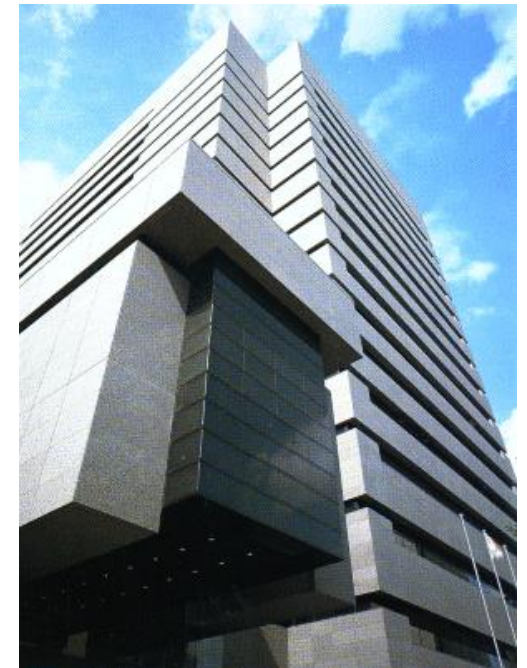


National IP Strategies for Innovation -Experiences of Japan-

Japan Patent Office

August 27, 2014



Outline

- JPO's Experiences for the Past Decade
- Changes in Environment Surrounding Intellectual Property
- Latest IP Strategies and JPO's efforts

■ The Government of Japan has made a concerted effort to realize an “intellectual property based nation” since the political address made by Prime Minister in 2002.

Policy Statement by Prime Minister KOIZUMI

February 2002

Strategic Council on Intellectual Property

March 2002

Intellectual Property Policy Outlines

July 2002

Basic Law of Intellectual Property

November 2002

Intellectual Property Strategy Headquarters

March 2003

Intellectual Property Strategic Program 2003

July 2003

Intellectual Property Strategic Program 2004

Intellectual Property Strategic Program 2005

■
■
■

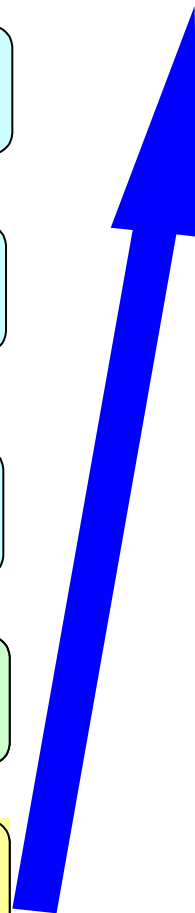
Intellectual Property Strategic Program 2011

Intellectual Property Strategic Program 2012

Basic Policy Concerning Intellectual
Property Policy June 2013

Intellectual Property Strategic Program 2013

Intellectual Property Strategic Program 2014



Points of IP Policy Outline

Challenges

- Growing concern over decline of industrial competitiveness
- Establishment of IP creation cycle

Basic Direction

1. Creation Strategy
2. Protection Strategy
3. Exploitation Strategy
4. Expansion of the Human Foundation

Realization of IP-based Nation

Realizing an IP-based Nation which increases additional value of products and services based on IP, and thereby vitalizes its economy and society

Points of IP Basic Law

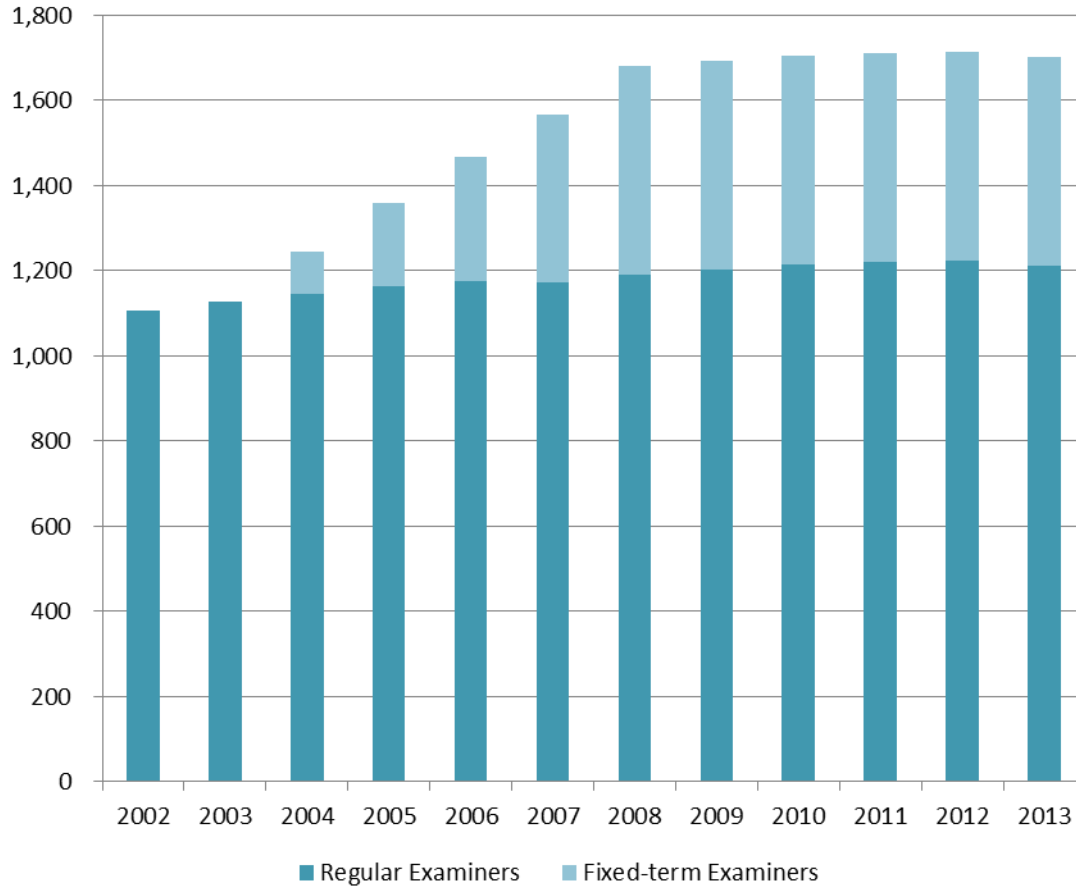
Contents

- **Setting of a National Goal: Activating IP Creation Cycle**
- **Establishment of IP Strategy Headquarters**
- **Formulation of IP Strategic Program**

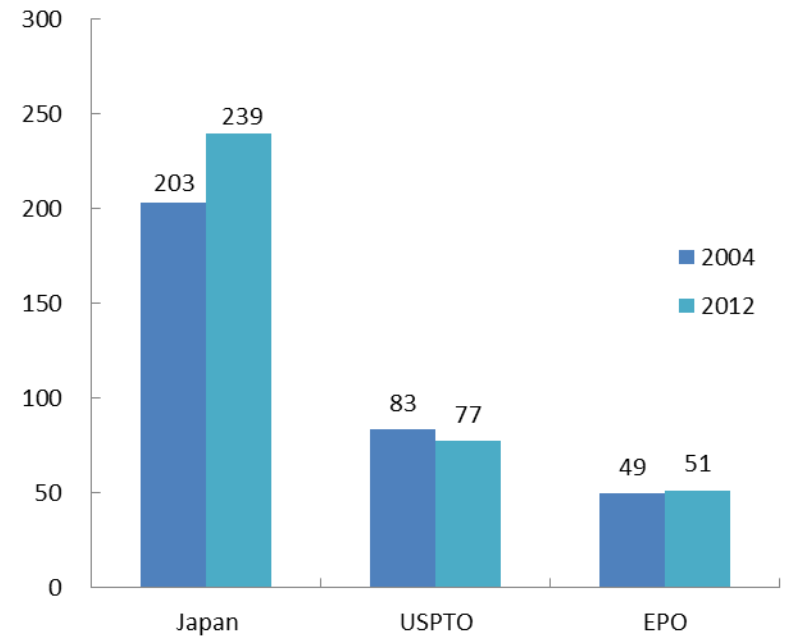
Action Plans

1. **Promoting the Creation of IP**
Strategic creation, acquisition and management of IP in companies
2. **Strengthening the Protection of IP**
Expeditious and timely examination/appeal procedures
Harmonization of IP systems and cooperation on the international level
3. **Promoting the Exploitation of IP**
Strategic utilization of IP in companies
4. **Solid Base of IP Experts**
Developing human resources of IP experts

