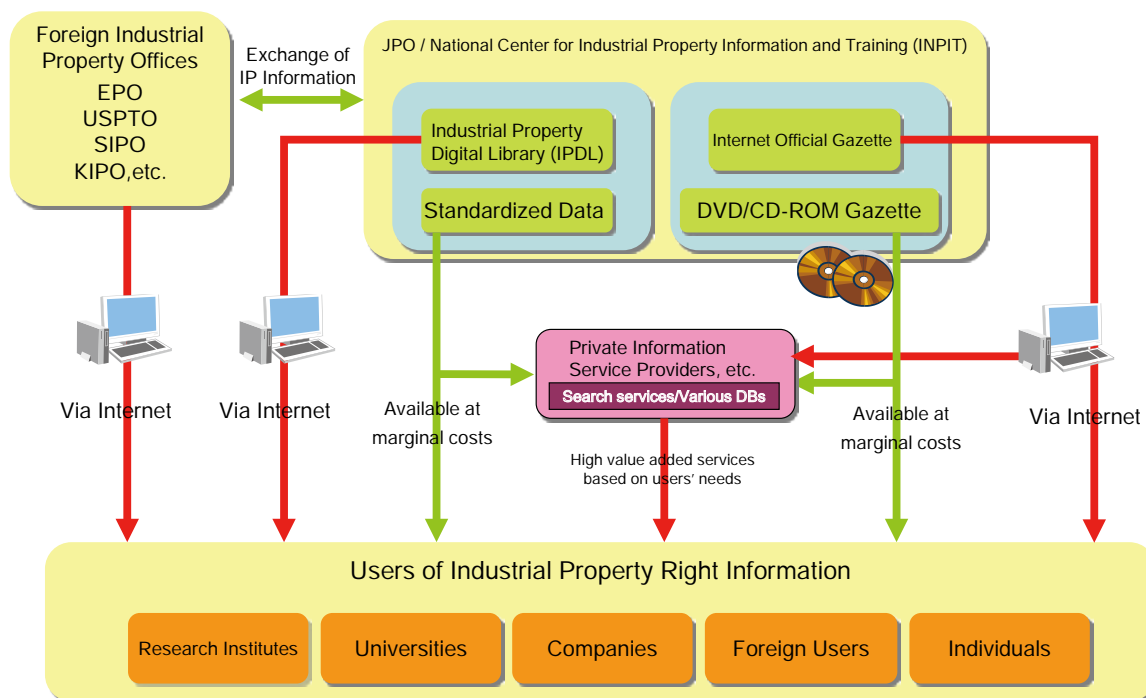
This data contains the translated abstracts of Chinese patents and utility models into Japanese. In recent years, it has been required to establish an environment where it is possible to access Chinese documents in Japanese, which are rapidly increasing in worldwide patent documents. In response to this situation, the JPO has created Japanese abstracts data by making use of machine translation from English abstracts of Chinese utility models published in January 2003 and after. Moreover, the JPO has created Japanese abstracts by human translation from Chinese abstracts of Chinese patents published in 2010 and after. The JPO assigns Japanese classification (FI/F-term) to documents of some technical fields.² In FY2013, about 250,000 Japanese abstracts (of which Japanese classifications were assigned to 35,000) were created from Chinese abstracts of Chinese patent documents disclosed in 2011.



¹ The minimum documentation should be searched in all cases where the International Searching Authority (ISA) creates an International Search Report (ISR) (PCT Minimum Documentation, see Paragraph 15.01 of PCT International Searches and International Preliminary Examination Guidelines).

² Documents published in 2011 and after are subject to the assignment of Japanese classifications.

Figure 2-6-4 Flow of Dissemination of Information on Industrial Property



(4) Patent Search Portal Site

In order to respond to requests from applicants for related information supporting prior art searches, the JPO provides such in an integrated manner through its newly established portal, the "Patent Search Portal Site" on the JPO's website. It started this on a provisional basis in March 2009. The JPO launched the official portal site in June 2010. In July 2011, the layout of this portal site was reorganized so as to improve usability.

In April 2013, the JPO upgraded the content of the portal site by providing new tools which allow users to search the relationship among classifications such as FI and CPC. Moreover, the JPO has been striving to promote the use of this portal site by holding meetings where attendees can exchange opinions with external parties concerned for the purpose of supporting the use of patent searches and patent information by applicants. The JPO has received positive opinions from applicants who stated that this portal site was very helpful for in-company training and it is making use of it.

(5) Other Support Measures by Providing Information

1) IPDL Official Gazette Fixed-address Service for Universities and elsewhere

In order to support R&D activities in universities and elsewhere, the JPO has started the Official Gazettes fixed-address service, enabling users such as universities to directly access patent data in Official Gazettes since January 2007.

◇Number of registered universities: 300 universities (as of the end of March 2014)

<http://www.jpo.go.jp/torikumi/chouhoyu/chouhoyu2/daigakuipdl.htm>

2) Patent Licensing Information Database

The INPIT provides information on licensable patents on the Patent Licensing Information Database in order to support applicants in acquiring rights by means of creating new innovations and technical developments through effective utilization of patents (licensable patents) owned by universities, public research institutions and companies that are willing to transfer such patents to others.

◇Number of registered patents: 36,648 (as of the end of March 2014) (Owned by companies: 8,607, Universities/public research institutions: 28,041)

3) Research Tool Patent Database

In order to promote the utilization of patented research tools in the field of life-science, the INPIT created a patent database of information on research tools owned by universities, public research institutions, companies, etc. It has been providing information as the Research Tool Patent Database.

◇ Number of registered patents: 605 (as of the end of March 2014) (Owned by companies: 32, Universities/public research institutions: 573)

4) Intellectual Property Transaction Specialists Database

As a part of the efforts to stimulate IP trade in Japan and utilize IP information, the INPIT created a database of information on service details provided by IP trade businesses. The information has been made available on the website as the Intellectual Property Transaction Specialists Database.

◇ Number of registrations: 172 (as of the end of March 2014)

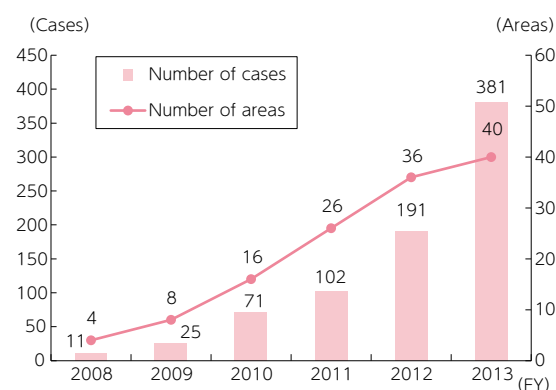
2. Support in Terms of Fees, etc.

(1) Assistance to Regional SMEs for Filing Applications Abroad

Although more and more SMEs have expanded their businesses internationally in response to economic globalization, it is important for them to acquire patent rights and trademark rights in countries where they operate in order to develop sales channels and take measures against damage from counterfeits in overseas markets. However, it is very costly for them to acquire rights overseas and this imposes a great hardship on SMEs with limited financial resources. The JPO subsidizes part of the costs SMEs incur in filing foreign applications when they are planning to expand their businesses overseas. The JPO has been providing subsidies to the Prefectural SME Support Centers¹ since FY2008 for the purpose of promoting strategic

filing of foreign applications by regional SMEs. From the start of this provision of subsidies in FY2008 until FY2013, the number of areas and cases in which the assistance was given increased year by year (see Figure 2-6-5). The number of cases where the assistance was given marked 2.8 per area at the time of the start of this project, but it increased to 9.5 cases in FY2013. In FY2013, the assistance was provided in 40 Areas nationwide and support was provided in 381 cases.

Figure 2-6-5 Change in the Performance of Subsidies for Filing Foreign Applications



(Content of project)

- Ratio of subsidization: No higher than 50%
- Amount of subsidization:
 - Limit per company: 3 million yen (for multiple cases)
 - Limit per case: 1.5 million yen for patents, 0.6 million yen for utility models, designs and trademarks and 0.3 million yen for trademarks against misappropriation²
- Costs eligible for subsidization: fees for local agents, national agents, translations, application to foreign Offices

¹ Designated corporations based on the provision of Article 7, Paragraph 1 of the Small and Medium-sized Enterprise Support Act (Act No.147 of 1963). The number of designated corporations is 60 nationwide and they are stationed at prefectures and major cities listed in Article 2 of the Order for Enforcement of the said Act.

² Trademarks against misappropriation: Applications for trademark registration for the purpose of measures against cunning applications by third parties (misappropriated applications). They have become subject to fee reduction/exemption since FY2013.

(2) Fee Reduction/Exemption for Individual and SMEs**Reduction of and Exemption from Annual Patent Fees/Examination Request Fees**

The JPO reduces or exempts annual patent fees, etc. These are available to individuals and companies or R&D-oriented SMEs if they comply with certain requirements stipulated in the Patent Act, the Industrial Technology Enhancement Act, and the Act on Enhancement of Small and Medium sized Enterprises' Core Manufacturing Technology.

Results in FY2013**○Support based on the Patent Act**

An exemption from or a 50% reduction of annual patent fees and examination request fees for individuals and companies is determined by taking into account financial resources of SMEs, etc.

