IP policies and initiatives in Japan

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Today’s TOPICS

1. Background and Current status
2. Basic Principles for IP Policies in Japan
3. New direction of IP Policies
4. JPO’s Major Initiatives based on the New IP policies
The number of patent applications filed at the SIPO has grown significantly in recent years, exceeding that filed at the USPTO and ranking number one in the world in 2011.
Increase in Global Applications

- The number of patent applications filed to overseas IP offices has been increasing in accordance with their business activities.
- However, the global application rate of Japanese applicants is still lower compared to that of applicants who filed to the U.S. and Europe.

**Global Application Rates of Japanese, U.S., and European Applicants**

Global application rate means the number of applications filed both at one's own country and at other countries, divided by the total number of applications filed at one's own country.

**Patent Applications Filed to overseas IP offices by Japanese applicants**

Nearly twice as many patent filings in 2012 as in 2000
Changes in IP world

Changes in Corporate Activities

- Expanding business activities of Japanese companies on a global basis.
- Product life cycle becomes shortened and the research and development (R&D) activities by companies are changing.
- Further supports to local companies and SMEs to create, protect, and utilize intellectual property are required.

Changes in the Landscape Surrounding the IP system

- Growth of markets in emerging countries.
- Competition between the IP systems of various countries.
- Balance among IP policies, competition policies and public policies.
In order to reduce the waiting period, or pendency, for patent examinations, since fiscal 2004, the JPO has increased the number of fixed-term patent examiners to a total of 490, and reinforced the examination system.

Although the number of examiners at the JPO is less than that at the U.S. or Europe, Japan has established an efficient and effective examination system by taking advantage of outsourcing such as placing orders for search activities.

**Long-term objective in IP strategic program 2004**

FA pendency → Less than 11 months at the end of March 2014 (FA; First Action)
1. Background and Current status

2. Basic Principles for IP Policies in Japan

3. New direction of IP Policies

4. JPO’s Major Initiatives based on the New IP policies
Based on the strategies approved by the Japanese cabinet in June 2013, and the needs of Japanese companies, Japan is set to establish the best “IP-based nation” in the world. The first major issue is to substantiate the strategies and “implement” the specific details.

Japan Revitalization Strategy
(Reviving Japan as a “technology-driven nation”, “intellectual property based nation” through all-Japan efforts)
Also, the Government will thoroughly support innovative research with a view to quickly elevate the outputs of world-leading basic research to practical use, and produce a series of successful examples similar to the iPS project. Through collective efforts of the Government, a “country that continues to succeed through technology” will be created.
And through wisdom and creativity of the Japanese people, “intellectual property based nation” will be aimed at world highest level.

Basic Policy Concerning Intellectual Property Policy
Looking squarely at the current situation, and aiming to become the most advanced nation in the area of intellectual property in the next decade, Japan must create intellectual property policy with a sense of urgency, targeting the following three goals.

• Without simply aiming to catch up with other countries in the manner of previous intellectual property policy, nor with the goal of making up for lost ground, Japan will build up the most advanced intellectual property system in the world, which will attract companies and people from Japan and overseas.
• Japan will actively support emerging countries including countries in Asia to build their intellectual property systems, and will take measures to make Japan’s world-leading intellectual property system sufficiently well known to become the world standard.
• Japan will continue to produce human resources endowed with creativity and strategic capability who can play an important role in the knowledge generated through the world’s most advanced intellectual property system.
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The Intellectual Property Committee which comprises 24 eminent persons from industry, judiciary, and academia etc. under the Industrial Structure Council held five meetings to discuss the future direction of the IP policies in Japan and to prioritize and accelerate specific measures that should be taken.

The Intellectual Property Committee indicated three major directions for future IP policies and also identified 21 issues in regards to which immediate measures should be taken, 11 issues requiring solutions based on legislative and practical means, and 7 issues that need to be achieved by making use of existing, international frameworks.


Three major directions for future IP policies are as follows:

The JPO should

- (1) Support the global acquisition and utilization of IP rights by Japanese companies.
- (2) Enhance support for SMEs and local companies.
- (3) Improve the environment that enables the promotion of innovation.

All issues are categorized by

- **Specific actions to be taken immediately**
- **Legislative and practical measures to be taken immediately**
- **Measures to be achieved based on international frameworks**
Specific actions to be taken immediately (of 21 issues)

- Achieving "the world’s fastest and highest quality" examinations
- Introduction of a "post-grant review system" on patent rights for quality improvement utilizing the expertise of third parties
- Expansion of procedural relief for obtaining patent rights
- Activities for acceding to the Hague Agreement to enable users to file applications in multiple countries at one time
- Expansion of local brand owners to activate local regions
- Introduction of the protection of new types of trademarks such as “color” and “sound”
- Review of the Patent Attorney System for improving quality of experts

Legislative and practical measures to be taken immediately (of 11 issues)