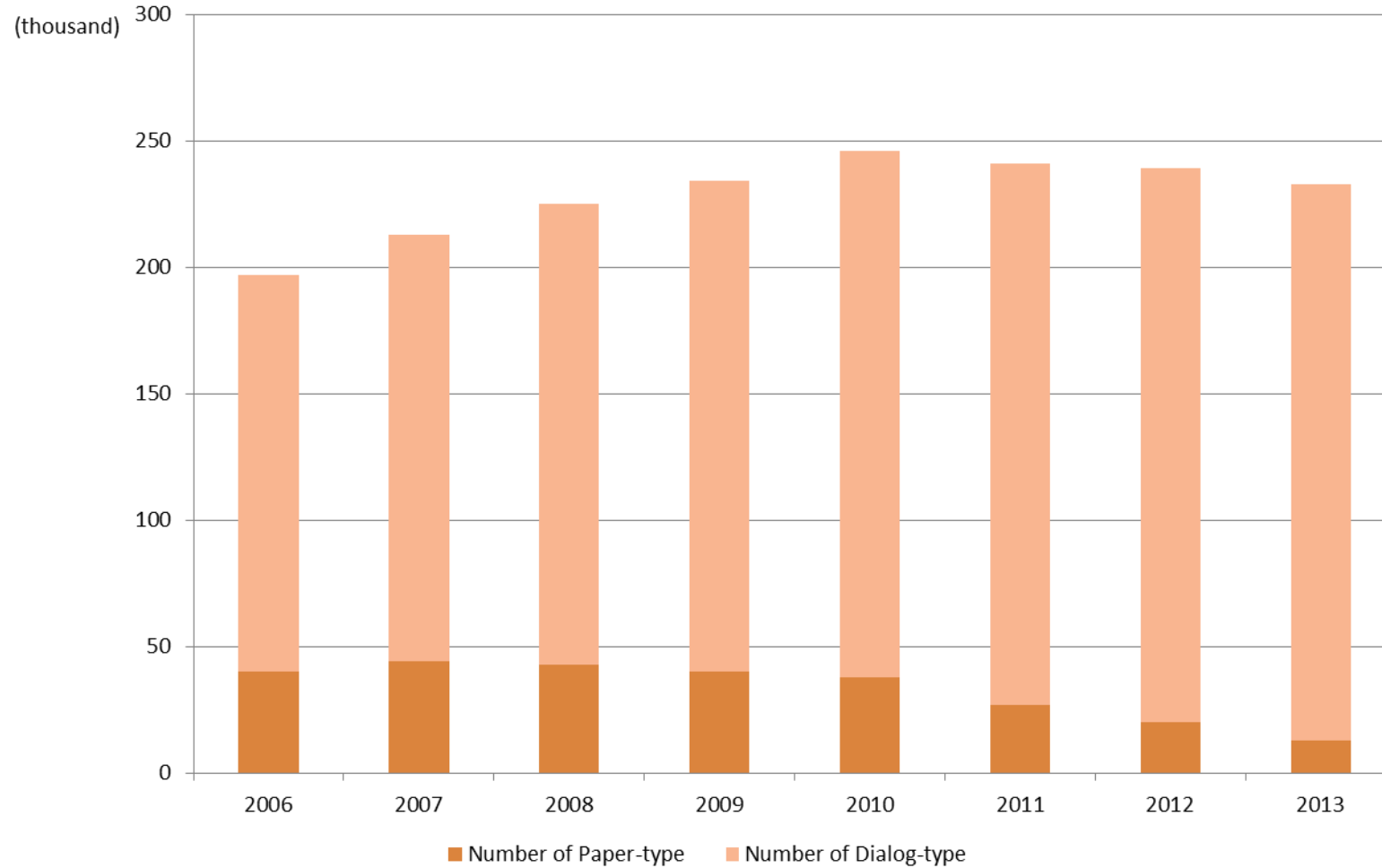
【Number of Patent Examiners】



【Number of Applications Examined per Examiner】



【Number of Outsourced Prior Searches】

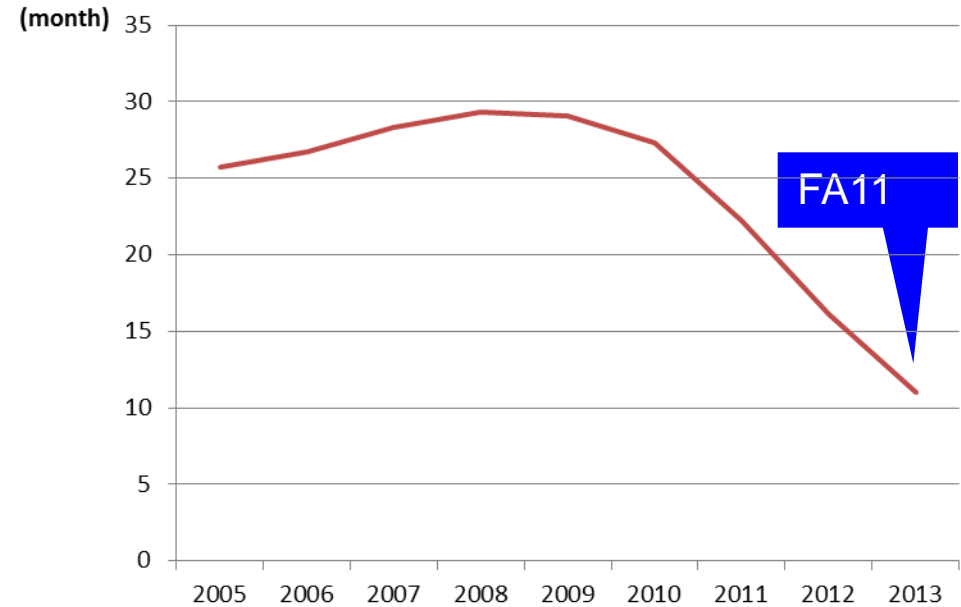
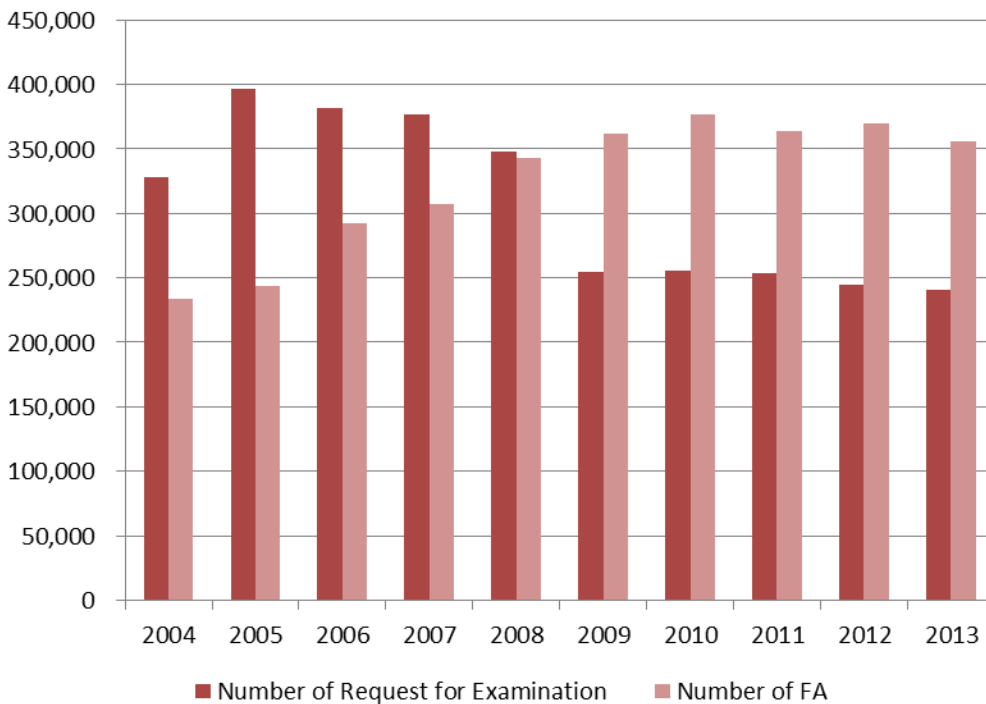


