

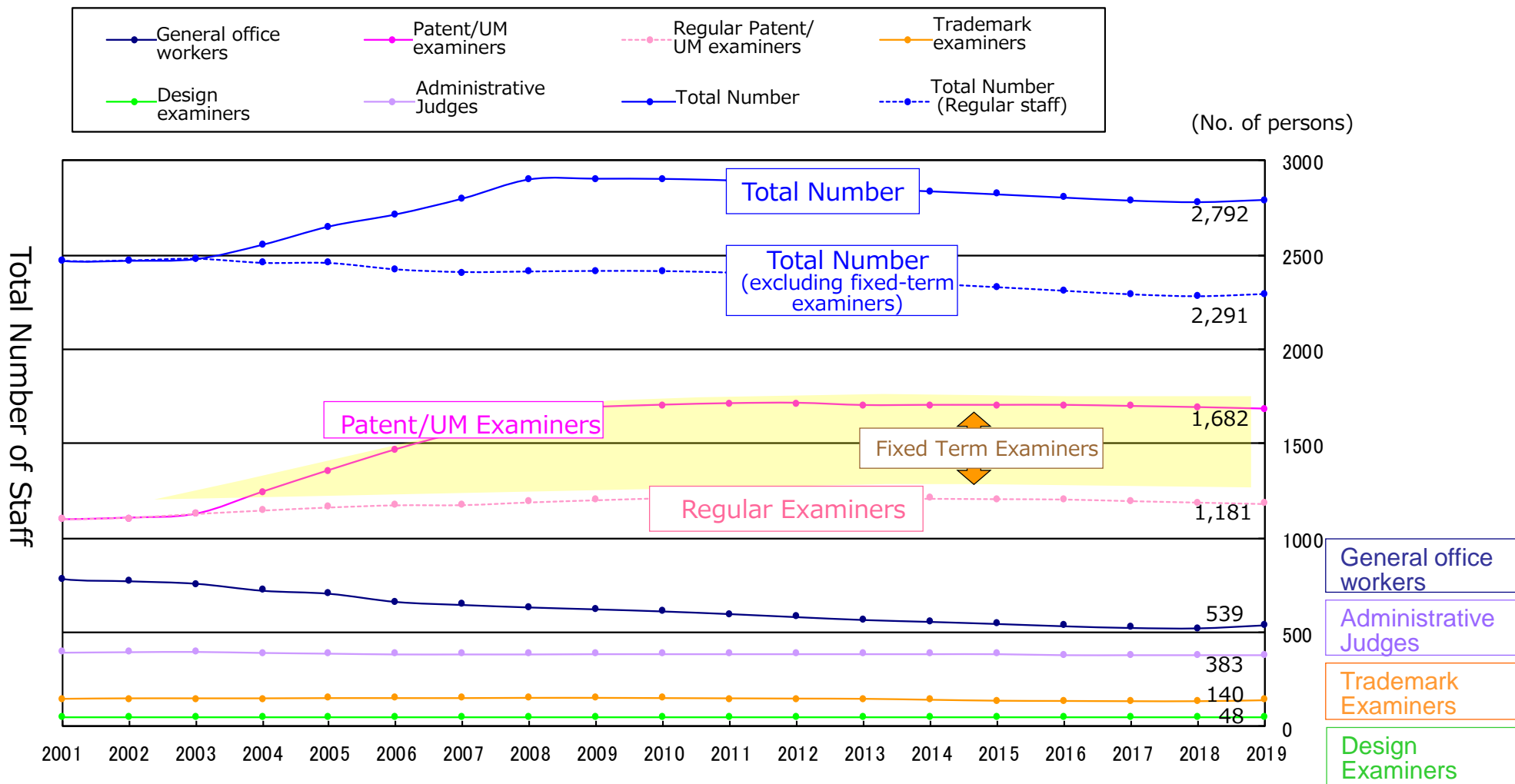
Overview of the JPO and Initiatives to Support Growing Technology/Innovation

**November 7, 2019
Japan Patent Office**

1. Organization of the JPO
2. Trends in of Applications/Examinations (Patents/Trademarks)
3. JPO's Initiatives to Support Growing Technology/Innovation
 - Accelerated Examination System
(Support for Financing)
 - System for Fee Reduction
(Support for Funding)
 - IP Acceleration Program for Startups
(Support for Business Management)
 - Regional Collective Trademark System
(Support for Branding)

Changes in Number of JPO Staff

- The total number of staff at the JPO are 2,792: 1,682 patent examiners (60%), 140 trademark examiners (5%) and 48 design examiners (2%).