- Exemption from annual patent fees: 2,160 cases
- Exemption from examination request fees: 2,315 cases

○Support based on the Industrial Technology Enhancement Act and the Act on Enhancement of Small and Medium-sized Enterprises' Core Manufacturing Technology

A 50% reduction of annual patent fees and examination request fees for R&D-oriented SMEs.

- Reduction of annual patent fees: 11,956 cases
- Reduction of examination request fees: 4,839 cases

In addition, the JPO has introduced the reduction of and exemption from annual patent fees for small-and-medium-sized venture companies and small companies since April 1, 2014 based on the Industrial Competitiveness Enhancement Act enacted at the extraordinary Diet session last autumn.

This measure is characterized in that, compared to the conventional measure for reduction/exemption based on the Patent Act, i) the target was expanded to small companies not limited to non-taxable corporation, ii) not only national application fees but also international application fees have become subject to reduction/exemption, and iii) the ratio of reduction is changed from 50% to one-third.

(3) Fee Reduction/Exemption for Universities and TLOs**Reduction of and Exemption from Patent and Examination Fees**

The JPO reduces or exempts annual patent fees, etc. for universities and TLOs, based on the TLO Act¹, the Act on Special Measures for Industrial Revitalization², and the Industrial Technology Enhancement Act to support industry-academia-government collaboration and technological transfer at universities and TLOs. As the Act on Special Measures for Industrial Revitalization was abolished in response to the enforcement of the Industrial Competitiveness Enhancement Act, the measures for reduction of annual patent fees and examination request fees for TLOs are now provided for in the TLO Act.

◇Results in FY2013**○Support based on the TLO Act and the Law on Special Measures for Industrial Revitalization**

A 50% reduction of annual patent fees and examination request fees for authorized and approved TLOs.

- Reduction of annual patent fees: 675 cases
- Reduction of examination request fees: 274 cases

○Support based on the Industrial Technology Enhancement Act

A 50% reduction of annual patent fees and examination request fees for universities and university researchers

- Reduction of annual patent fees: 3,152 cases
- Reduction of examination request fees: 3,714 cases

3. Support through Consultations**(1) Support by One-Stop Solution (IP Comprehensive Support Counters)**

The IP Comprehensive Support Counters were established in each prefecture in FY2011 to give consultation to SMEs on issues related to intellectual property. Some opinions expressed by SMEs were as follows: "I don't know where to go to get help." And "Intellectual property is

¹ Act on the Promotion of Technology Transfer from Universities to Private Business Operators

² Act on Special Measures Concerning Revitalization of Industry and Innovation in Industrial Activities

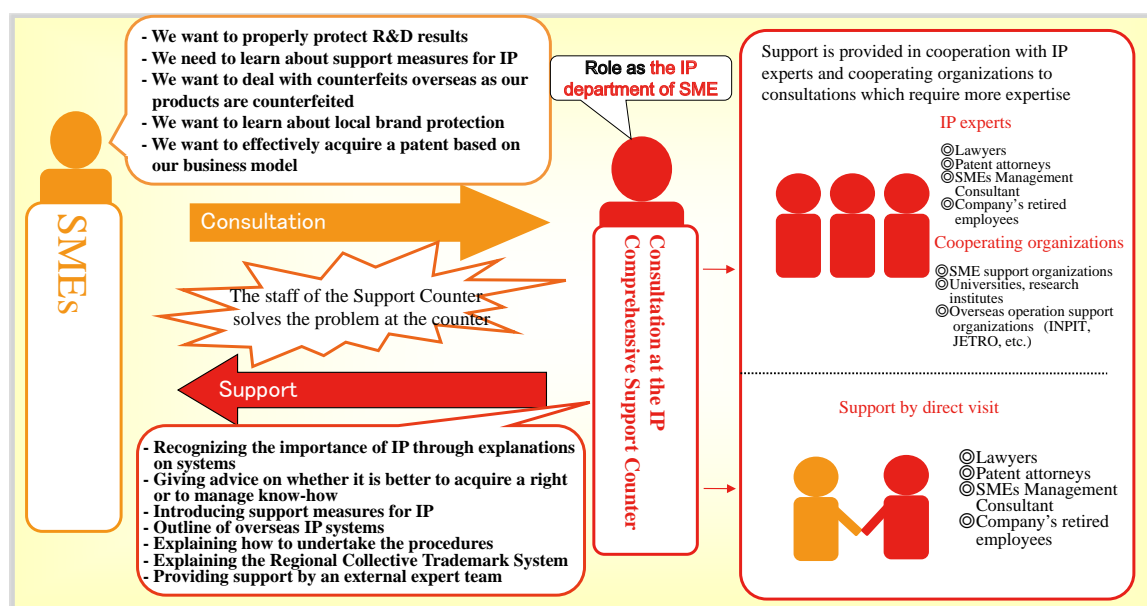
too difficult to understand”.

The IP Comprehensive Support Counters, in collaboration with related support organizations, provides a solution to various issues, from the time they create ideas up to when they establish their business operations outside Japan without

charge, and confidentiality is maintained. Experts such as patent attorneys and lawyers provide a solution to complicated issues.

Specifically, IP Comprehensive Support Counters provide the following services including support for visits to companies.

Figure 2-6-6 Consultation at the IP Comprehensive Support Counter



1) Support for Procedures for Filing Patent Applications (including assistance to electronic filing)

The IP Comprehensive Support Counters explain how to undertake the procedures for filing, registration and procedures concerning the industrial property rights such as patents, and explain the procedures for filing online applications by using electronic filing software.

2) Support for Prior Art Document Searches

The methods of searching of already-filed or already-patented applications utilizing the IPDL are explained.

3) Support for Licensing Agreement and Transfer of Technologies

A model contract of licensing agreement for the utilization of technologies owned by SMEs and advices on action for infringement are provided.

4) Support for Counterfeit Products and Infringement Cases

Support measures against counterfeiting goods and infringement lawsuits provided in other countries by cooperating organizations for SMEs are introduced, and advice on how to respond to infringement cases is given by experts.

5) Support for Overseas Business Operations

Support measures for filing international applications are introduced, and advice on licensing agreements with overseas companies is provided by experts.

6) Support for Design and Brand Strategies

Support is given for the introduction of IP-use mind from the time of product development by making use of experts such as design/brand consultants and patent attorneys who have know-how to utilize designs and for strategic filing of applications for design registration.

7) Support for Discovering SMEs that Have not Utilized IP and Raising Awareness on IP Activities

The outline of various systems related to the intellectual property system such as the industrial property rights system for patents and the Unfair Competition Prevention Act for trade secrets and their differences are explained.

8) Introduction of Various Support Measures for IP

Support measures for SMEs, their contents and the methods of applying for them are explained.

Moreover, IP experts (patent attorneys and lawyers) will be assigned to the IP Comprehensive Support Counters from FY2014 with the aim of upgrading one-stop services. (See Part 4, 3.(1)(3)).

◇ Results in FY2013

Number of consultations: 148,770

(2) Consultation Counters

1) Consultation on Industrial Property Rights

a) Industrial Property Right Consultation Website

The Industrial Property Right Consultation Website provides basic information on industrial property rights and necessary information in the form of frequently asked questions on procedures for filing patent applications, registering trademarks, and requesting appeals and trials. This information can also be searched by keywords. In addition, the website explains how to file trademarks, which is one of the areas users most frequently ask about, showing “easy trademark applications”. Moreover, users can download the latest documents related to procedures such as various application forms (samples of forms) and examples of descriptions.

Users can directly contact the Consultation Counter by completing an online form when they have questions that cannot be solved by visiting the website.

◇ Results In FY2013

Number of access; 306,151



Industrial Property Right Consultation Website Top Page

b) Consultation Counters

The INPIT offers counseling for all types of inquiries such as those from people who have ideas for patents but don't know how to obtain the rights for them, or those wishing to file patent applications but don't know the actual procedures.

The counseling is offered without charge in person or by e-mail, telephone, or in writing (letter or FAX).

◇ Results in FY2013

Number of consultations: 29,294

2) Consultation on IPDL

The IPDL Help Desk has expert staff available to help users with operating and using various search services on the IPDL.¹

◇ Results in FY2013

Number of consultations: 7,116

3) Consultation on Electronic Filing

The electronic filing software support guide on the website provides useful information for filing electronic applications such as a guide on how to fill in filing documents and frequently-asked questions. Moreover, the electronic filing software support center has expert staff available to help users with specific operating methods of the electronic filing system.

¹ http://www.ipdl.inpit.go.jp/homepg_e.ipdl, See Part 2, Chapter 6, 1, (3), 2)

◇Results in FY2013

Number of consultations: 9,584

4. Support by Experts

In order to achieve the sustainable development of Japanese industries and maintain their international competitiveness, it is necessary to efficiently advance the creation of innovation. So, IP strategies are very important to strategically protect and utilize IP that has been created. Based on this, the JPO and the INPIT provide companies and universities with support for IP management by assigning experts in the right places.

(1) Global Intellectual Property Producer Project

When companies operate globally, the overall management of IP such as responding to IP risks and utilizing IP, including licensing, is necessary in accordance with the ever-changing business environment. For the purpose of providing management support for the overall management of IP in various areas such as acquisition, management and utilization of intellectual property rights, transfer of technologies to overseas markets and formulation of IP strategies in accordance with circumstances and systems of target countries where SMEs are operating businesses and the purposes and contents of their business, six experts with abundant experience working overseas in the field of IP in private companies, have been assigned as Global Intellectual Property

producers at the INPIT since FY2011. Since FY2012, the INPIT has been expanding its collaboration with related organizations by strengthening the collaborative relationship with the Organization for Small & Medium Enterprises and Regional Innovation.