Target: First Action within less than 11 months by the end of March 2014

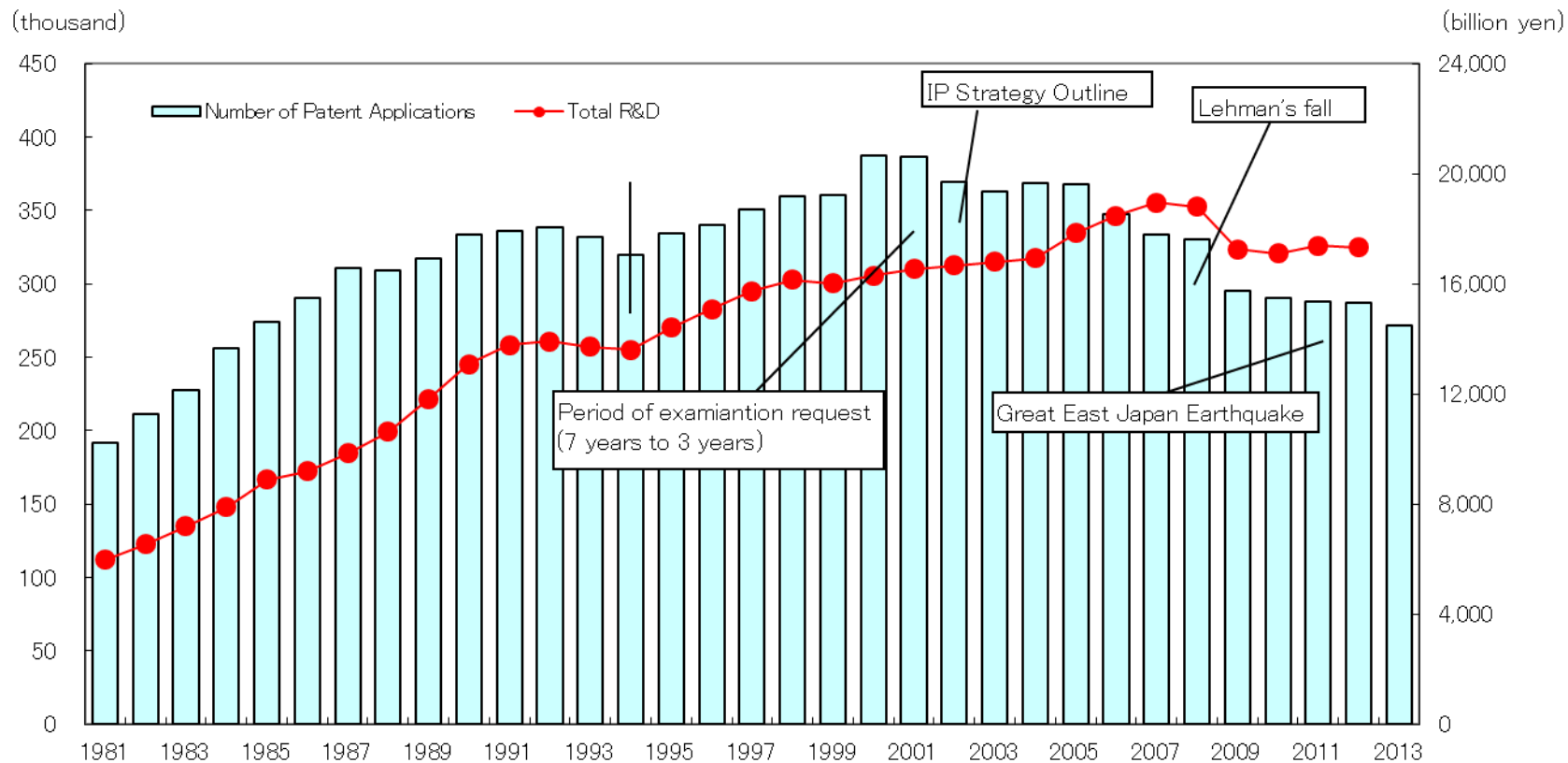
 **Achieved**

【Number of Requests for Examination and First Action】

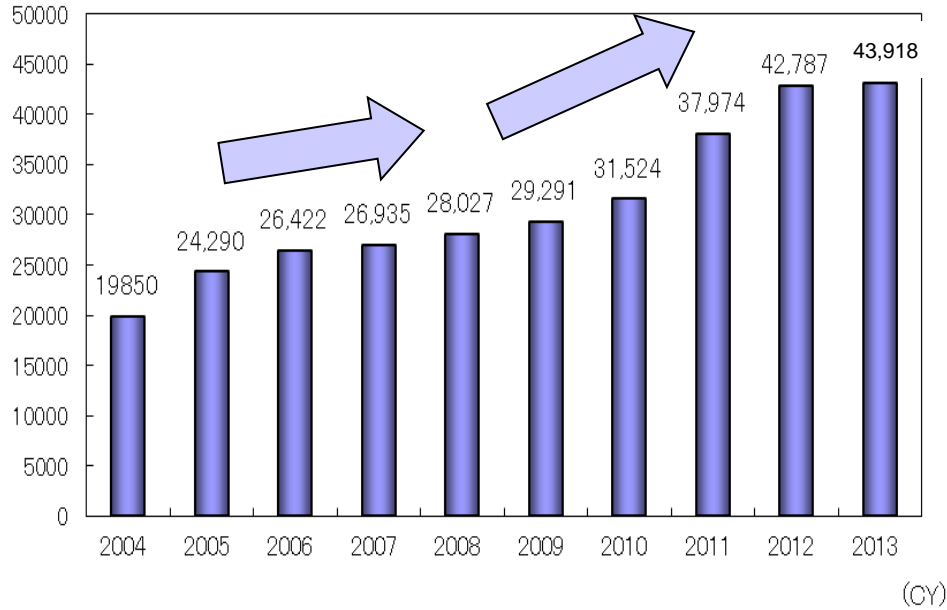
【First Action Pendency】



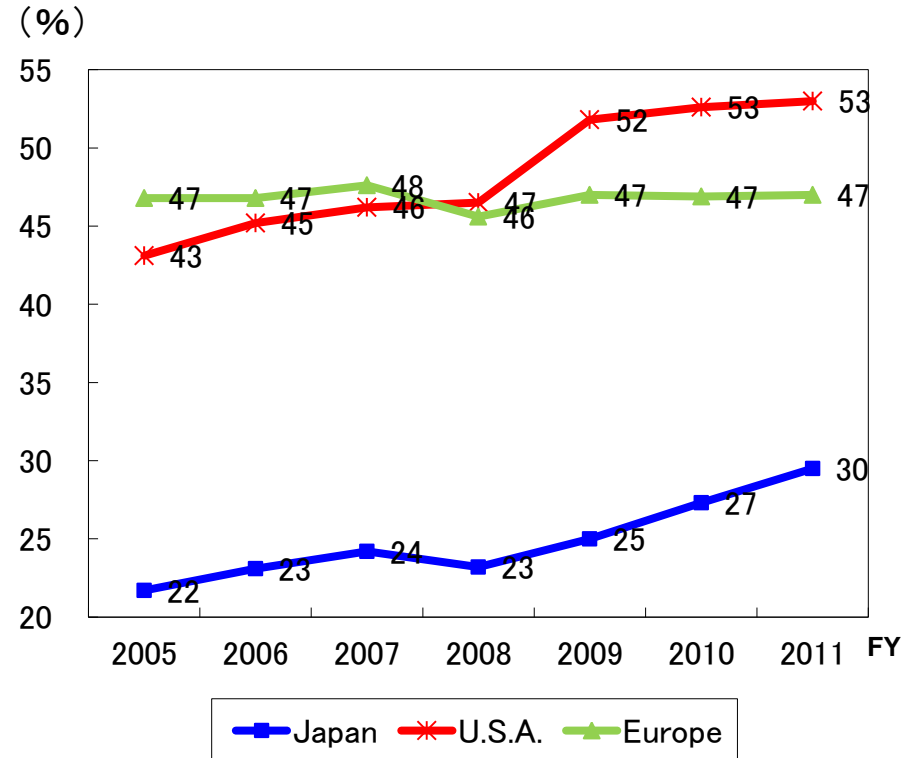
【Number of Patent Applications Filed by Japanese Applicants to JPO】



PCT Applications Filed in Japan



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



Financial Support in Domestic Filing

Fee Reduction/Exemption for Individual and SMEs

- Based on the Patent Act:
Exemption or 50% reduction, for individuals or companies determined by taking into account of their financial resources
 - Exemption/Reduction from annual patent fees
 - Exemption/Reduction from examination request fees
- Based on the Industrial Technology Enhancement Act & the Act on Enhancement of SMEs' Core Manufacturing Technology:
50% reduction for R&D-oriented SMEs
 - Reduction from annual patent fees
 - Reduction from examination request fees

Fee Reduction for Universities and TLOs

- Based on the TLO Act & the Law on Special Measures for Industrial Revitalization:
50% reduction, for authorized and approved TLOs
 - Reduction from annual patent fees
 - Reduction from examination request fees
- Based on the Industrial Technology Enhancement Act:
50% reduction, for universities and university researchers
 - Reduction from annual patent fees
 - Reduction from examination request fees

Financial Support in Filing Abroad

Subsidization for SMEs filing foreign applications

Ratio of subsidization: No higher than 50%

Amount of subsidization:

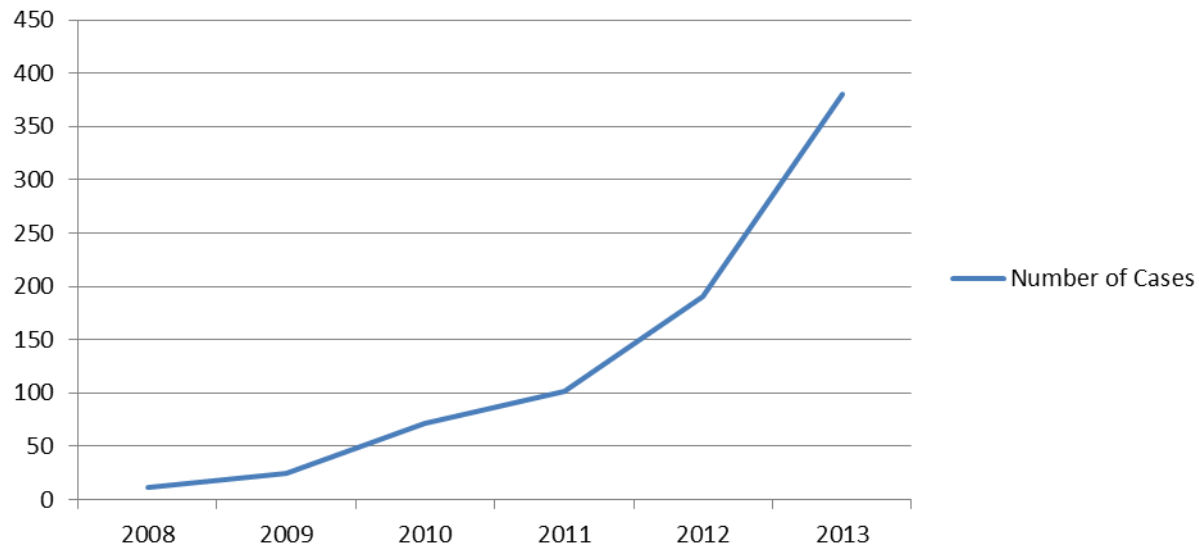
Limit per company: 3 million yen (for multiple cases)