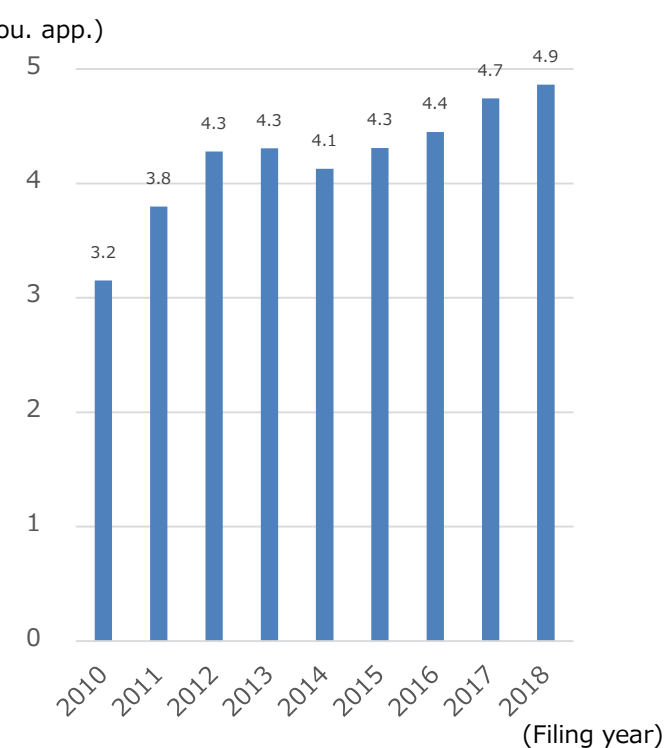
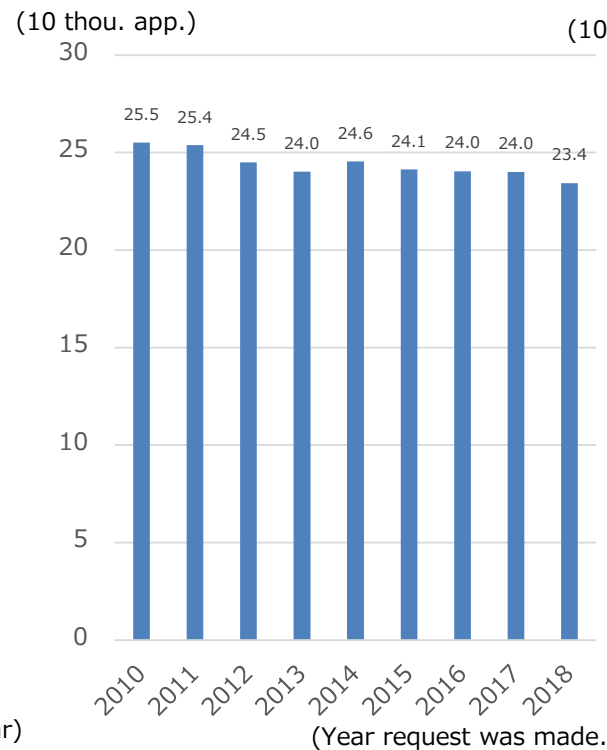
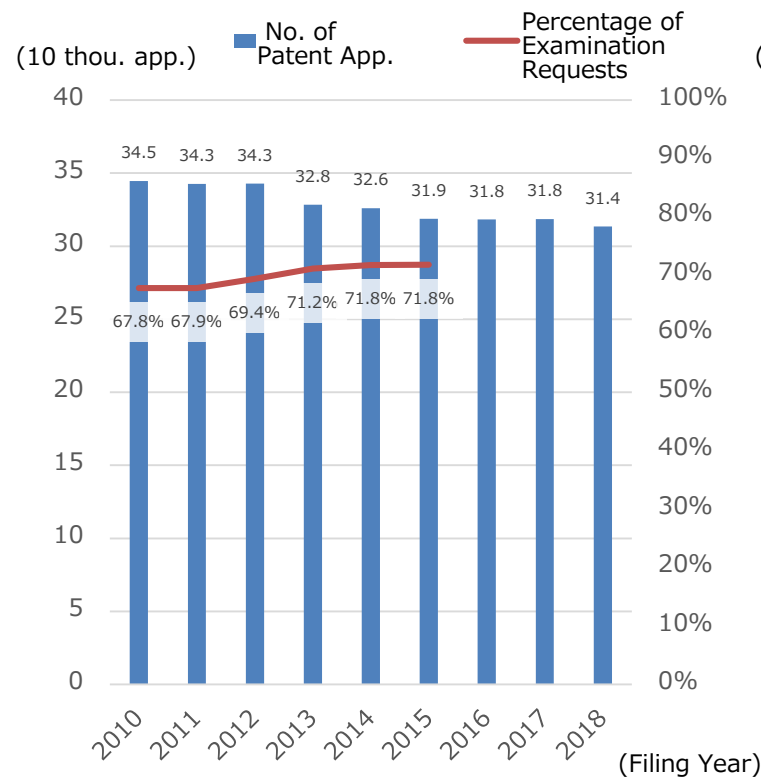
Changes in Number of Patent Applications

- The numbers of patent applications and requests for examination were gradually decreasing.
- The number of patent applications filed overseas by Japanese companies is increasing.