As a specific example of support, Global Intellectual Property producers provide companies planning to launch or expand their businesses overseas with advice on various IP risks based on their forms of business. Global Intellectual Property producers provide support on the acquisition of intellectual property rights in accordance with business operations/launches. For example, they make sure what kind of rights should be acquired in which area. They also show a way to make profits with acquired rights. For example, they make proposals on business schemes adapted to purposes of companies for operating businesses overseas and to intellectual property rights owned by them. Moreover, they provide continuous support from the start-up of business and give lectures to deepen understanding on various IP risks confronted by companies when they operate businesses overseas and the relationship between business and IP.

◇Results in FY2013

Number of organization that received support:
233 companies and universities

Number of lectures: 84 times

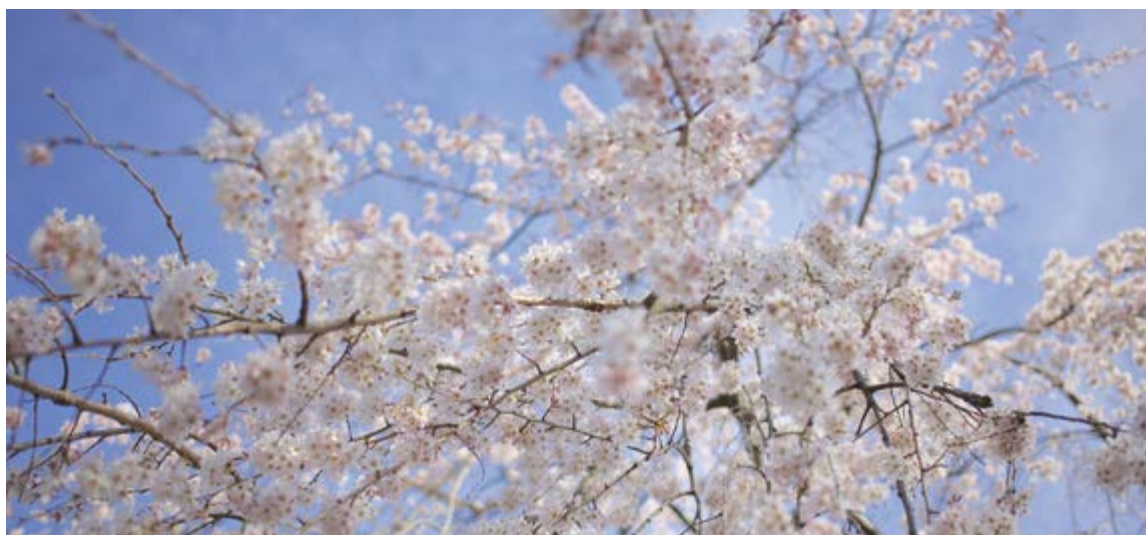
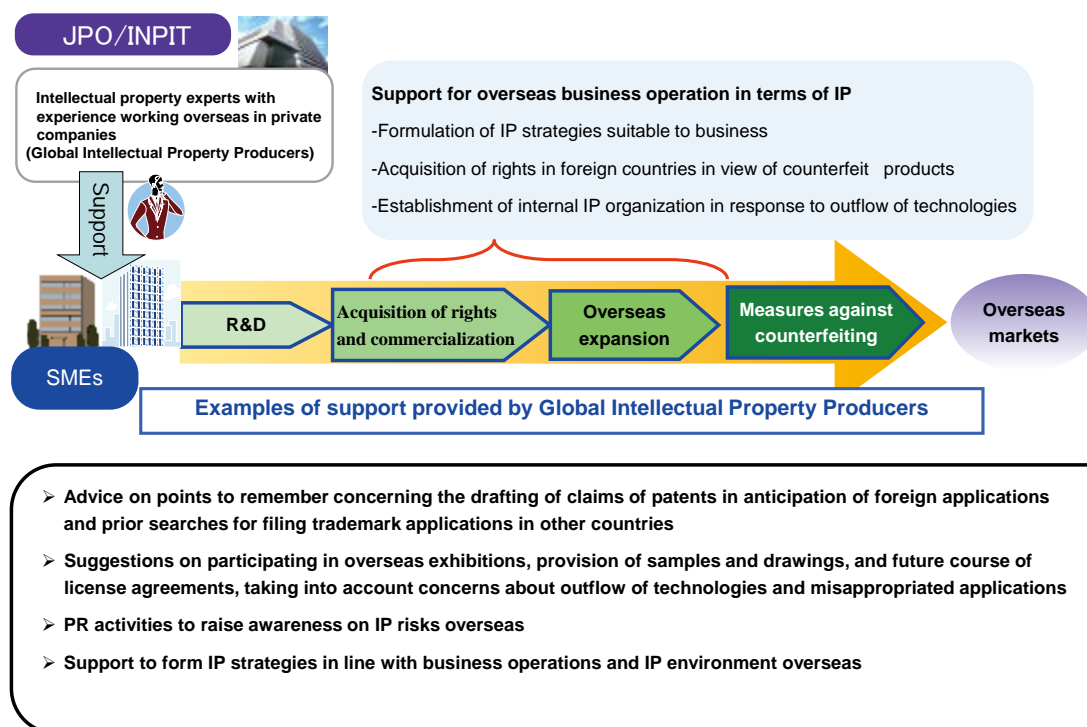


Figure 2-6-7 Global Intellectual Property Producer Project



(2) Intellectual Property Producer Project

R&D consortiums and universities to which public funds have been invested are expected to create innovative research achievements and improve their international competitiveness. For the purpose of contributing to the promotion of innovation in Japan, the INPIT has been sending Intellectual Property Producers, who are experts with practical experience in IP in private companies in order to support the formulation of strategies and IP management of R&D projects. This was done with a view toward the utilization of achievements, from the earliest stages of researches conducted under the R&D projects, giving consideration to the utilization of IP.

To be specific, the INPIT has provided support for formulating intellectual property policies and establishing an IP management system in the initial stage, support for strategically acquiring patents and collecting and analyzing IP information inside and outside Japan for the said purpose in the promotion stage, and support for IP management at the time of completing a project in the final period. The INPIT has started to provide support before a project begins (the stage of designing) in

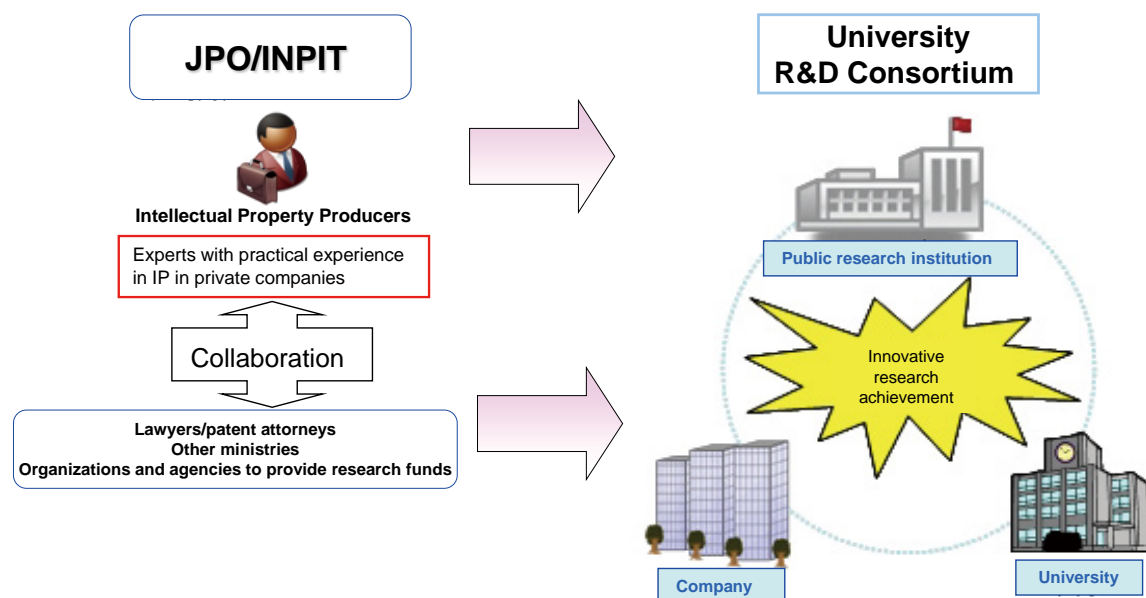
response to requests from projects since FY2012.

◇Results in FY2013

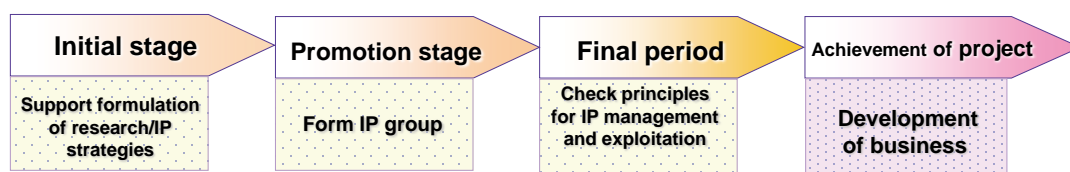
Intellectual Property Producers were sent to a total of 29 projects



Figure 2-6-8 Example of Duties of Intellectual Property Producer



○ Outline of Intellectual Property Producer Project



(3) Intellectual Property Advisor Project for University Networks

In order for universities to start intellectual property activities, it is necessary to set up proper IP management systems within universities.