Limit per case: 1.5 million yen for patents;

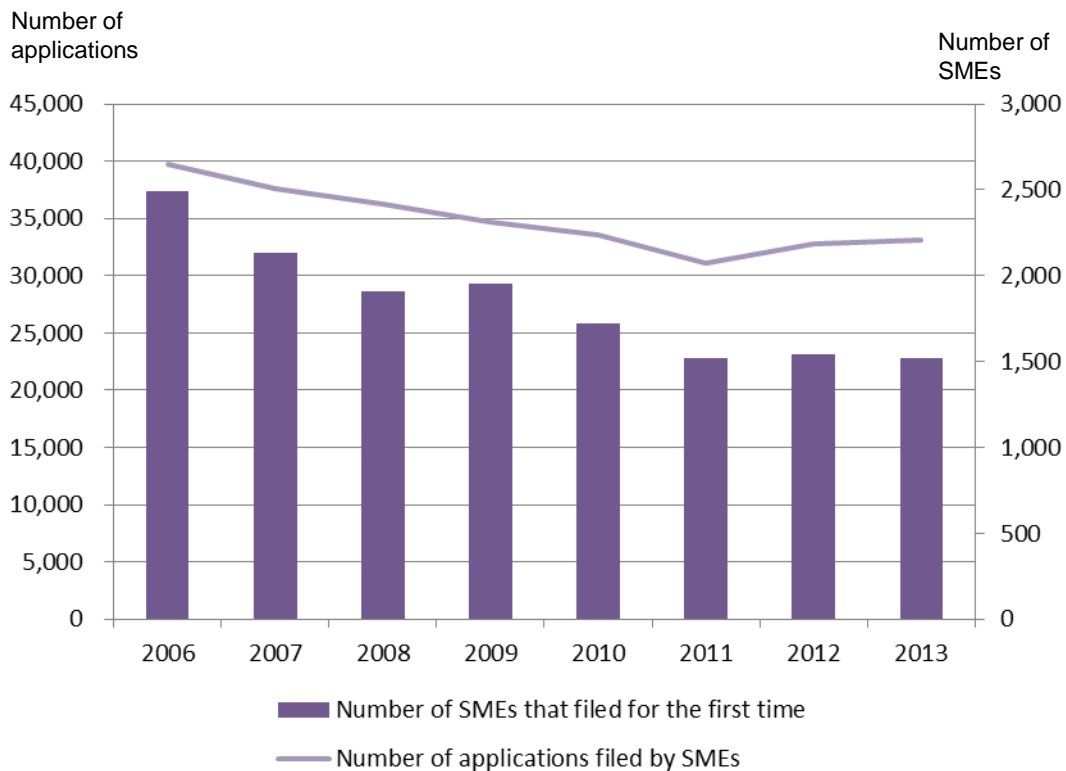
0.6 million yen for UM, designs and TM

Costs eligible for subsidization: filing fees, local agent fees, translation fees

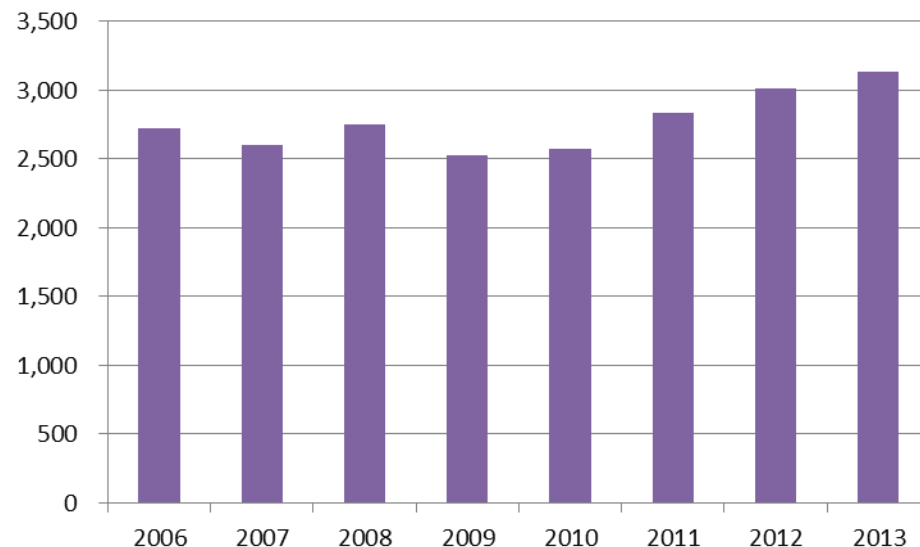
【Number of Granting Subsidies】



【Number of Domestic Applications Filed by SMEs】

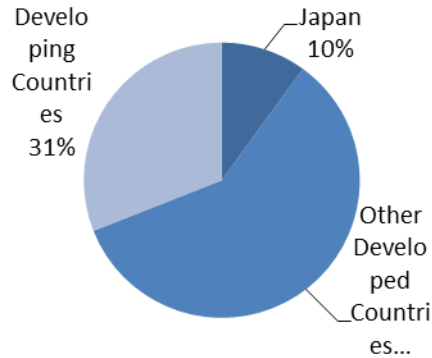


【Number of PCT Applications Filed by SMEs】

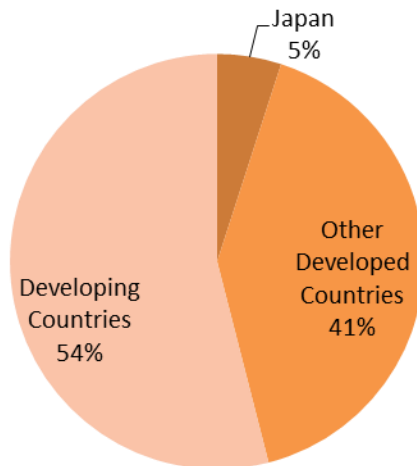
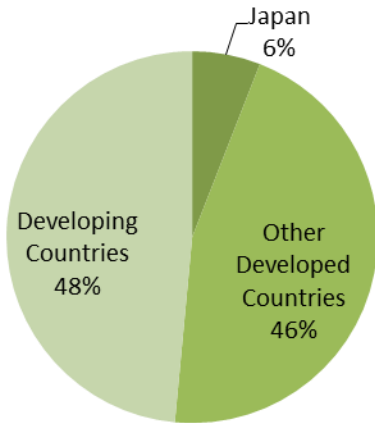