No. of Patent App./Percentage of Examination Requests

No. of Examination Requests

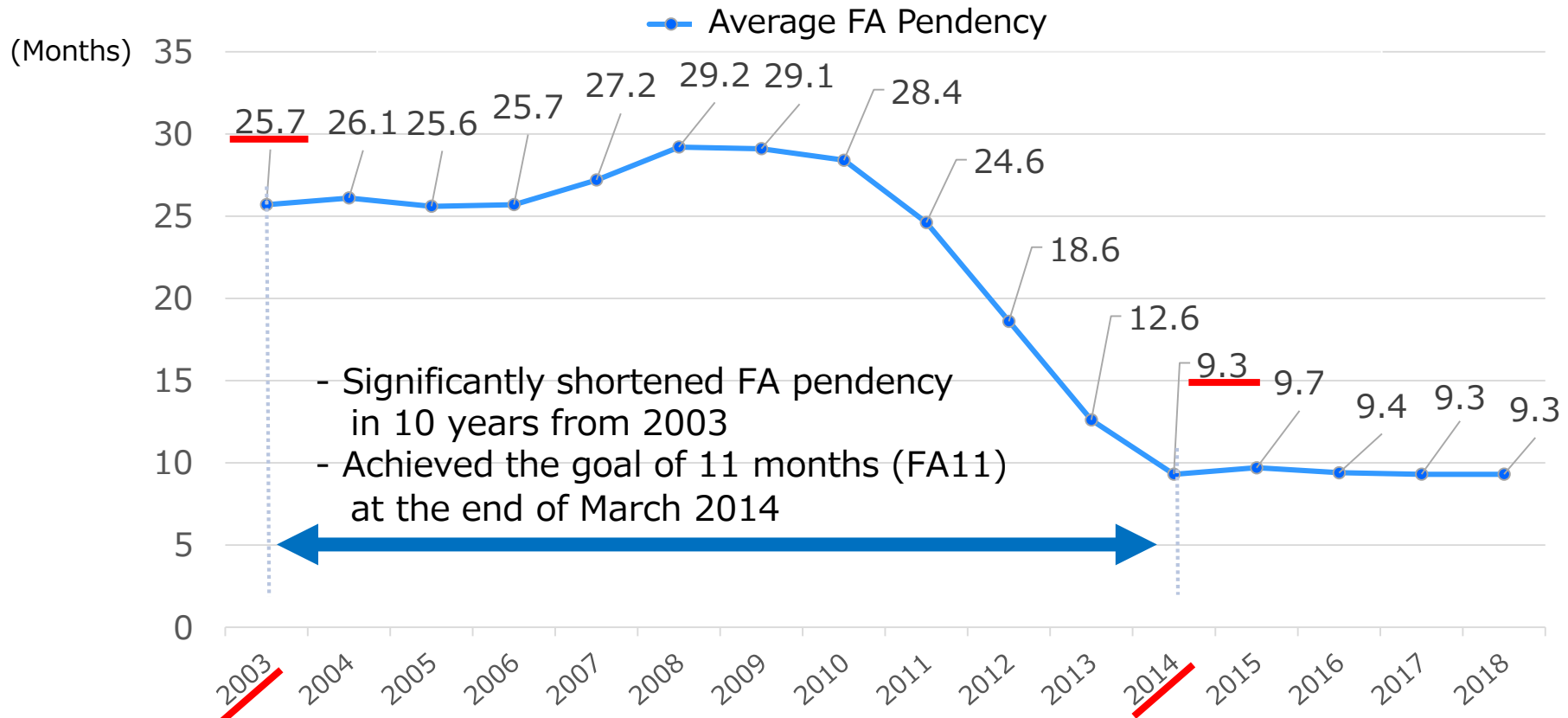
No. of PCT Applications



* Percentage of Examination Requests = No. of Examination Requests/No. of Patent Applications

Longer Examination Period and Initiatives for Improvement

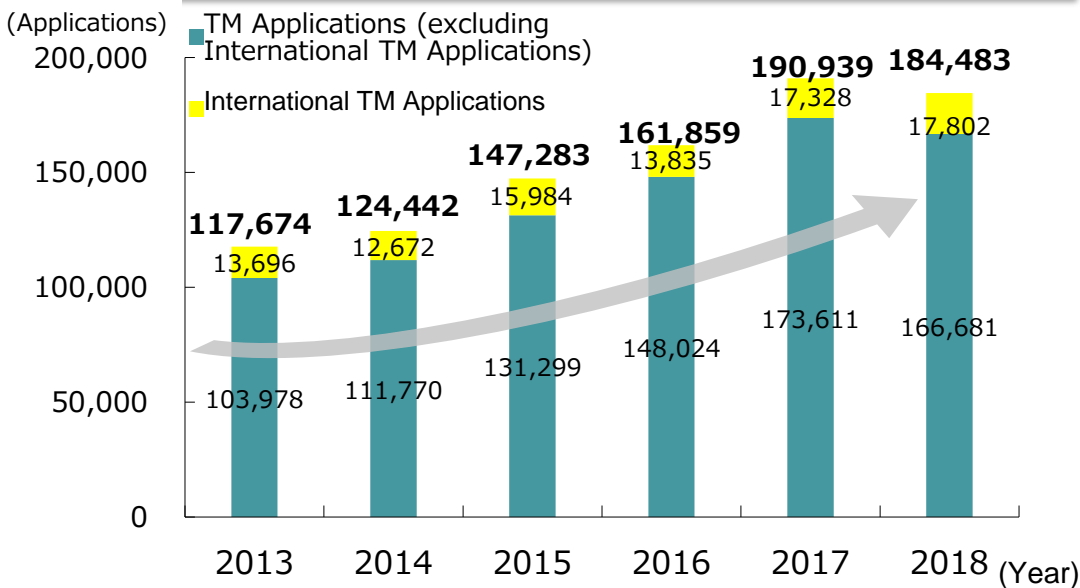
- In 2003 IP Strategic Program, the JPO set a goal to shorten First Action (FA) pendency to 11 months by the end of March 2014; and achieved this goal by implementing the following initiatives:
 - (i) Hiring 500 Fixed-term examiners;
 - (ii) More outsourcing of prior art searches;
 - (iii) Shifting users' filing strategy from quantity to quality; and
 - (iv) Improving IT systems for examination.