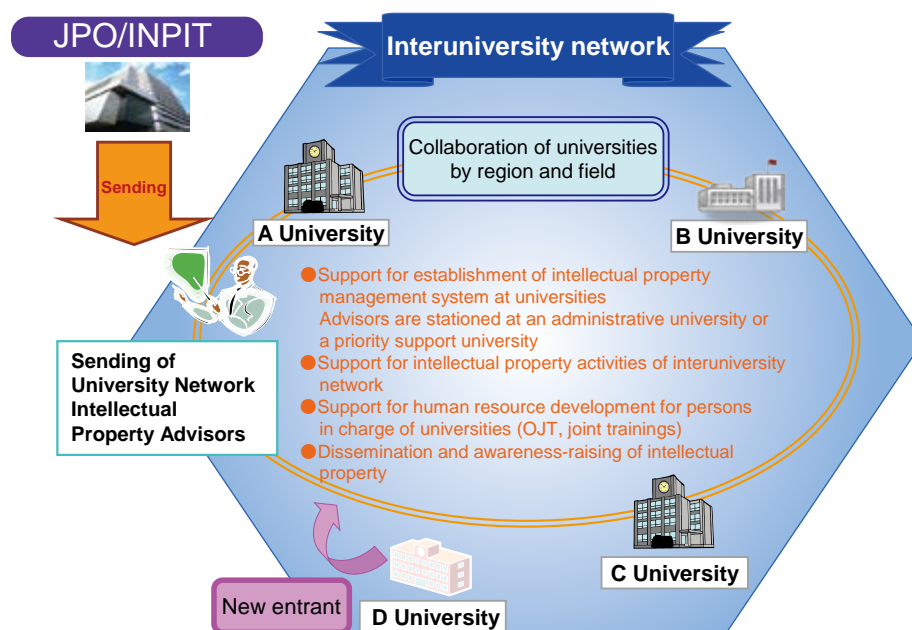
The JPO and the INPIT, with the aim of supporting the setup of these systems within universities, have been sending advisors to universities since FY2002. A total of 60 universities received university intellectual property advisors by March 2011.

The support structure was changed in April 2011, and University Network Intellectual Property Advisors have been sent to networks consisting of several universities based on either region or technological field. The INPIT has strived to promote intellectual property activities at all universities in a network and expand the base of academic-industrial collaboration through establishing and strengthening the IP

management system. In FY2013, University Network Intellectual Property Advisors were sent to 8 networks (total of 69 universities). From FY2014, the INPIT has started to send an Adviser to a network of design, nursing and medical universities.



Figure 2-6-9 Outline of Intellectual Property Advisor Project for University Networks



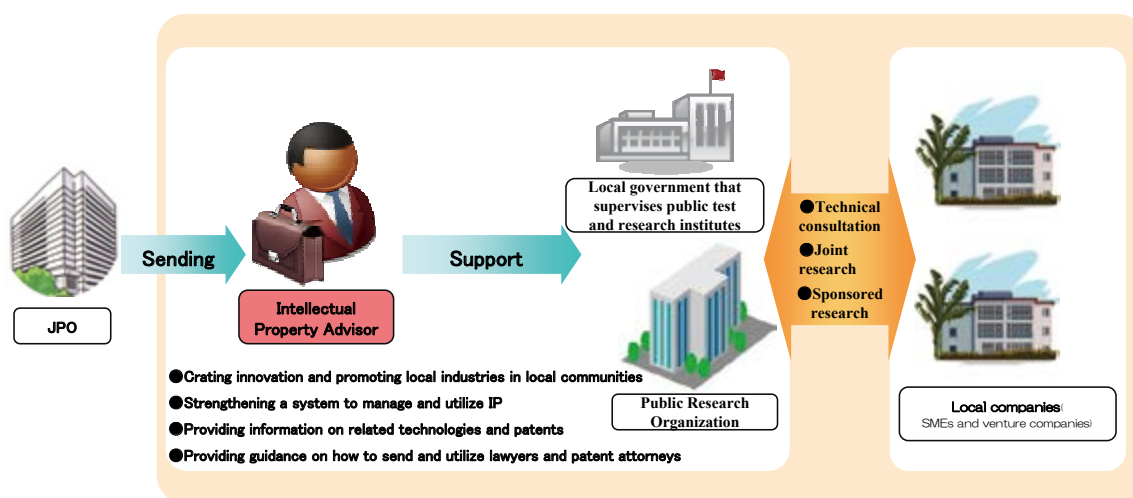
(4) Intellectual Property Advisor Project for Public Research Organizations

Since FY2013, the JPO has been sending advisors who are experts in IP to public research organizations. This project is designed to enhance public research organizations' capabilities to transfer to local companies, through the

establishment of IP management system by the support of the experts. The aim is to develop new business fields and improve industrial technologies in the local communities.

In FY2013, Intellectual Property Advisors were sent to five organizations.

Figure 2-6-10 Outline of Intellectual Property Advisor Project for Public Research Organizations



5. Activities for Raising Awareness on Intellectual Property Systems

1) Explanatory Meeting on the Intellectual Property System

The JPO holds its annual Explanatory Meeting on the Intellectual Property System nationwide for the public, tailored according to the levels of knowledge and experience of the attendees (introductory-level and advanced level meetings). The purpose is to raise awareness on the intellectual property system, offer approaches to ensure the system runs smoothly, encourage IP rights acquisition, and explain how to effectively use intellectual property rights so as to revitalize business.

The JPO's Introductory Explanatory Meeting outlines the IP system and procedures for entry-level people who want to start learning about intellectual property rights or who have limited experience in IP departments in companies.

In FY2013, the JPO strengthened the collaboration with local governments by allowing persons in charge of local governments and the IP Comprehensive Support Counters to introduce local IP support measures with a view to making

this meeting more community-based.

In addition, the JPO's Advanced Explanatory Meeting provides content specialized by field, including patent examination standards, design and trademarks, appeals/trial systems, and procedures for filing international applications. This meeting is designed for individuals who have basic knowledge and experience in the intellectual property right systems and who are engaged in intellectual property affairs on a daily basis.

Moreover, after the Patent Act was amended, the JPO has been conducting Legal Amendment Explanatory Meetings to explain the purpose and details of the legal amendment.

◇ Results in FY2013

Introductory Explanatory Meeting: 56 times in total in 47 prefectures 7,835 persons participated in this meeting

Advanced Explanatory Meeting: 61 times in total in 21 cities and 22 places nationwide 16,351 persons participated in this meeting

* No Legal Amendment Explanatory Meeting was held

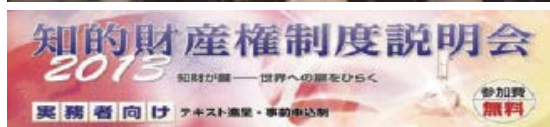
Figure 2-6-11 Content of lectures at Explanatory Meeting on the Intellectual Property System

Introductory-level Explanatory Meetings

- Outline of intellectual property rights
- What are patent, design and trademark
- Use of industrial property rights information
- Exploitation of industrial property rights and response to infringement of rights
- Outline of various support measures
- Introduction of support measures from local governments

Advanced-level Explanatory Meetings

- Examination standards and practices for patent, design and trademark
- Procedures for international applications (PCT, Madrid Agreement and Protocol)
- Outline of patent classifications (IPC, F term)
- Operation of appeal system
- Various systems necessary for IP management in companies (employee's invention, trade secret)



FY2013 Explanatory Meeting on the Intellectual Property Systems

2) Industrial Property Right Specialists

The JPO has industrial property right specialists who provide comprehensive support to SMEs. They serve as lecturers at various seminars designed for SMEs and local government staff; and they visit SMEs to provide individual counseling, with the objective of raising awareness on the IP system, giving information on the types of support available.

In FY2013, the JPO held seminars utilizing these lecturers by actively inviting associations of SME owners, experts who have close relationship with SMEs such as certified tax accountants and small and medium enterprise management consultants and financial institutions.