【Share of GDP】

1991
2.5 billion dollars

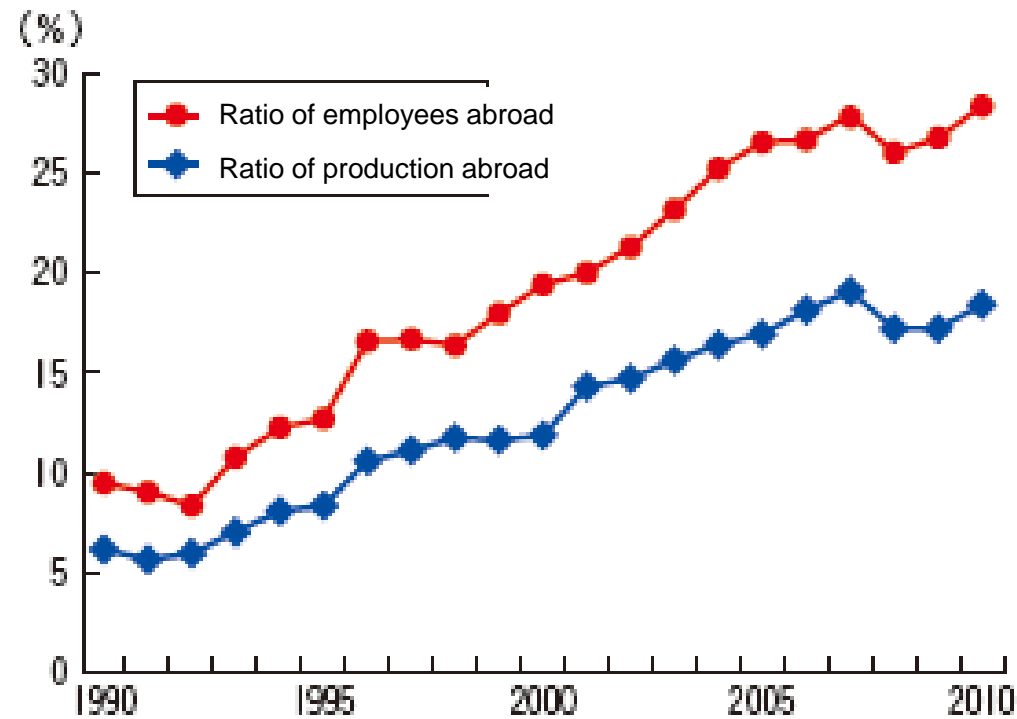


2011
7.9 billion dollars

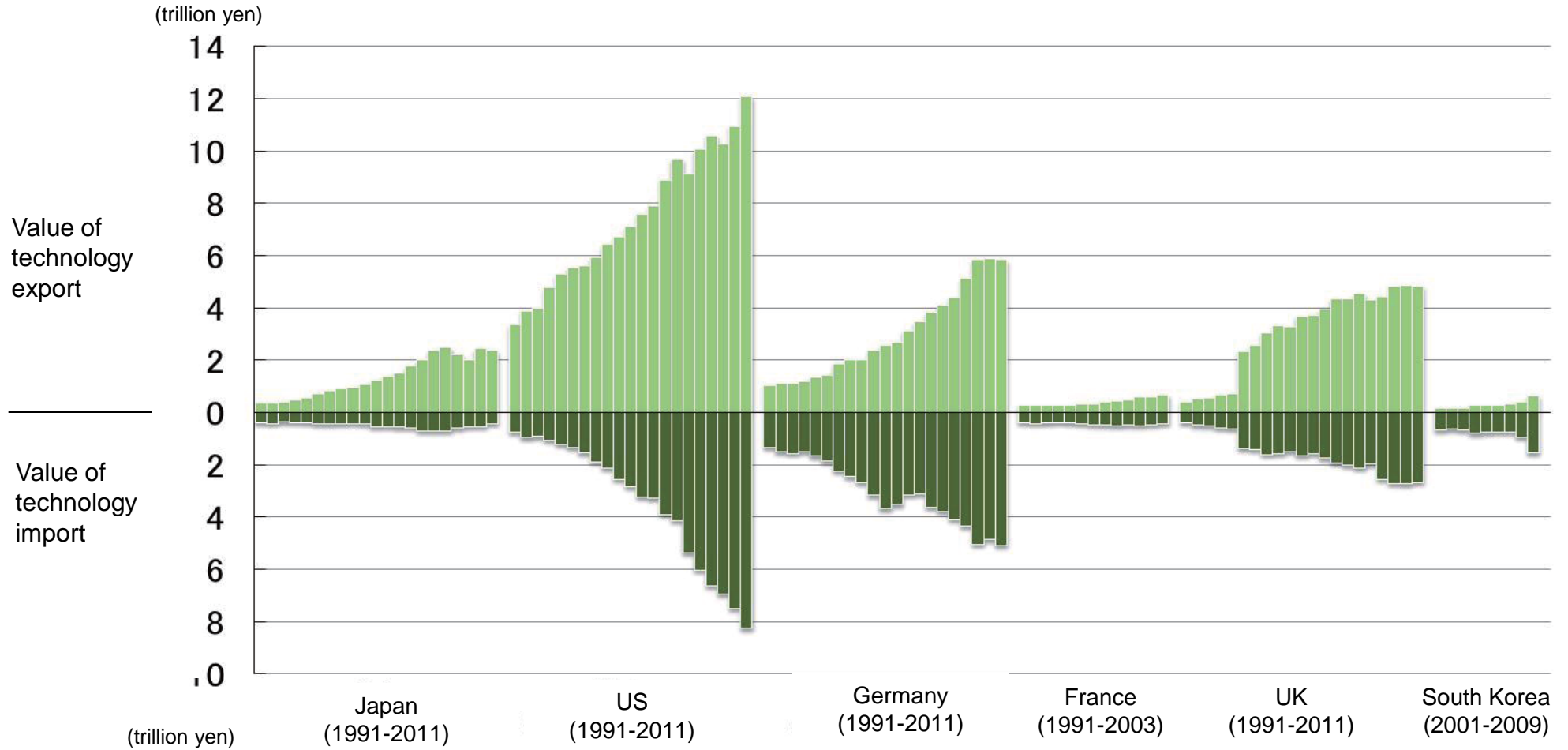


2018 (prediction)
11.6 billion dollars

【Ratio of JP Companies' Activities Abroad】

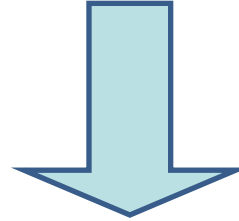


【Changes in the Value of Technology Trade in Selected Countries】



Closed IP Strategy

- Globalizing World Economy
- Rapid Changes in Market Needs



- Shortening of Product Life Cycle
- Further Sophistication and Complication of Technologies

IP Strategy for Open Innovation *How to utilize IP is a key.

【Basic framework of Open/Closed Strategy】

Specifying core areas



Closed

- ◆ Keep the own technical know-how confidential
- ◆ Monopoly of IP
 - Exclusive use
 - Violation of IPRs -> Injunction

Patent is needed

Open

- ◆ Allow others to use the own technologies
 - Standardization
 - De facto Standardization
 - Fixed fee license
 - Cross-license

Patent is needed.

- Necessary to strategically *utilize* IP in the global market.
- Accelerate the global innovation cycle by feeding back revenues generated by utilization of IP to Japan and reinvesting them into innovation activities.

The acceleration of innovation in Japan

Reinvestment into
research and development

(1) Establishment of IPR and accumulation of relevant knowhow

Focusing on business development, secure intellectual property rights and materialize their protection through the accumulation of knowhow.

(2) Utilization of IP through licensing

Strategic licensing activities will enable a swift international development in new industries and may generate license revenues.

(3) Aggressive enforcement against infringing goods

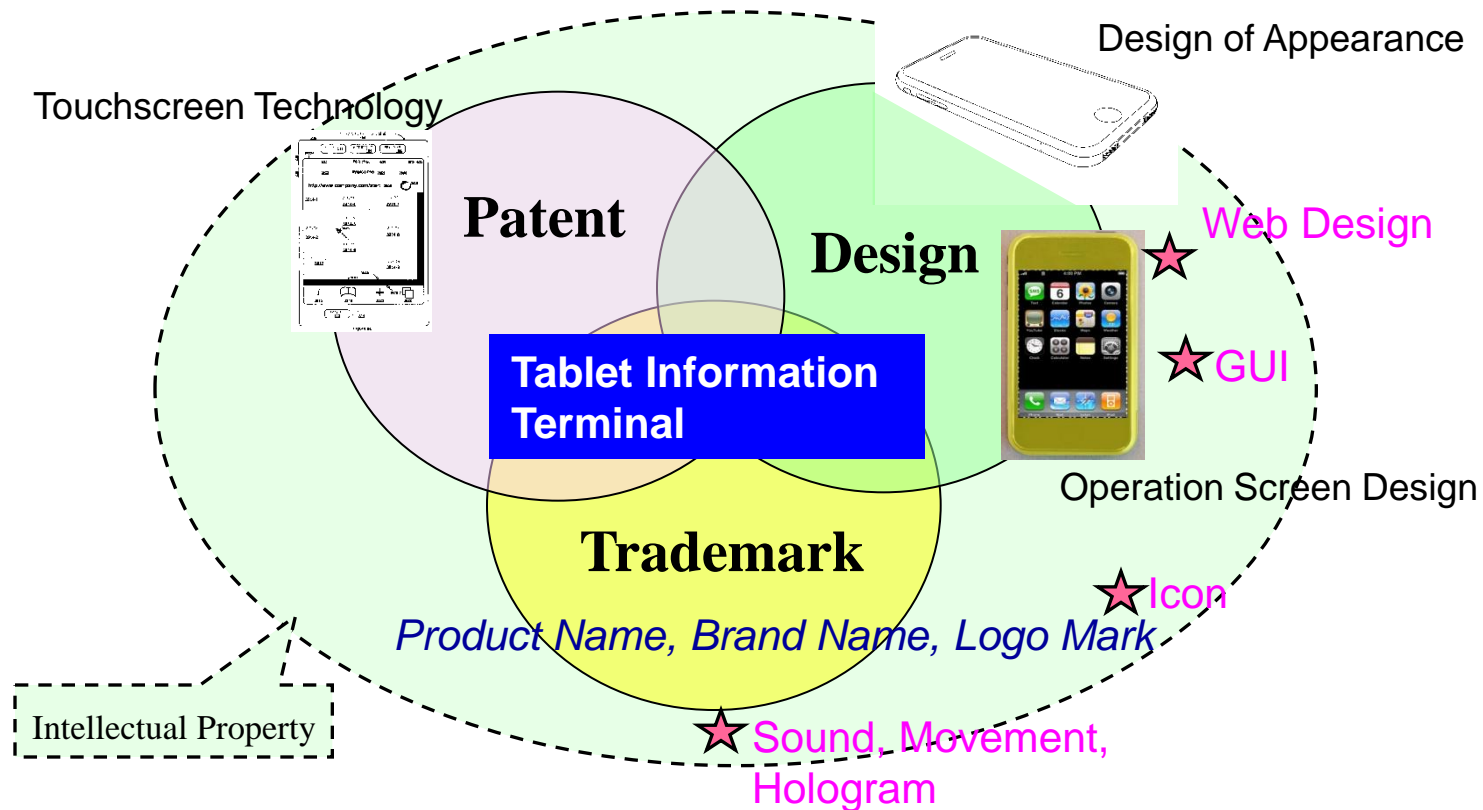
Conduct necessary enforcement against infringing goods to prevent a decrease in market share of regular goods or to gain reasonable license revenue.