- Strengthening protection of trade secrets and improving the consultation system
- Review of the employees’ invention system for strengthening the industrial competitiveness of Japanese companies

Measures to be achieved based on international frameworks (of 7 issues)

- Improving the practices of the Patent Prosecution Highway (PPH)
- Sharing information on examinations among the IP Offices and provision of the information to the public
- Improvement of the Patent Cooperation Treaty (PCT) system (Improving the quality of search results etc. at the international phase)
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The examination period required for granting patent rights in major countries in 2012

<table>
<thead>
<tr>
<th>Country</th>
<th>Time (months)</th>
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<tbody>
<tr>
<td>USPTO</td>
<td>31.7</td>
</tr>
<tr>
<td>JPO</td>
<td>29.6</td>
</tr>
<tr>
<td>EPO</td>
<td>36.2</td>
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Changes in FA pendency

The previous goal concerning patent examination procedures was to shorten the period from the time a request for examination is made, up to when the first notice of examination results (first action (FA)) is set to 11 months or less (FA11) by the end of FY2013, which is expected to be met as scheduled.

The JPO set new goals to be achieved in the next decade (by FY2023). That is to say, the examination period required for granting patent rights should be 14 months or less, and “the period from the time a request for examination” is made, up to when the first notice of examination results is sent” should be 10 months or less.

Aiming to further improve the quality of examination, the JPO decided to create a new committee this spring consisting of external experts and make them review the current situations and systems underway concerning quality management of the examination procedures.

* “The examination period required for granting patent rights” excludes such cases where the JPO requests an applicant to respond to the second notification of reasons for refusal and other actions by submitting an amendment and other documents within a period stipulated under the law.
In order to enable Japanese companies to achieve earlier acquisition of patent rights overseas with less procedural effort at lower cost, the JPO, based on bilateral and multilateral discussions, will advance efforts to improve operability and user-friendliness of the PPH procedures. Such efforts involve simplifying required documents and standardizing requirements for PPH applications.
The Tegernsee meeting was held among the Trilateral Patent Offices (EPO, JPO and USPTO), and patent offices of major European counties (United Kingdom, Germany, France, Denmark).

- It is a meeting to discuss harmonization with the EPO and patent offices of major European countries that have the authority to amend the European Patent Convention.
- At the meeting, the participants discuss 4 key issues for the harmonization (Grace period, 18-month publication, Prior use rights, and Conflicting applications)

- The Tegernsee Offices conducted User Consultation (questionnaire survey and round table) on the 4 key issues, and each office made a report on the consultation.
- At the fifth “Tegernsee Heads” Meeting took place on April 8, 2014, the participants discussed and approved the Final Consolidated Report on the Tegernsee User Consultation consisting of a joint factual summary analyzing the results of the individual office reports, including commonalities and differences in user views.
- The Tegernsee Offices agreed to 1) publish the Final Consolidated Report, 2) endeavor to communicate the results and provide opportunities for feedback from users, 3) meet to review progress in the light of input received from users, or other relevant discussions or developments, in due course.

- As for the JPO, we are seeking to hold a symposium for the feedback to the users, with much international participation including SMEs and Universities/research institutions in a balanced manner.
At the IP5 Heads Meeting held in June 2012, based on a proposal made by the JPO, in order to maintain the momentum building in patent harmonization initiatives among the IP5 offices, the Heads agreed to set up a Patent Harmonization Expert Panel (PHEP) to advance discussions on patent harmonization based on the results of the comparative studies.

In June 2013, the Sixth IP5 Heads Meeting was held in Silicon Valley, and the Heads achieved meaningful progress for promoting more effective use of patent information among the IP5 Offices.

IP5 industrial users submitted “Industry IP5 Harmonization Topics List” which is a list of priority items for harmonization of examination practices including description requirements, unity of invention, citation of prior art, and so on.

Currently, discussions, including users, are being held about the ways for how the PHEP should be advanced concerning the Industry IP5 Harmonization Topics List.
1. Revision to the Patent Act
   - Establish a post-grant review system for reviewing patent rights with defects earlier than before
   - Expand procedural relief in accordance with Patent Law Treaty (PLT) provisions

2. Revision to the Design Act
   - Develop and revising provisions necessary for Japan’s future accession to the Geneva Act of the Hague Agreement Concerning the International Registration of Industrial Designs

3. Revision to the Trademark Act
   - Add protection of new types of trademarks such as “color” and “sound”
   - Expand the scope of entities entitled to register regional collective trademarks

4. Revision to the Patent Attorney Act
   - Clarify the missions of patent attorneys
   - Redefine the scope of patent attorney’s services, including offering advice on clients’ ideas before filing patent applications
Background

In June 2013, the Cabinet decided to approve the Japan Revitalization Strategy and the Basic Policy Concerning Intellectual Property Policy. Based on this approval, the Government of Japan will aim to become the most advanced nation in the area of intellectual property in the next decade. To achieve this goal, the Government will take measures for quickly developing systematic and human resource bases that contribute to further IP creation, protection and utilization.