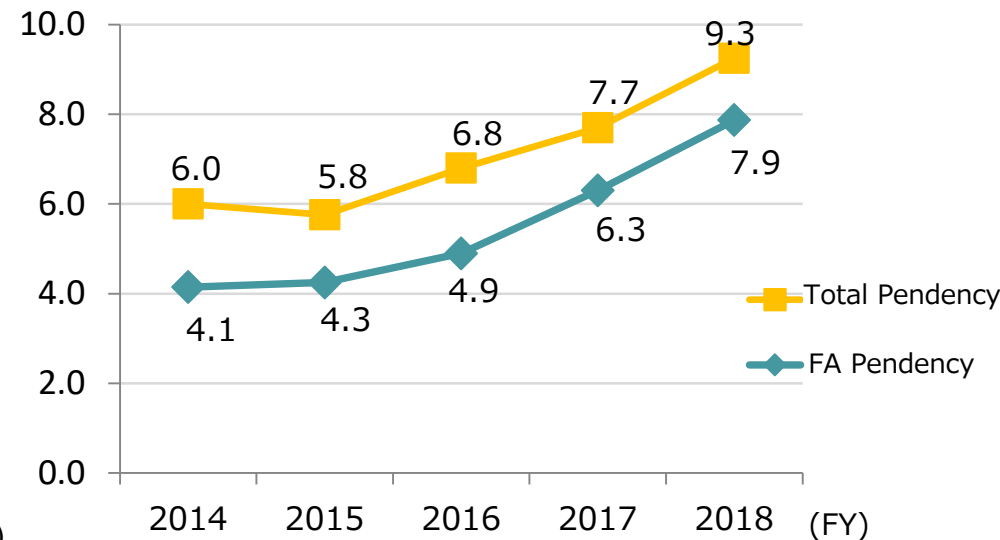
Increase in TM Applications and Examination Period

- The number of trademark applications in 2018 was around 184,000, which is about 1.6 times higher compared to 2013.
- The FA pendency and the total pendency (TP) (to grant rights) have become longer affected by the increased number of applications in recent years.

Changes in Number of Trademark Applications Filed at the JPO



Changes in FA Pendency and Total Pendency on Average for Trademark Examinations



Goals to Be Achieved by the JPO in FY 2019 (Examination Period)

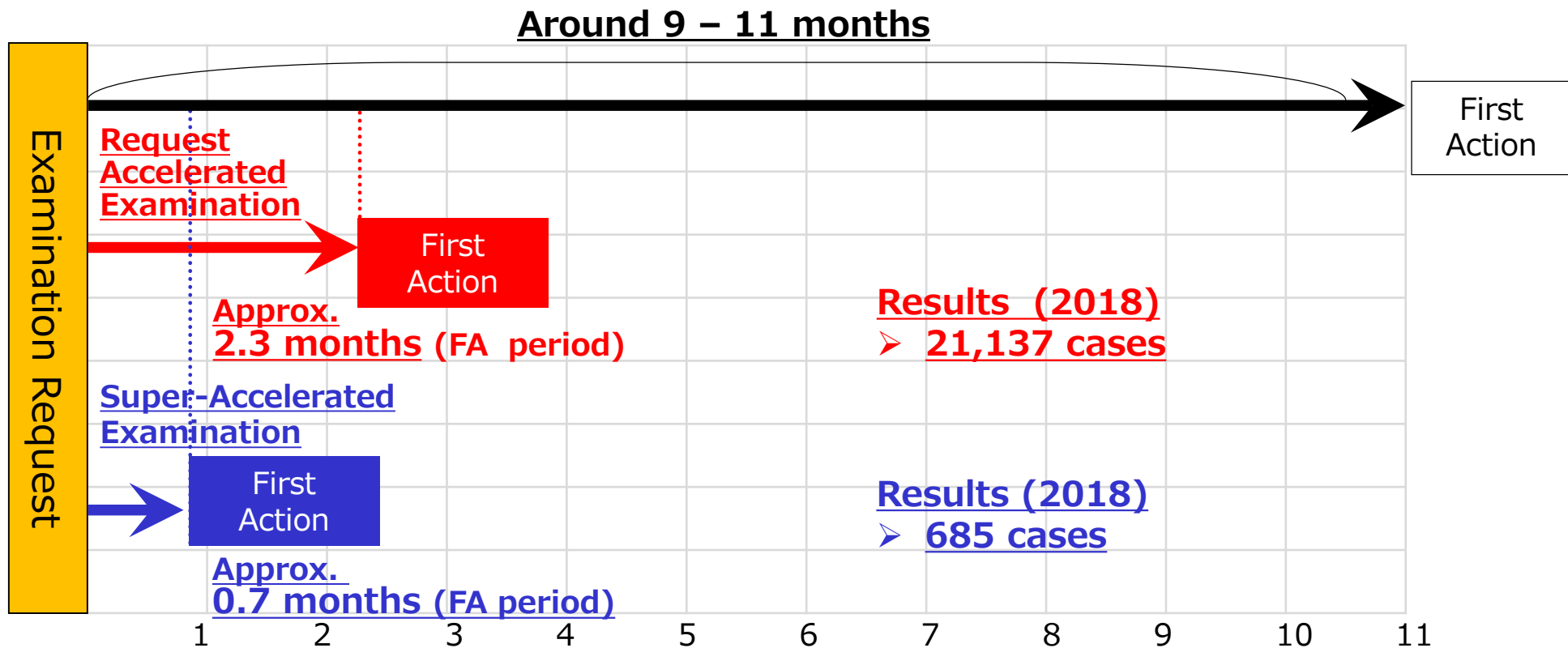
- ✓ To shorten the FA pendency to **7 to 9 months** on average.
- ✓ To shorten the Total pendency to **8 to 10 months** on average.