Strategic
utilization of IP

Global development of
business

Increase of
technology trade
surplus

Multiple Protection of Tablet by IPRs



Abenomics & the Three-Arrow Policies:

Arrow 1: Expansive monetary policy; Arrow 2: Flexible fiscal policy; Arrow 3: New growth strategy → **Japan Revitalization Strategy** (Cabinet Decision, June 14, 2013)

“By improving/enhancing examination systems such as using fixed-term examiners, the government will strive to make the period of waiting for examination be **11 months** by the end of this fiscal year and make the subsequent time necessary for grant of rights be **36 months or shorter** by the end of FY2015. The government will start **collective examination**, which is a system to examine various technologies, etc. as a whole, from this fiscal year. “

“The government will improve dispatching of human resources to **emerging countries in Asia** and acceptance of trainee and also expand scope of application of **Patent Prosecution Highways** (the system for early examination of patent application that is patented in other countries). Furthermore, the government will finalize a draft concerning the review of the industrial design protection system corresponding to **the Hague Agreement** within this fiscal year, and subsequently submit the relevant bills to the Diet in a swift manner, in order to make protection of product design, etc. easier on the international scale. The government will establish a system to provide the private sector **Chinese patent documents** translated into Japanese within six months after Japan Patent Office receives the data by the end of FY2015.”

Abenomics & the Three Arrow Policies:

Arrow 1: Expansive monetary policy; Arrow 2: Flexible fiscal policy; Arrow 3: New growth strategy → **Japan Revitalization Strategy** (Cabinet Decision, June 14, 2013)

“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 government will support the global intellectual property strategies of **small and medium-sized enterprises** (exemption from or reduction of cost concerning patent application, etc.).”

Basic Policy Concerning Intellectual Property Policy (2013)

Measures based on Four Pillars

Building up a global intellectual system for enhancing industrial competitiveness

- It is necessary to make Japan's intellectual property system attractive to companies in Japan and overseas so as to make it a highly unifying force internationally that can attract users and innovation investment.
- The Government of Japan will implement measures necessary to improve and enhance the examination system at the Japan Patent Office, which is the foundation of Japan's intellectual property system.
- With regard to enhancing the functions of industry-academia-government collaboration, the Government of Japan will advance efforts including joint research involving universities and the like and SMEs and venture companies, and technology transfers of knowledge from universities and like to SMEs and venture companies.

Supporting enhancing intellectual property management by SMEs and venture companies

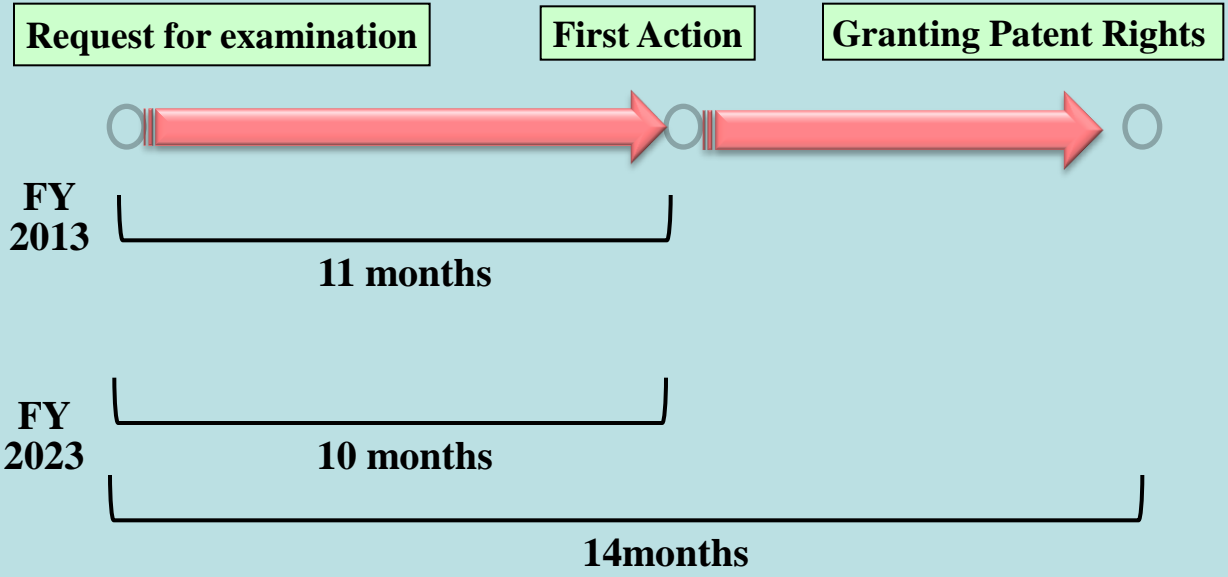
- The free reduction system will be reviewed to become more user-friendly for SMEs and venture companies, and to contribute to facilitating innovation.
- In order to deal with various management issues of SMEs and venture companies in a detailed and comprehensive manner, the Government of Japan will enhance the function of consultation services at the comprehensive IP support portal so that it can deal with issues related to global expansion, copyrights, and preventing unfair competition.

Improving the environment for adjusting to the digital network society

Strengthening soft power focusing on the content industry

New Target: Total Pendency down to less than 14 months by the end of FY2023.

【Comparison between previous goal and new target】



【Period from Request to Granting in Major IPOs in 2012】

USPTO	31.7M
JPO	29.6M
EPO	36.2M

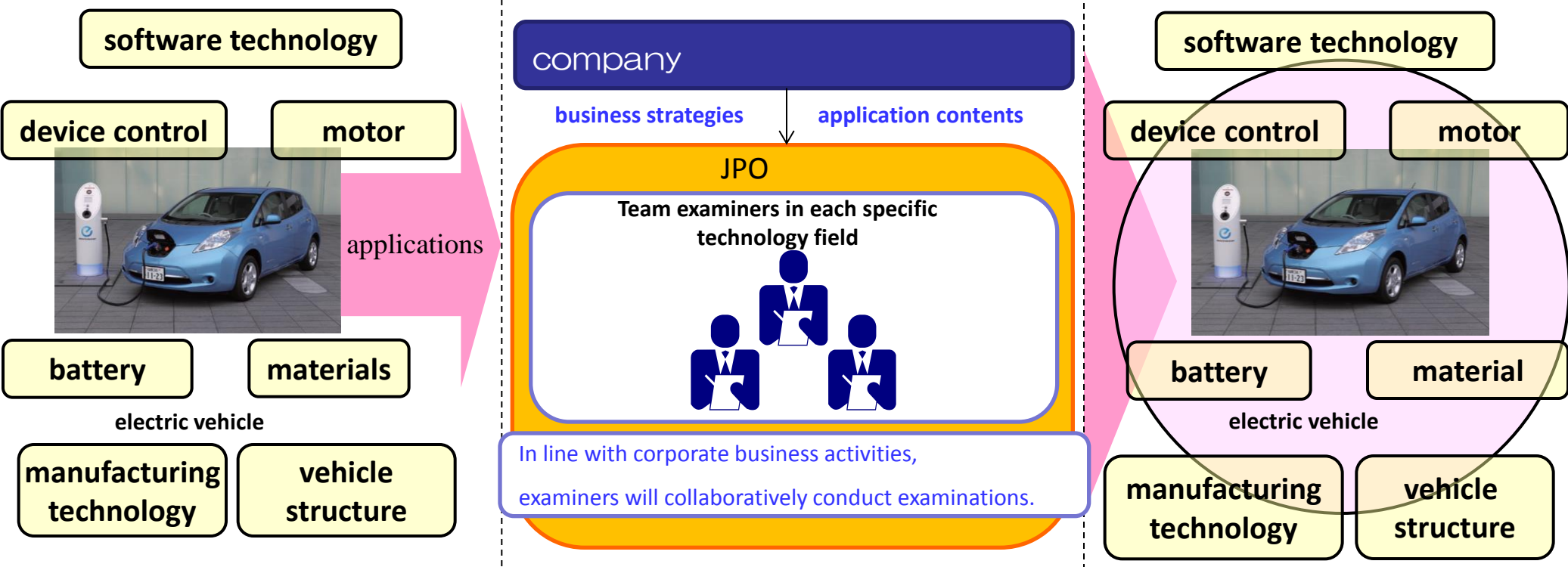
Collective examination of IP portfolio

- can cover a group of applications in a wide range of technological fields by a team of examiners.
- can create practical IP portfolio including patents, designs, and trademarks.
- can confer IP rights in time to launch new businesses.