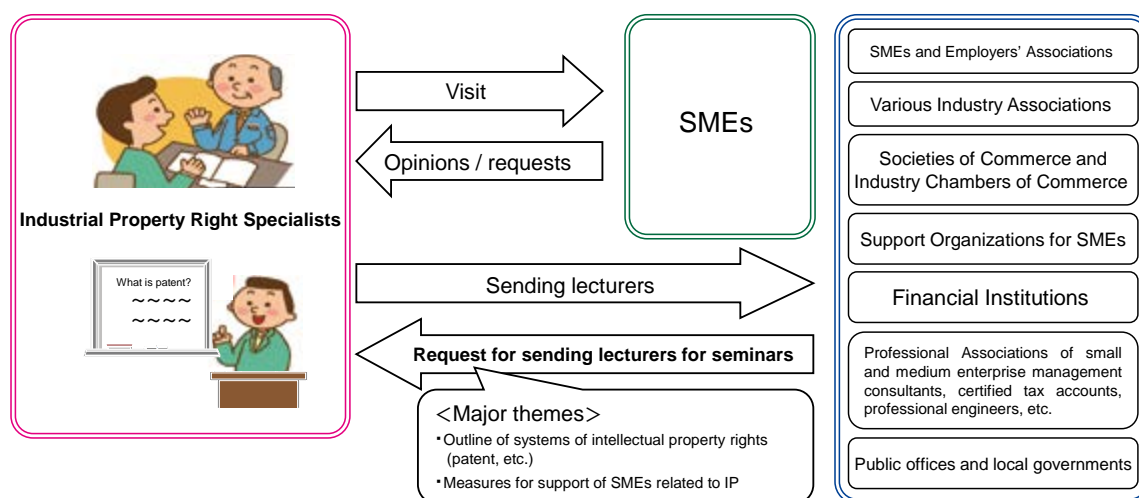
Industrial property right specialists also ask SMEs about their views and requests on the JPO and industrial property right system, allowing them to make proposals to improve the system. Views and opinions collected are publicized on the JPO website.

◇Results in FY2013

Visits to SMEs to provide individual counseling: 229

Lecturers at intellectual property seminars and training sessions: 133 seminars/sessions

Figure 2-6-12 Duties of Industrial Property Right Specialists



3) Consultation on the Intellectual Property Rights Systems of Other Countries

The JPO provides free consultation to SMEs, advising action they should undertake to combat industrial property infringement, and explaining the industrial property rights systems in other countries.

In FY2013, the JPO held explanatory seminars in Tokyo, Nagoya and Osaka on the industrial property rights systems of the United States, EU, Thailand and Vietnam; and of the United States in Sapporo, Yokohama and Fukuoka. Moreover, the JPO held explanation meetings and individual consultations for specific categories of business to which a number of SMEs belong (stationery and toy industries in FY2013) which suffer from damage caused by counterfeits.

Furthermore, the JPO provides information on measures against industrial property infringement of each country and introduces consultation cases on the website.

◇Results in FY2013

- Number of consultations: 217 (countermeasures against foreign industrial property infringement) 690 (consultation on foreign industrial property systems)
- Number of explanatory meetings: 12
Total number of participants: 2,135
- Number of explanatory meetings and individual consultations for specific categories of business: Twice
Total number of participants: 103
Individual consultations: 5 companies



Seminar on the United States held in Nagoya



Seminar on EU held in Tokyo

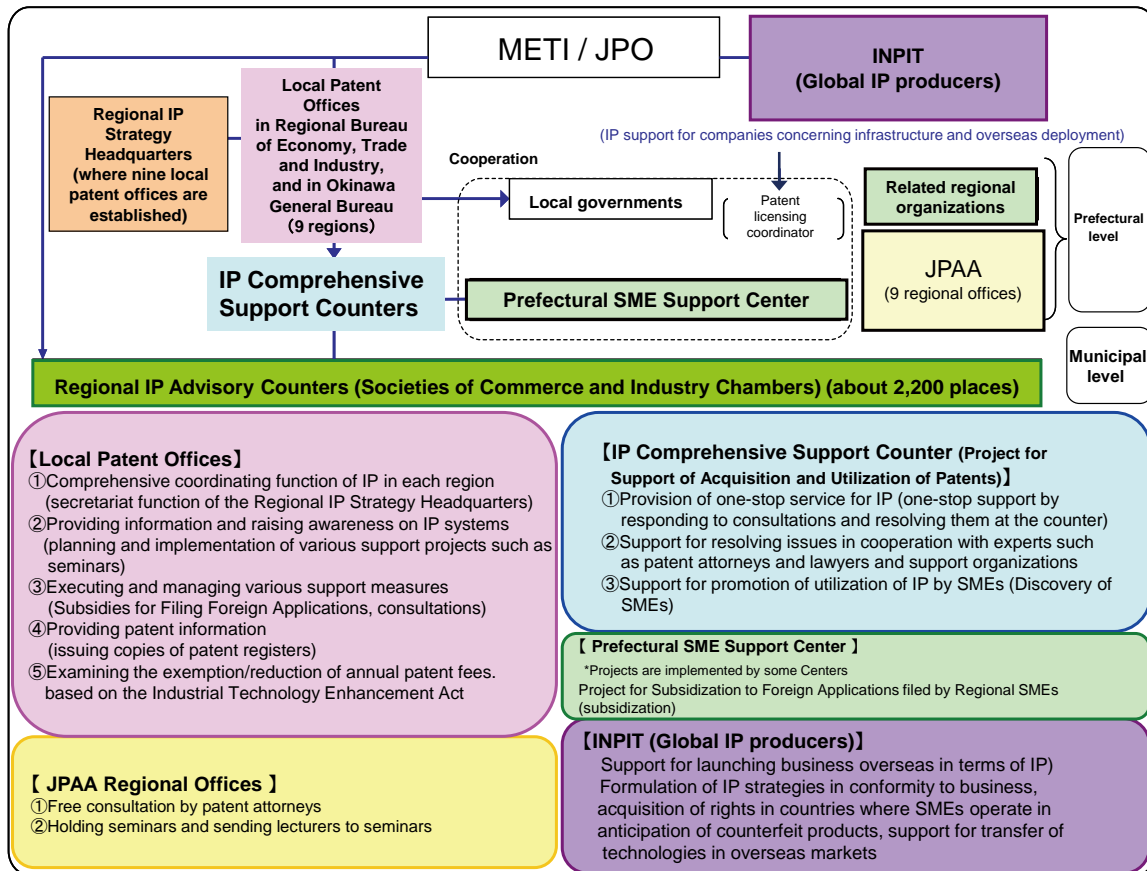
6. Regional Support System

The JPO, in cooperation with local governments, is working to raise awareness in regional SMEs and venture companies on intellectual property, and promoting the use of the support measures for SMEs. To be more specific, the JPO established local patent offices in nine regions under the Regional Bureaus of Economy, Trade and Industry. Based on the industrial structures of each region, these offices oversee their respective regions and plan and implement measures for supporting intellectual property (holding seminars, etc.). In addition, the JPO provides comprehensive support through the Intellectual Property Comprehensive Support Counters¹, located in the respective prefectures.

In order to develop a framework that encourages IP promotional activities and strategic IP utilization in local areas, in FY2005, the JPO established Regional Headquarters for Intellectual Property Strategy in each of the nine regions, which fall under the jurisdiction of Regional Bureaus of Economy, Trade and Industry. The Headquarters provide comprehensive IP support designed for the local communities. This includes creating the Regional Intellectual Property Strategy Program based on the local situations and needs. It also plays a leading role in providing support through the provision and transmission of information through the Internet and mail magazines.

¹ See Part 2, Chapter 6, 3, (1)

Figure 2-6-13 Regional Support System



Chapter 7

Initiatives on Developing Human Resources

It is extremely important to cultivate human resources who engage in intellectual property, that is, IP-specialized human resources, in order to revitalize IP activities and promote innovation. It is becoming also important to cultivate not only human resources who engage in the acquisition, maintenance and management of intellectual property rights but also those who can utilize IP and who are expected to play an important role in the field of intellectual property systems.

This chapter introduces various measures for supporting the cultivation of IP-specialized human resources and the award winners of “FY2014 Award for Intellectual Property Merit”, which gives commendation to individuals and companies that contribute to cultivate, disseminate and promote the intellectual property systems.

1. Cultivation of Human Resources who Engage in IP

The JPO and the INPIT make the following initiatives in collaboration with related organizations with the aim of improving knowledge and skills required in each target group and further improving its capabilities.

(1) Cultivation of IP-specialized Human Resources

1) Cultivation of Patent Attorneys

Patent attorneys play a central role among the professions in the field of intellectual property. The JPO, in collaboration with the Japan Patent Attorneys Association (JPAA), has implemented the following measures to cultivate patent attorneys who have specialized skills.

a. Training for Representation in Specific Infringement Lawsuits

The business community has been requesting that the dispute-resolution services such as legal representation in infringement lawsuits in the field of intellectual property be strengthened, by increasing the number of and

enhancing the skills of specialized attorneys. Therefore, the JPO requires patent attorneys who wish to be admitted to act as counsels in certain infringement lawsuits (“Specific Infringement Lawsuit”¹, limited to cases jointly represented with attorneys-at-law) to take the training on practices of the civil procedure and to pass the examination for evaluation.

b. Practical Training Prior to the Patent Attorney Registration

In general, the acquiring of qualifications by individuals in society ensures that the rights of citizens and the safe conduct of transactions can be ensured as a result of these individuals being certified as specialists capable of providing reliable services. Accordingly, there is public demand to further ensure and improve the skills of these professionals. Under the aim of ensuring the necessary, professional abilities of those who have passed the patent attorney examination, it has been made mandatory for these persons to complete practical training provided by an organization designated by the Minister of Economy, Trade and Industry (Designated Training Agency) before they can be registered as patent attorneys .

c. Continuing Training for Registered Patent Attorneys

In order to respond to changes surrounding intellectual property such as the economic globalization and the progress being made in the intellectual property management in companies, patent attorneys need to accurately understand the latest circumstances and acquire advanced and diversified capabilities. In view of these needs, patent attorneys are required to participate in specialized training (“Continuing Training”) on a regular basis to maintain and improve their skills.