The JPO will implement appropriate measures not to lead to longer examination periods due to further increase in applications.

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System for Early Acquisition of Patent Rights

- Accelerated examinations are conducted for applications filed for actually used inventions and filed by SMEs, etc.
- The FA pendency is shortened to 2.3 months on average by using the Accelerated Examination System.
- Further, the FA pendency is shortened to 0.7 months on average by using the Super Accelerated Examination System.

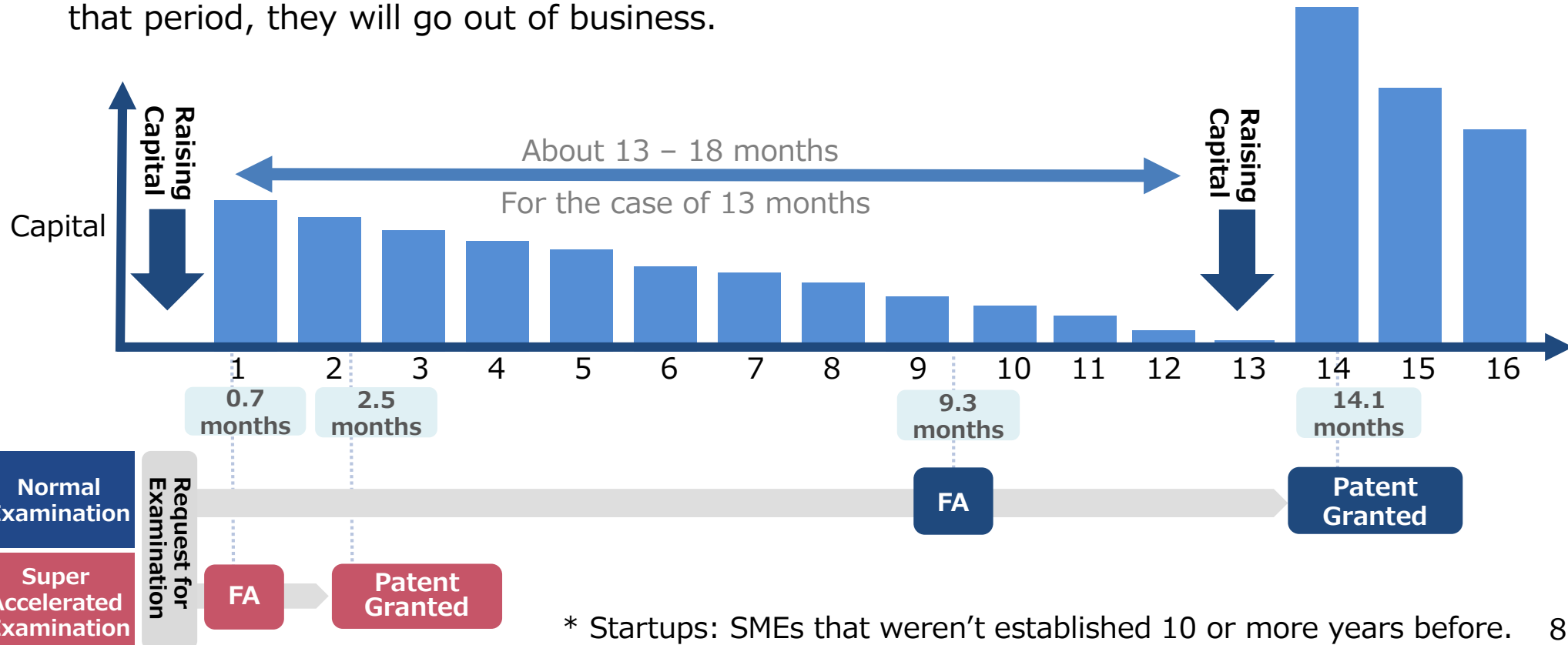


Super Accelerated Examination for Startups

- **Super Accelerated Examinations for Startups** were launched on July 9, 2018.
- **Requirements for Super Accelerated Examinations for Startups are simplified** than regular Super Accelerated Examinations.