Entire project

Collective Examination

IP networks to be used for effectively expanding global business activities
(building an IP portfolio)



- **High Speed:**

Reduced pendency at the office of second filing (OSF)

→ Expeditious examination

- **High Quality:**

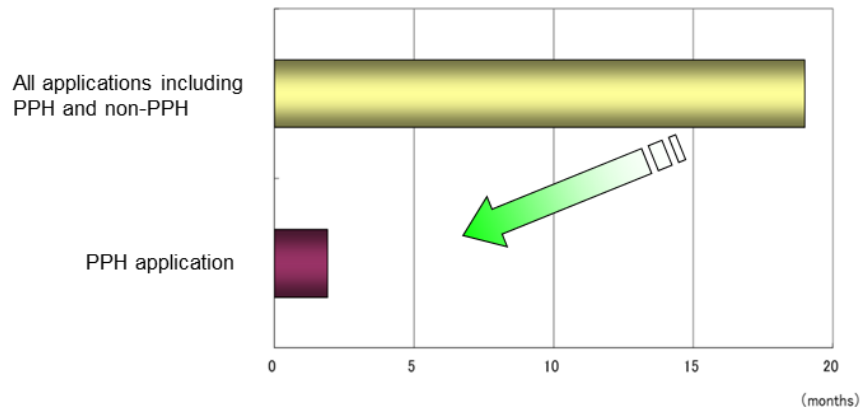
High grant rate at the OSF

→ High predictability of examination results at the OSF

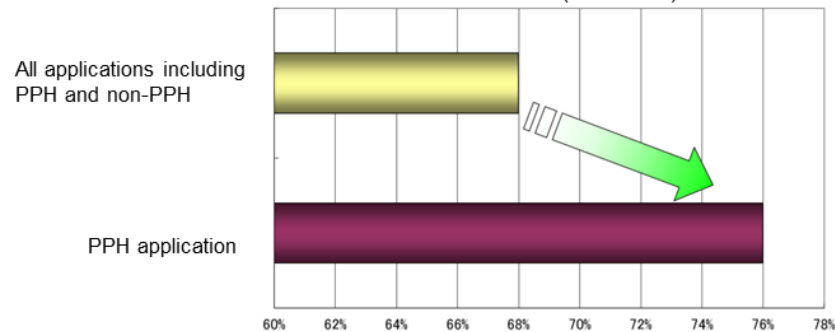
- **Cost Saving:**

Reduction in Number of Office Actions

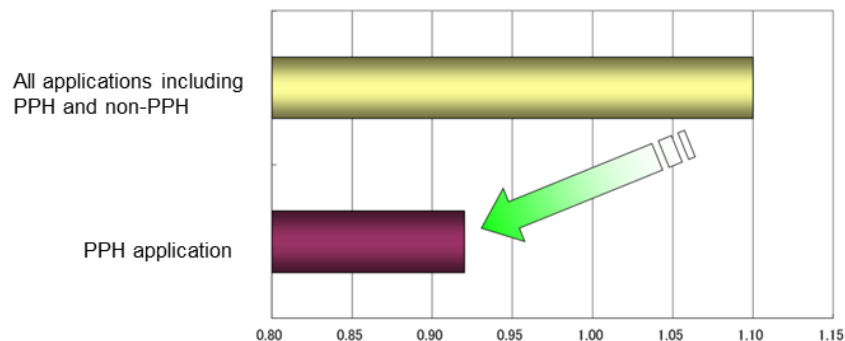
Average pendency from PPH request to FA (2012LHY)



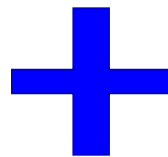
Grant Rate (2012LHY)



Average Number of Office Actions (2012LHY)

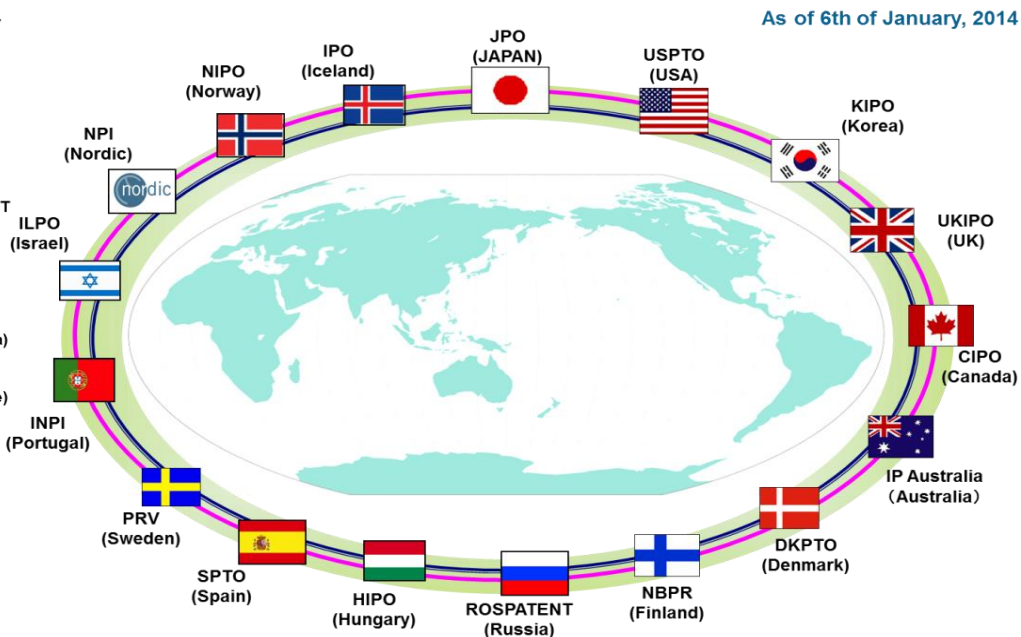
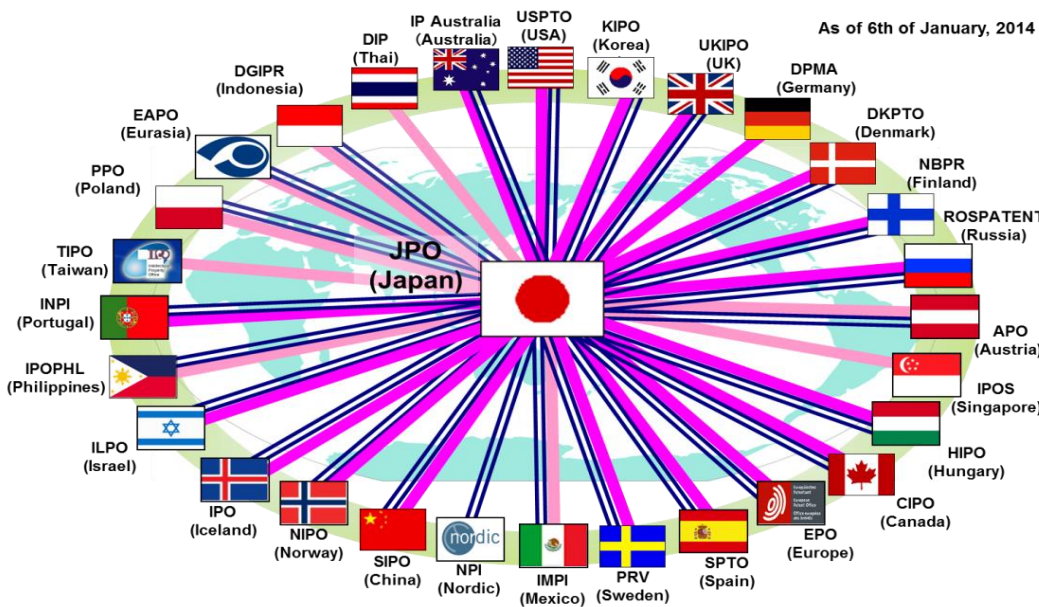