¹ Any lawsuits related to infringement of rights concerning patents, utility models, designs, trademarks or circuit layouts, or infringement of business interests by specific unfair competition.

Figure 2-7-1 Change in the Number of Patent Attorneys

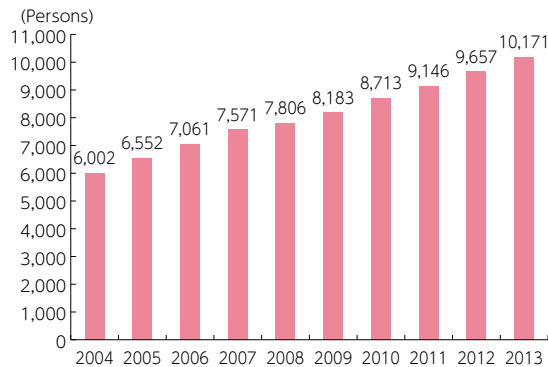
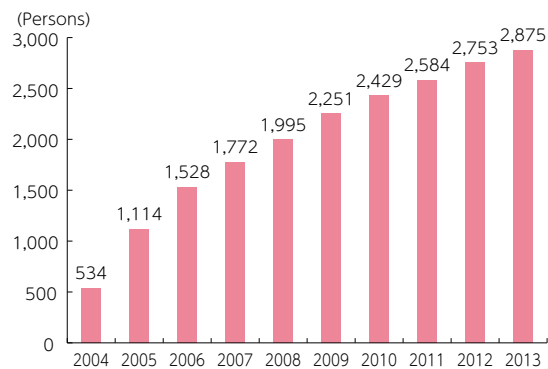


Figure 2-7-2 Change in the Number of Patent Attorneys Admitted to Act as Counsel in Specific Infringement Lawsuits



Note:

1. Number as of the end of December 2013.
2. A patent attorney who has completed the training course to gain the knowledge and practical skills required as counsel and has passed the Specific Infringement Lawsuit Counsel Examination may act as counsel upon completion of the supplementary note registration to be qualified as such by the JPAA. (Note that those patent attorneys can act as counsel only in specified infringement lawsuits in which attorneys-at-law are also hired by the same client.)

Figure 2-7-3 Number of Patent Attorneys and other IP-specialized Professionals in Japan and the US

Japan
Patent Attorney: 10,173 (registered attorney-at-law among them:367) Total
United States
Patent Attorney ¹ : 31,521 Patent Agent ² : 10,740

Note:

Japan: Number as of the end of February 2014

United States: Number as of the end of February 2014

2) Development of Private Intellectual Property Experts

The INPIT provides the following trainings to develop private intellectual property experts.



¹ They have acquired the qualifications for Attorney at Law and Patent Agent. They are not allowed to undertake the procedures for patents (including design patents) by proxy with the USPTO only with the qualification for Attorney at Law.

² They can undertake the procedures for patents (including design patents) by proxy with the USPTO.

Figure 2-7-4 List of trainings for private intellectual property experts

Main targets	Name of training	Outline of training	Total number of participants in FY2013
Persons who conduct prior art searches	Search Expert Training (advanced-level)	It targets persons who have sufficient knowledge in the Patent Act and aims to develop experts who contribute to the rationalization of filing applications and making requests for examination by further improving their capabilities of conducting prior art searches.	110
Persons who conduct prior design searches	Search Expert Training (design)	It targets persons who have sufficient knowledge in the Design Act and aims to develop experts who can properly understand effective protection of product designs by acquiring design rights and scope of post-grant rights.	18
Persons in charge of IP in companies	Patent Search Practice Training	It aims to develop human resources who can determine patentability based on the Examination Guidelines for Patents, which is required before a patent application is filed and after a patent has been acquired and a right is utilized, and accurately carry out patent searches in an efficient manner.	29
Patent attorneys and persons in charge of IP in companies	Training on Ways to Respond to Notices of Reasons for Refusal of Designs	It targets persons with relatively little practical experience and aims to correctly understand the contents of notices of reasons for refusal issued in response to applications for design through explanations on the Examination Guidelines for Designs and exercises and learn practical capabilities of preparing answers and accurately responding to these reasons for refusal.	29
Lawyers, patent attorneys and persons in charge of IP in companies	Training for Discussions on Examination Guidelines for Patents	It aims to further improve skills of IP-specialized human resources by mutually learning based on discussions from different points of view on the Examination Guidelines for Patents, Utility Models or Designs and actively providing knowledge owned by examiners concerning the Examination Guidelines.	77
	Training for Discussions on Examination Guidelines for Designs		25
Managers or persons in charge of IP in SMEs and venture companies	Training on Ways to Utilize Intellectual Property Rights (utilization course)	It aims to develop the capabilities of determining how intellectual property is utilized for business management by introducing various cases in which SMEs and venture companies could successfully acquire and utilize intellectual property rights and could not utilize them, and discuss those cases among the participants.	27
Persons in charge of IP in SMEs, venture companies and university researchers	Training on Ways to Utilize Intellectual Property Rights (search course)	It aims to develop human resources who can conduct accurate searches utilizing patent information to decide themes and directions of researches and to determine the necessity of filing applications for patent and requests for examination.	42
Staff of research institutions belonging to government-related organizations	Intellectual Property Training (introductory level)	It targets persons with relatively little practical experience in IP and aims to learn basic knowledge in IP necessary for undertaking the examination procedures.	161
Persons who belong to SMEs, venture companies, local governments and government-related organizations	Intellectual Property Training (industry-academia-government collaboration)	It targets persons who have a certain level of knowledge in the outline of the intellectual property system and aims to further improve their knowledge and capabilities to undertake the examination procedures.	49

3) Provision of Opportunities for Learning Utilizing Information and Communication Technology

a) Development of Human Resources Using E-learning (IP e-learning)

The INPIT extensively provides the public with e-learning educational sources such

as “current status and issues surrounding industrial property rights” and “outline of the examination guidelines for patents and utility models”. These sources are used not only for the JPO but also for the development of IP-related human resources nationwide.



IP e-learning top page

b) Provision of Training Textbooks

Some training textbooks used in the various INPIT training courses are published on the INPIT website so that they can be used by any person engaged in IP.

4) Development of Searchers

a. Training for Searchers (statutory training)

The INPIT offers statutory training for those who wish to become “searchers” (staff that conduct the preparatory search business for prior art document searches outsourced by the JPO) in registered search organizations. (Article 37 of the Act on the Special Provisions for Procedures related to Industrial Property Right).

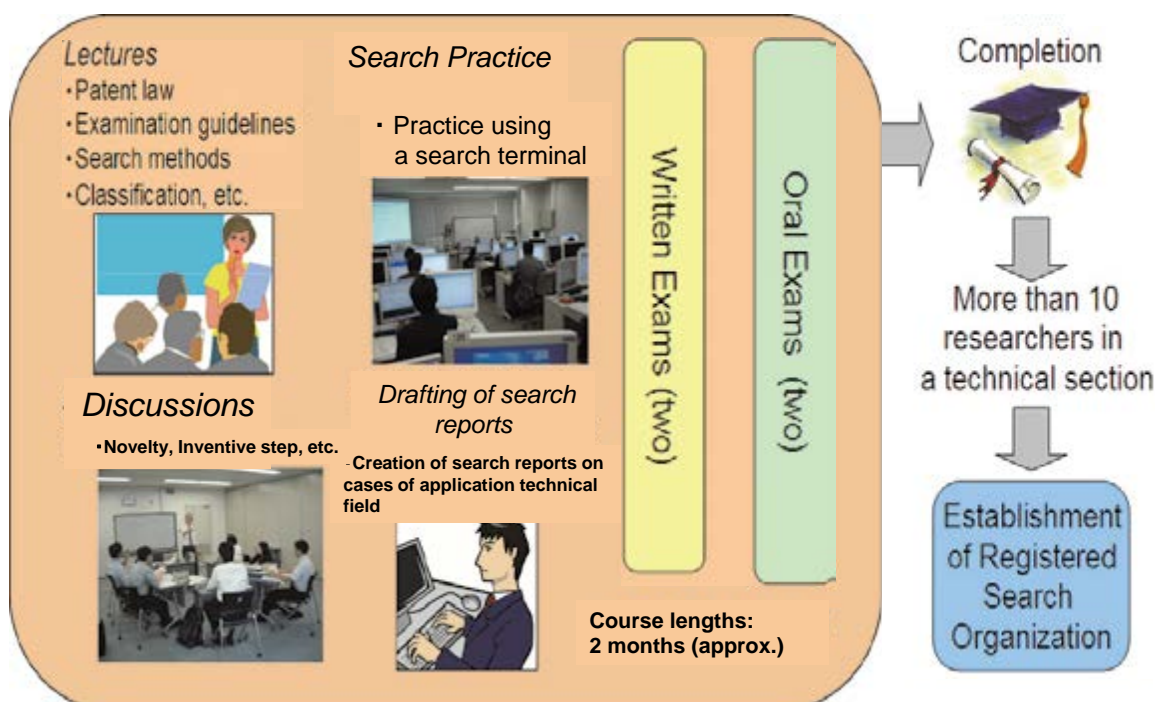
The steady training of searchers performing highly accurate prior art searches is particularly important to ensure speedy patent examinations.

Therefore, this training course is designed to have trainees acquire comprehensive, fundamental skills that are required of them as searchers. The course provides them the knowledge necessary to make prior art searches by systematically acquiring this basic knowledge through practical training and debate.