Financing Schedule of Newly Founded Startups

- Startups at the early state of business will raise operating capital for 13 to 16 months by financing at one time. When startups cannot meet their milestone (business goal) during that period, they will go out of business.



Accelerated Examination for Trademarks

- The JPO conducts Accelerated Examination for trademark applications for short lifecycle goods/services.
- The average FA pendency for Accelerated Examinations in 2018 was 1.7 months. No extra charges.

Eligible Case 1

Filed trademarks are either already in use or prepared to be used to a considerable extent on certain designated goods/services



There is urgent need to acquire rights

- Third parties are using filed TM
- Third parties have issued a warning
- There is a request to license the TM
- Family applications are filed overseas

Eligible Case 2

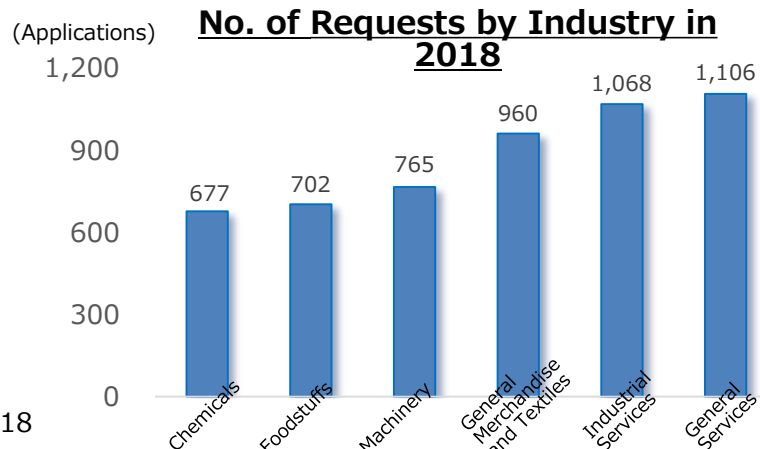
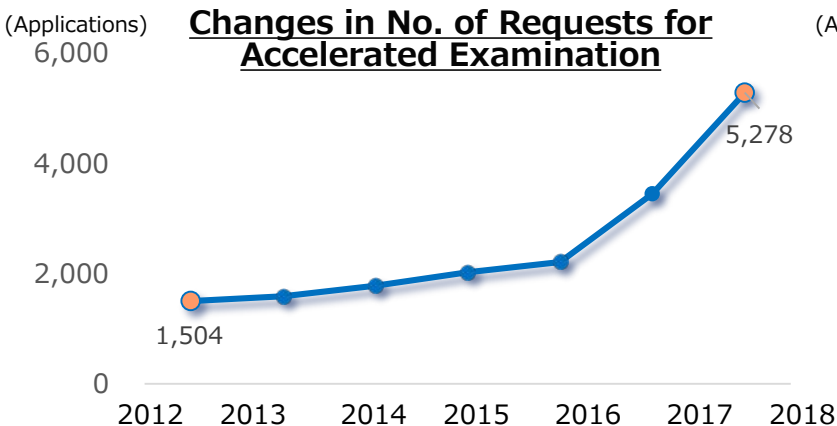
Filed trademarks are either already in use or prepared to be used to a considerable extent on all designated goods/services

Eligible Case 3 * Added in 2017

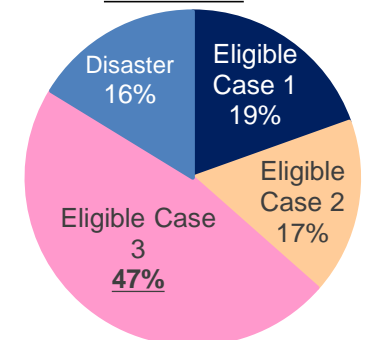
Filed trademarks are: either already in use or prepared to be used to a considerable extent on certain designated goods/services



For use on only goods/services listed in the Examination Guidelines for Similar Goods and Services, etc.



Percentage of Approved Cases by Type of Cases in 2018



Fee Reduction System for Startups

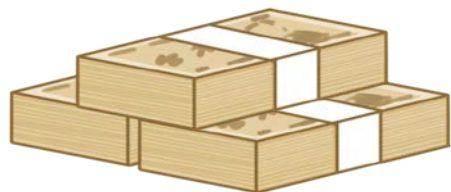
- **Fees** for startups **are reduced to one third (1/3)**.
- **From April 2019, there is NO need to submit any certificates.**