Outline of the bill

Based also on the perspective of international system harmonization, we will strengthen the legal framework by revising the Patent Act to enhance relief measures and establish an opposition system for patent rights, the Design Act to stipulate provisions for filing a design application in multiple countries through one procedure, and the Trademark Act to expand the scope of protection and increase entities eligible for registering regional collective trademarks. Also, in order to improve human resource capabilities, the Patent Attorney Act will be revised to clarify patent attorneys' responsibilities and increase the scope of their duties.

A. Revision of the Patent Act

(1) Improving relief measures

In line with the legal systems overseas, the Patent Act is to be revised to take relief measures so that applicants are entitled to extend certain periods required for filing, examination, and other procedures when they have compelling reasons, e.g., following disasters, etc. These measures will also be applied to the same cases covered by the Utility Model Act, Design Act, Trademark Act, and Act on International Applications under the Patent Cooperation Treaty.

(2) Creating a new system for submitting an opposition to a granted patent

The Act is to be revised to create a new system for submitting an opposition to a granted patent, so as to realize the stability of patent rights earlier.

[Before legal revisions]

- Any person may request an invalidation
- Oral proceedings or documentary proceedings

[After legal revisions] [within 6-month period]

- Opposition system for granted patents
  - Any person may request an opposition
  - Documentary proceedings only

[May request at any time]

- Trial system for invalidation
  - Only interested parties may request an invalidation
  - Oral or documentary proceedings
B. Revision of the Design Act

◆ Stipulate Provisions for Simultaneously Filing a Design Application in Multiple Countries
Japan is now considering acceding to Geneva Act of the Hague Agreement Concerning the International Registration of Industrial Designs. Based on the Geneva Act, Japan’s Design Act is to be revised to improve the provisions for simultaneously filing a design application with multiple offices overseas in one procedure, so as to contribute to reducing the cost imposed on applicants.
Outline of “Bills to revise the Patent Act and Other Acts -3-”

**C. Revision of the Trademark Act**

1. Expanding the scope of protection
   The Act is to be revised so as to additionally cover certain trademarks in Japan, e.g., colors and sounds, which have already been broadly protected overseas.

2. Expanding the scope of eligible entities concerning the regional collective trademarks
   The Act is also to be revised in order to add associations of commerce and industry, chambers of commerce and industry, and specified non-profit corporations as entities entitled to register regional collective trademarks,* from the viewpoint of further accelerating popularization and dissemination of regional brands.

[Examples of registered trademarks filed by Japanese companies in foreign countries]

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<thead>
<tr>
<th>Color Trademark</th>
<th>Sound trademark</th>
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<tbody>
<tr>
<td>Tombow MONO Plastic Eraser (Registered in Europe)</td>
<td>Hisamitsu Pharmaceutical (Registered in Europe)</td>
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[Examples of popularized regional brands]
D. Revision of the Patent Attorney Act

◆ Clarify Patent Attorneys’ Missions and Increase the Scope of their Business
The Act is to be revised so as to clarify patent attorneys’ missions as IP experts and to stipulate consulting services in a process of developing ideas before filing applications, as one of the businesses that they are able to engage in.

Other Revisions

◆ Simplify Payment Procedures for Fees [Revision of the Act on International Applications under the Patent Cooperation Treaty (PCT)]
The Act on International Applications under the Patent Cooperation Treaty (PCT) is to be revised to improve the provisions under which applicants are able to pay fees for international applications with the JPO in the same way as domestic fees, when they file such international applications with the JPO under the PCT systems.
Effort by Government regarding Employee Invention System

Excerpt from “Basic Policy Concerning Intellectual Property Policy”
(Cabinet Decision on 7 June 2013)

1. Building up a global intellectual property system for enhancing industrial competitiveness
(3) According to the current employee invention system, inventions belong to their inventors. The Government of Japan will conduct a review of this system, and take measures to make it contribute to enhancing industrial competitiveness. For example, it may be changed such that employee inventions belong to corporations or are entrusted to the employer in an agreement between an employer and an employee.

Excerpt from “Japan Revitalization Strategy -JAPAN is BACK-”
(Cabinet Decision on 14 June 2013)

- Reviewing the employee invention system in order not to impede companies from activities on the global scale In order to reduce managerial risk associated with global business activities of companies in the world, the government will review the system such as to make a patent right for an employee invention belong to the company or to leave attribution of a patent right for an employee invention to the determination by contract between the employer and the employee, and summarize issues by the middle of next year then to reach conclusion.

The JPO has started deliberations at the Patent System Subcommittee from this April and advance discussions on reviewing and revising the employee-invention system.
Thank you very much.

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*Numbers is provisional.