◇Results in FY2013

Total number of participants: 591

Figure 2-7-5 Outline of Training for Searchers



b. Skill-up Training for Searchers

The skill-up training for searchers is provided for the purpose of building up the capabilities required as searchers by learning how to conduct searches based on logics of inventive step, review inappropriate search reports and provide guidance on them.

◇Results in FY2013

Total number of participants: 10

5) Cooperation with Private-sector Organizations on the Development of Human Resources related to Intellectual Property

The INPIT is participating in “The Development of Human Resources related to Intellectual Property Education Promotion Conference,¹” exchanging information with other participating organizations on IP human resources development, making suggestions for human resources development, and exchanging opinions on cross-sectional matters concerning intellectual property training.

In FY2013, the Intellectual Property Education Promotion Conference hosted seminars three times under the theme “Intellectual Property management Human Resources who contribute global business strategy” for the purpose of presenting an image of IP human resources required in the future and introducing methods of developing leading IP human resources.

6) Cooperation with Intellectual Property Human Resources Development Organizations Overseas

The INPIT has collaborated and cooperated with intellectual property human resources development organizations overseas due to an increasing need for international cooperation in intellectual property human resources development.

The INPIT regularly holds meetings, in

particular, with the CIPTC (China Intellectual Property Training Center), and IIPTI (International Intellectual Property Training Institute) to discuss human resources developing projects. The INPIT has advanced specific cooperative measures. For example, the INPIT concluded a memorandum of cooperation (MOC) to exchange information on training curriculum and implement training to develop intellectual property human resources, in collaboration with the two organizations.

¹ It was established in response to a suggestion on a council to promote IP human resources development in the comprehensive strategy for intellectual property human resources development decided in the Intellectual Creation Cycle Specialized Investigation Committee, Intellectual Property Strategy Headquarters Meeting which was held in January 30, 2006.



Figure 2-7-6 Cooperation with IIPTI and CIPTC held in FY2013

	Place and period	Outline (major agreement and achievements)
Fourth Japan-China-Korea Human Resources Developing Organization Directors' Meeting	September 2013, Seoul	The three organizations agreed to cooperate in utilizing the Japan-China-Korea Collaboration Seminar as e-learning training source.
Second Japan-China-Korea Collaboration Seminar	September 2013, Seoul	This seminar was held for Korean patent attorneys and persons who engage in IP. The lecturers from the three countries gave talks on current status and trends on infringement lawsuits against patent rights and specific court cases.
Seventh Japan-China Human Resources Developing Organizations Collaboration Meeting	October 2013, Tokyo	The three organizations agreed to cooperate in utilizing the Japan-China Collaboration Seminar as e-learning training source.
Third Japan-China- Collaboration Seminar	October 2013, Tokyo	The lecturers were invited from China to hold this seminar on the substantive examination procedures based on the Chinese guidelines for examination of patents for Japanese patent attorneys and persons who engage in IP.

(2) Human Resource Cultivation for Students**1) Project for Promoting Creativity and Practical Ability and Exploitable Ability Concerning Intellectual Property**

The JPO and the INPIT provide support to specialized high schools (industry, commerce, agriculture and fishery) and technical colleges that cultivate intellectual creativity at places that conduct manufacturing and product cultivation. This aims to give students an opportunity to acquire “creative ability” that enables them to plan and suggest new things and structures, “practical ability” that enables them to realize such plans and suggestions in the rules of the real world, and “exploitable ability” that enables them to turn creative ideas into exploitable forms in the real world through the process of turning ideas into a concrete shape of intellectual property and the process of preparing for a simulated patent application. This program started in FY2000, and in FY2013, the number of schools that participated in this program reached 113. Moreover, in FY2013, an exhibition of achievements and a presentation of achievements were held at the 23rd National Industrial Education Fair in Aichi with the participation of 18 schools, and a booth for the “project for cultivating creativity, practical ability and exploitable ability related to intellectual property” was set up.

2) Patent Contests and Design Patent Contests

The JPO, together with the MEXT, the Japan Patent Attorneys Association, and the INPIT, held Patent Contests and Design Patent Contests. At the contests, particularly excellent inventions and designs created by students at high schools, technical colleges, and universities nationwide are recognized and given awards. The JPO holds the patent contests to raise IP awareness in students and promote the understanding of the intellectual property system. The purpose of both contests is that students experience the process of creating inventions and designs in order to seek IP rights for particularly excellent inventions and designs, some actually going as far as to be patented or designed.

In these contests, students at high schools, technical colleges, and universities nationwide are encouraged to exhibit their inventions/ designs. Particularly excellent work is selected to receive support in filing for patents or designs. Students who created inventions and designs that were given awards may receive the following support in the process of filing of applications to acquire patent rights or design rights.

- Advice from patent attorneys (the organizer bears the cost)
- Support to cover the cost of patent application fee, design registration application fee, patent examination fee, annual fee (from the first year to the third year), and design registration fee (first year)

The Patent Contest started in FY2002 and so far 178 innovations out of 2,781 have been selected to receive support to file patent applications, with 98 actually being given patents (as of February 20, 2014). As for the Design Patent Contests, which started in FY2008, 163 applications out of 1,045 have been selected to receive support of to fill design registration applications, with 120 actually being given designs (as of February 20, 2014).



The Patent Contest and the Design Patent Contest
Submitted poster



2. Intellectual Property Achievement Award

Since 1987 the Ministry of Economy, Trade and Industry (METI) and the JPO has been giving Minister of Economy, Trade and Industry Awards and Commissioner of the Japan Patent Office Awards on April 18 every year, which is “invention day”. These awards are given to a contributors related to the intellectual property rights system and to awards to good-standing companies utilizing the intellectual property rights system. These awards, which are collectively called “the Intellectual Property Achievement Award”, are given to individuals who contributed to the cultivation, dissemination, and promotion of the intellectual property systems and to companies that contributed to smooth operations and cultivation of the intellectual property systems by effectively utilizing them.

In FY2014, the awards ceremony was held on April 18 at the Tokai University Club. The term used for the two awards was changed from “industrial property systems” to “intellectual property systems” in FY2014.



Minister of Economy, Trade and Industry Awards



Awards of the Commissioner of the Japan Patent Office Awards

(1) Awards for Contributors to the Intellectual Property Rights System

1) Awards of the Minister of Economy, Trade and Industry Awards

Hidetaka AIZAWA (Tokyo)

(Professor at the Graduate School of International Corporate Strategy, Hitotsubashi University)

■ Professor Aizawa has been a member of the Patent Attorney Examination and Disciplinary Committee and a chairman of the Examination System Working Group of the Patent Attorney Examination Committee of the Industrial Property Council, and contributed to the proper execution of the patent attorney system by devoting his time to creating various guidelines and principles for implementing the patent-attorney test system and creating questions for the patent attorney examination.

■ As a deputy chairman of the IP Specialized Service Subcommittee of the Legal System Committee of the Industrial Property Council, Professor Aizawa has played a leading role in discussions on issues such as the patent attorney system, alternative dispute resolution, and the most ideal direction for patent lawsuits. He contributed to the development of the intellectual property system through reviewing the patent attorney system by serving as a chairman of the Patent Attorney System Subcommittee of the Intellectual Property Committee (Intellectual Property Policy Committee) of the Industrial Structure Council.

■ Professor Aizawa greatly contributed to enhancing deliberations and revising the intellectual property system by serving as a chairman of the Medical Practice Working Group, and a member of the Patent System Subcommittee, Working Group to Study Terms of Regenerative Medical Products, and Working Group on Problems related to Patent Strategy Plan, at the Intellectual Property Committee under the Industrial Structure Council, and as a member of the Committee for Verification, Evaluation and Planning under the Intellectual Property Strategy Headquarters.



Kiyoshi ASAMURA (Tokyo)

(Patent attorney: Chief Partner of ASAMURA Patent Office, p.c.)

■ Mr. Asamura established the Asian Patent Attorneys Association (APAA) in 1970 and served as its President for two terms, from 1994. He sent members from the APAA to diplomatic conferences and committees of the WIPO and provided his opinions as a patent practitioner so as to contribute to the smooth operations of the intellectual property systems. Moreover, Mr. Asamura has greatly contributed to promoting mutual understanding among foreign countries on the intellectual property system by playing an active role in meetings and ceremonies held by overseas IP organizations.

■ As Mr. Asamura recognized the necessity of protecting patents in China. He devoted himself to establishing the Chinese intellectual property system and patent attorney system. Particularly, he has contributed to developing the intellectual property system in China and fostering international cooperation based on mutual understanding through participation in activities of the All-China Patent Attorneys Association and the China Patent Cooperation Association, and providing guidance to trainees from China for twenty years.

■ Mr. Asamura has been a member of the International Activities Center under the JPAA and has been devoted to conducting research studies on international trends in intellectual property systems for many years. When Mr. Asamura served as the Director of the Center, he contributed to improving the practical capabilities of the JPAA members by actively holding exchanges with overseas IP organizations and collecting information on system revisions and court cases in other countries.