Examination Fee/
Patent Fee*

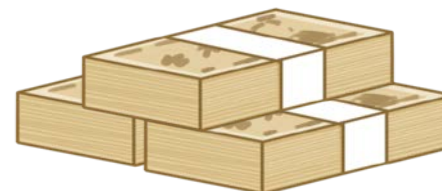
International Filing Fee

Regular
Fee

Around USD* 3,800



Around USD 1,900



Around USD 1,200



Around USD 660



* Patent fees to maintain rights for up to 10 years

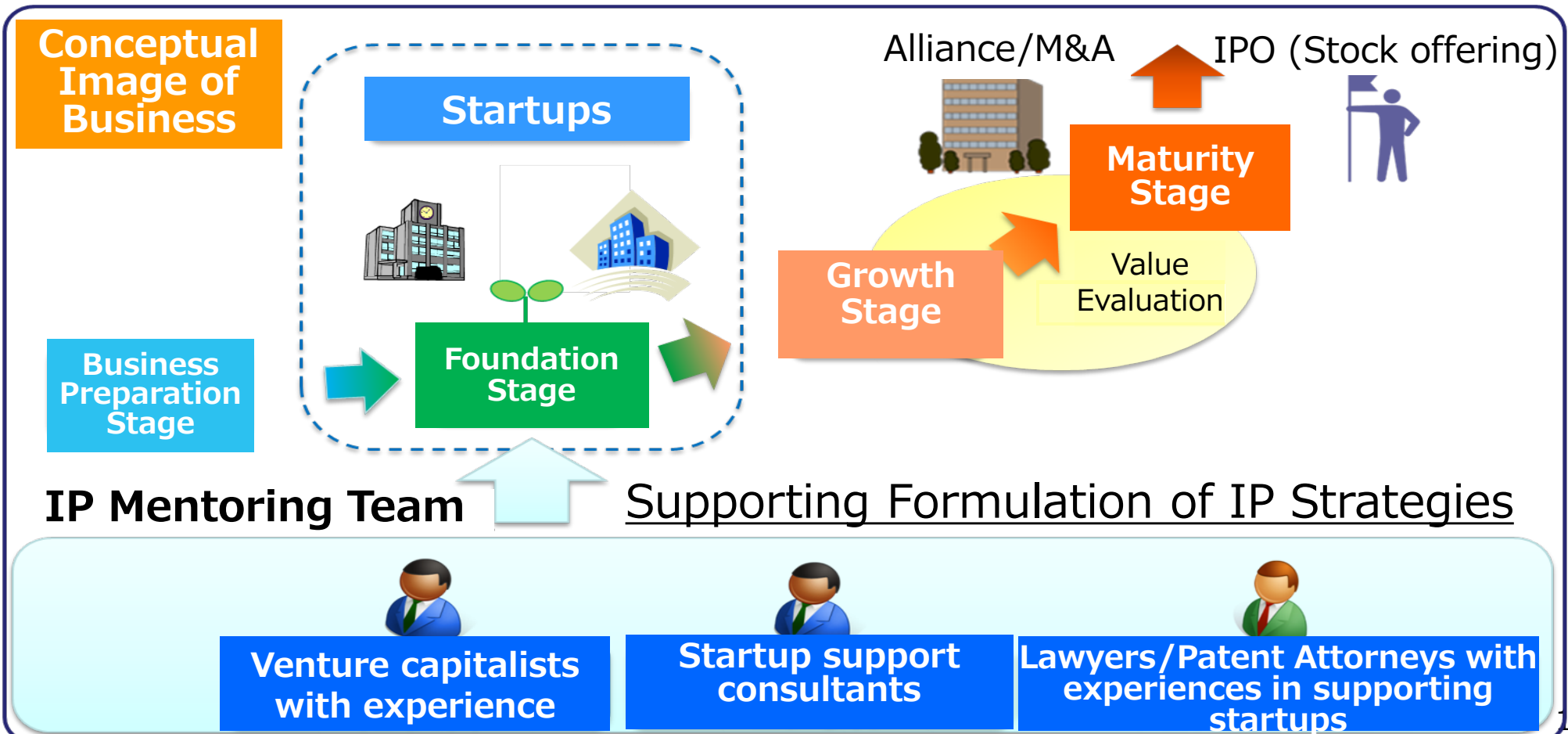
* The exchange rate used to convert JPY to U.S.\$: JPY106

Requirements for Startups (Companies have to meet one of the following requirements)

- ✓ Corporate entities that weren't established 10 or more years before and whose total amount of paid in capital is JPY300 million or less (Not under control of large companies).
- ✓ Self-employed business that has started doing business less than 10 years ago.
- ✓ Corporate entities or self-employed business with 20 or less employees (Less than 5 or less in commerce or service industry) (Not under control of large companies).

Supporting IP Strategies by Startups (IPAS)

- The JPO formed a mentoring team consisting of experts.
- The expert team is sent to startups to:
 - Support formulating IP strategies for effective exit strategies (M&A, IPO, etc.); and
 - Support acquiring IP rights based on the strategies.



Regional Collective Trademark System

- **Regional Collective Trademarks**
= **Names of Regions + Names of Goods (Services)**
- Introduced in 2006.
- To revitalize local economies by protecting regional brands.
- Number of registrations as of August 1, 2019: 665.

Major Registration Requirements

Entities entitled to register

- Business cooperatives
- Associations and chambers of commerce and industry
- Incorporated NPOs

Components of trademarks

Word trademarks
"Names of regions" +
"Names of goods/services"

Relation between Regions and Goods/Services

The names of regions in trademarks need to have a close relation with the goods (services), such as the fact that these regions are the places of origin of the goods or services.

Well-knownness

Trademarks, as a result of their being used by applicants, need to be well known as their trademarks

Agricultural Cooperative

"Yonezawa Beef"

Trademark Reg. No. 5029824



Business Cooperative

"Yokohama Chinatown"

Trademark Reg. No. 5069264



Chamber of Commerce and Industry

"Nakatsu Karaage"

Trademark Reg. No. 5817143



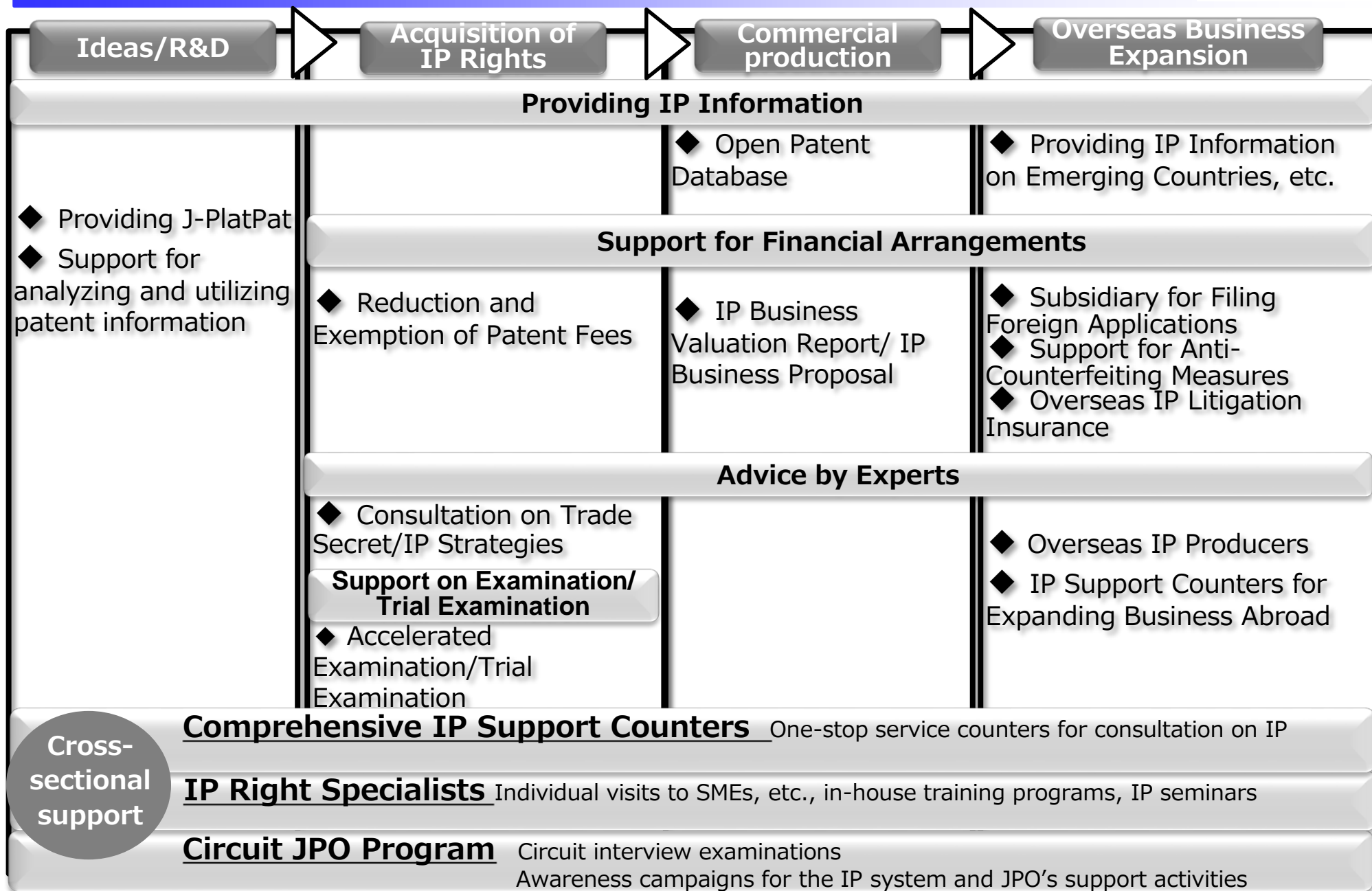
Specified Non-profit Corporation (NPO)

"Shodoshima Olive Oil"

Trademark Reg. No. 5800807



Bird's-Eye View of Support Initiatives for SMEs



Cross-sectional support

- Matters important for startups are:
 - Prompt grant of rights
 - Financial support
 - Support for IP management
 - Appropriate branding
- The JPO is working to revitalize the economy by supporting startups
- Going forward, we would like to further promote support activities for startups to stimulate our economy while sharing experiences with each other

Thank you!
Merci!