Hidesato IIDA (Tokyo)

(Attorney: Chief Partner of Haru Law Office)

■ Mr. Iida has worked to promote the intellectual property system, serving as the first chairman of the Intellectual Property Center established in 2009 under the Japan Federation of Bar

Associations. He proposed legislation for every intellectual property law, and established a system to address problems over the jurisdiction of international courts and issues with developing lawyers who are familiar with the field of intellectual property. In particular, when the Patent Act was revised in 2011, Mr. Iida set up a project team to deliberate on a major revision of the Patent Act, under the Intellectual Property Center, and collected opinions as its chairman.

■ Based on his experience as a lawyer in intellectual property rights lawsuits, Mr. Iida has contributed to promoting the intellectual property system and developing human resources by giving lectures on intellectual property laws at several universities and at seminars held by IP organizations.

■ As a member of the Investigation Committee for the Development of Practical Capabilities in Patent Infringement Lawsuits under the JPO, Mr. Iida has contributed to improving the level of expertise and practical capabilities of patent attorneys, by devoting himself to compiling the first practical teaching material on patent infringement lawsuits titled "Practices for Patent Infringement Lawsuits". It is used in the Patent Attorney Capacity Development Training.

Katsushige NAKAMURA (Tokyo)

(President of Mitaka Kohki, Co., Ltd.)

■ Mr. Nakamura has served on the Intellectual Property Committee under the Industrial Structure Council, serving as a member, when he made proposals on funding initiatives to promote the utilization of IP and provide support for SMEs, in collaboration with financial institutions and IP advisors.

■ As a member of the Patent System Subcommittee of the Intellectual Property Policy Committee of the Industrial Structure Council, Mr. Nakamura has contributed to the consideration and deliberation of improvements to make the patent system more convenient in terms of procedures and the post-grant review system, in order to ensure that robust and

stable rights are promptly granted. Currently, he participates in deliberations on the desired direction for the employee invention system, as a member of the Patent System Subcommittee of the Intellectual Property Committee of the Industrial Structure Council.

■As a manager at a representative Japanese manufacturing SME, Mr. Nakamura has given lectures at many universities and local governments on his own company's patent strategies and business strategies and proposed the importance of IP strategies for SMEs. Moreover, he participated in the 12th Expert Panel on the Strengthened Right Protection Infrastructure at the Intellectual Property Strategy Headquarters as a panelist and pointed out the current status and problems concerning the utilization of intellectual property by SMEs and proposed solutions.

2) Awards of the Commissioner of the Japan Patent Office Awards

Tokuji KAJIWARA (Tokyo)
(Chairman of KAJIWARA Inc.)

■Mr. Kajiware has advanced projects for nurturing the creativity in young people for many years, serving as a board member of the Japan Institute for Promoting Invention and Innovation, Tokyo Branch. Moreover, he has contributed to developing next-generation human resources who engage in the IP system and IP education in the local communities by devoting himself to establishing the Boys and Girls Invention Club Taito, the first of its kind in Tokyo, in 1994; and administering it as a vice president.

■Mr. Kajiware has devoted himself to developing local regions, including promoting the IP system in SMEs and developing human resources by taking advantage of his knowledge as a manager at an SME. He served as a vice-president of the Taito Chapter of the Tokyo Chamber of Commerce and Industry and as vice-president of the Intellectual Property Strategy Committee.

Hisashi KATO (Fukuoka Prefecture)
(Patent attorney: President of Kato Patent Office)

■Mr. Kato served as both chief and assistant chief of the Kyushu Branch of the JPAA. He has devoted himself to concluding a comprehensive and collaborative agreement between the JPAA Kyushu Branch and nine technical colleges in Kyushu and Okinawa, worked to promote and develop IP education in Kyushu. Moreover, he has promoted IP strategies of Kumamoto Prefecture by playing a central role in concluding the Agreement on Cooperation for Industrial Promotion and Local Revitalization by Utilizing Intellectual Property between the JPAA and Kumamoto Prefecture.

■As a member of the Kyushu Intellectual Property Strategies Council and the executive board meeting of this Council, Mr. Kato contributed to formulating the Kyushu Intellectual Property Promotion Plan by commenting on the importance of IP activities from the viewpoint of an expert.

Mitsuo SAKAMOTO (Saitama Prefecture)
(Patent attorney: Director of Mitsuo Sakamoto Patent Office)

■As a chairman of the Disciplinary Committee of the JPAA, Mr. Sakamoto contributed to formulating the Guidelines for Advertising Members in order to improve user convenience through promoting competition among patent attorneys and improving the service standards in response to the full revision of the Rules and Regulations of the JPAA in 2001. He also helped create an article-by-article explanation of the guidelines. These guidelines are still used as rules when patent attorney place advertisements.

■Mr. Sakamoto is in charge of free consultations provided by the Tokyo Branch of the Japan Institute for Promoting Invention and Innovation, belonging to the Study Group on Intellectual Property Rights for Member Patent Attorneys of the Tokyo Branch of the said Institute, and served as its chairman from 2009 until now. He has contributed to the promotion and development of the IP system by actively cooperating in the Invention Consultation Meeting hosted by the JPO and

administering various projects.

Mamoru MATSUOKA (Mie Prefecture)
(Professor of Mie University)

■ Professor Matsuoka has worked to instill the importance of providing curriculum on IP in primary education. He established the IP Education Subcommittee under the Intellectual Property Association of Japan as one of its founders in 2007 and assumed the post of the first chairman. He has contributed to promoting IP education by devoting himself to holding IP Education Study Meetings nationwide and building up networks for persons who provide IP education.

■ Professor Matsuoka served as a panelist at the Asia IP Academic Conference held in 2009 and proposed holding international exchanges for practicing IP education and international research exchanges on IP education. He has contributed to international cooperation and exchanges in terms of the IP human resources development by promoting manufacturing and IP education with foreign students in China.

(2) Awards for Good-standing Companies Utilizing the Intellectual Property rights System

1) Awards of the Minister of Economy, Trade and Industry Awards

a. Utilization of Enterprises Excelling in Patent Exploitation

iPS Academia Japan, Inc. (Kyoto)

■ iPS Academia integrally manages intellectual property obtained as a result of research and strategically obtains licenses for disseminating technologies with the aim of returning the achievements of global iPS-cell research, including those of the Center for IPS Cell Research and Application, Kyoto University, to society and utilizing and commercializing iPS-cell-related technologies in the medical field.

■ iPS Academia has set up a portfolio of patents to be licensed by obtaining working licenses with sublicenses for patent applications and patent rights on iPS-cell technologies from not only Kyoto University but also other universities and research institutes.

■ iPS Academia has formulated and implemented clear licensing policies, allowing non-profit agencies to use intellectual property without charge, provided that if it is used for non-commercial purposes only such as for academic research and education; and for-a-profit organizations to grant non-exclusive licenses at fair and reasonable costs.

Nitto Denko Corporation (Osaka)

■ Nitto's has a Global Niche TopTM strategy to gain the world's No.1 share in niche fields in which its unique, differentiated technologies can be utilized by carefully selecting, changing, and growing markets; and an Area Niche TopTM strategy to supply products satisfying the needs of those fields. In response to its business operations outside Japan, Nitto has modified its IP strategy, from the protection of products to the protection of business.

■ Nitto modified its business model, from manufacturing and processing liquid optical films in Japan and transporting them to customers for on-site setup, to establishing seamless manufacturing facilities for the assembly and manufacture of panels, starting from manufacturing materials on site (roll-to-panel model). This business model was patented at the same time as were patents for protecting intellectual property. This business model is a prototype of "collective examinations in response to corporate business strategies" undertaken by the JPO from FY2013 as a business-oriented initiative for protecting intellectual property.

■ Nitto has taken advanced and strategic initiatives for intellectual property not only by acquiring patents on the roll-to-panel strategy but also by acquiring similar rights overseas at an early stage through the Patent Prosecution Highway (PPH).

b. Utilization of Enterprises Excelling in Design Exploitation

MTG Co., Ltd. (Aichi)

■ MTG has established its principles for maximizing the utilization of intellectual property rights in view of global expansion

and strengthened its internal intellectual property management framework. Under this framework, MTG has strategically filed applications for patents, designs, and trademarks and acquired rights and undertaken business activities focusing on intellectual property rights.

■ MTG implements detailed IP protection for each important product by setting up a design portfolio by combining designs for whole articles, partial designs, and secret designs timed to the launch of sales.

■ MTG not only acquires design rights but also actively utilizes them. For example, MTG has requested customs authorities to seize counterfeit products, citing its design rights as the basis for such injunctions. The number of injunctions filed by MTG accounted for 40% of the total number of injunctions under the design right handled by the custom authorities nationwide in 2011.

c. Utilization of Enterprises Excelling in Trademark Exploitation

Noevir Co., Ltd. (Hyogo)

■ 「NOEVIR」 is a Latin-based trademark used for the company name and brand in line with the company's global operations. It has been registered as trademark in 66 countries. Noevir has adopted a brand strategy, positioning the trademark as means to identify quality. For example, the Noevir brand is used for the most luxurious line of products.

■ Noevir's IP department and quality assurance department together work to build up a high-quality brand image differentiated by trademarks that stand for product quality based on its own patented technologies and quality assurance. It has adopted a business strategy by combining intellectual property rights with business operations, achieving an image of quality backed by its trademark.

■ The brand value of Noevir has been strengthened based on the company's initiatives to widely promote it, such as implementing stricter measures to combat counterfeit products

in Southeast Asia and acquiring name rights to the NOEVIR Stadium Kobe.