Bilateral PPH Network

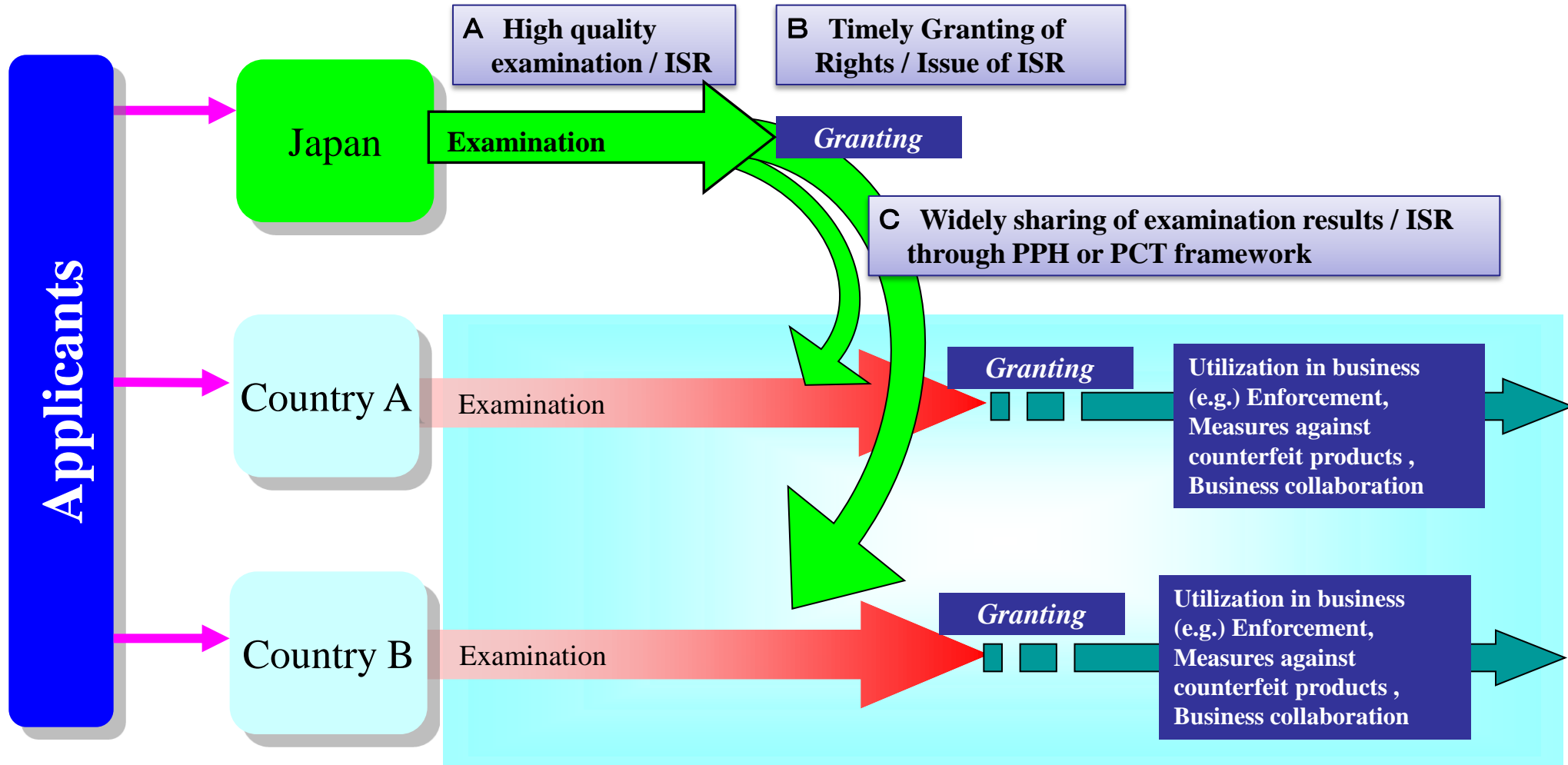


Global PPH

(From January 6, 2014)



Utilization by Foreign IPOs of Examination Results of JPO



Challenges emerging countries are facing regarding IP administration

- Delay in examination
- Examination quality

JPO's examination results help emerging countries without enough examination capacity conduct timely and appropriate patent examination

Targets

1. Small-sized business proprietors (less than 20 employees (less than 5 employees in the case of commerce or service industry))
2. Sole proprietors whose business has not completed 10 years since its start-up
3. Small-sized corporation (less than 20 employees (less than 5 employees in the case of commerce or service industry))
4. Corporations whose capital is less than 300 million yen which have not completed 10 years since its start-up.

Content of Reduction Measures

Domestic Filing

- National examination fees >> One-third
- Annual patent fees (for the first to the tenth year) >> One-third

International Filing

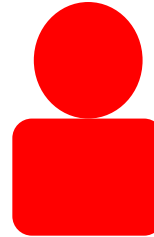
- Search fee and Dispatch fee >> One-third
- Preliminary examination fee >> One-third

SMEs



- We want to properly protect R&D results.
- We need to learn about support measures for IP.
- We want to deal with counterfeits overseas as our products are counterfeited.
- We want to learn about local brand protection.
- We want to effectively acquire a patent based on our business model.

IP Comprehensive Support Counter

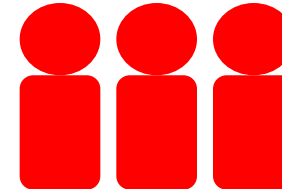


Role as the IP department of SME

Support is provided in cooperation with IP experts and cooperating organizations to consultations which require more expertise

IP experts

- ◎Lawyers
- ◎Patent attorneys
- ◎SME management consultants
- ◎Company's retired employees



Cooperating Organizations

- ◎SME support organizations
- ◎Universities, Research institutes
- ◎Overseas operation support organizations

Consultation



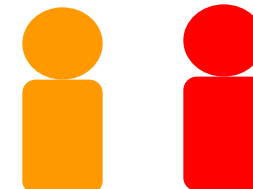
The staff of the Support Counter solves the problem at the counter

Support



- Recognizing the importance of IP through explanations on systems.
- Giving advice on whether it is better to acquire a right or to manage know-how.
- Introducing support measures for IP.
- Outline of overseas IP systems
- Explaining the Regional Collective Trademark System
- Providing support by an external expert team.

Support by direct visit



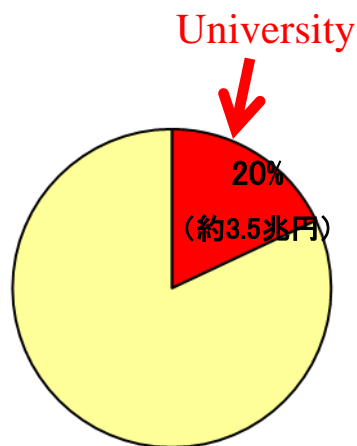
- ◎Lawyers
- ◎Patent attorneys
- ◎SME management consultants
- ◎Company's retired employees

【Research Funding】

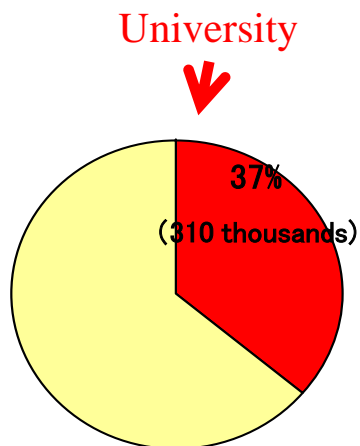
【Number of Researchers】

【Share of Total number of Papers】

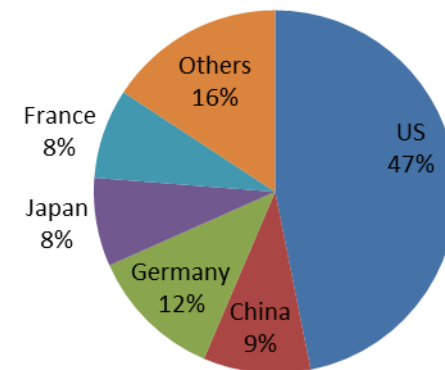
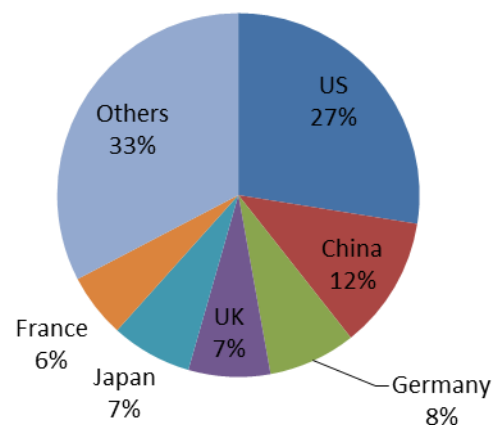
【Share of Total Number of Citations】



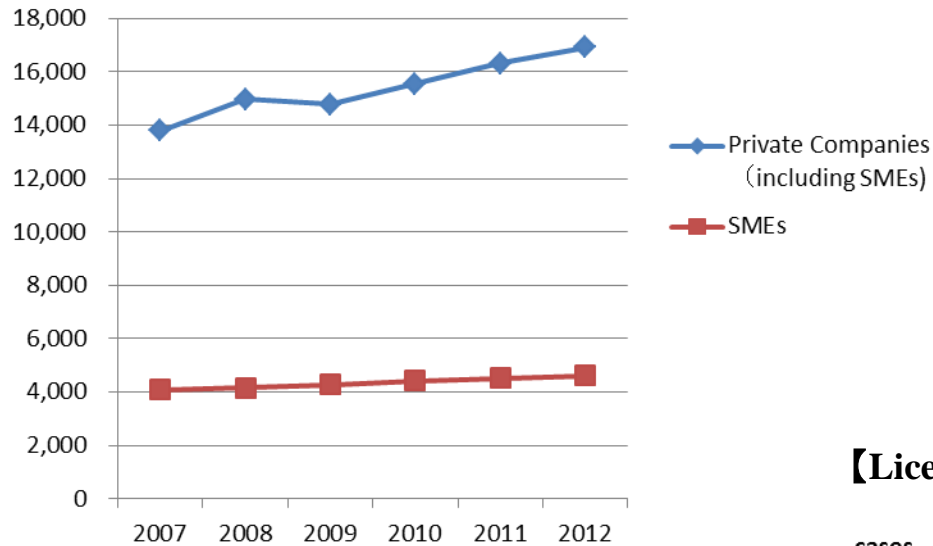
Whole R&D
Funding of Japan
1.73billion yen



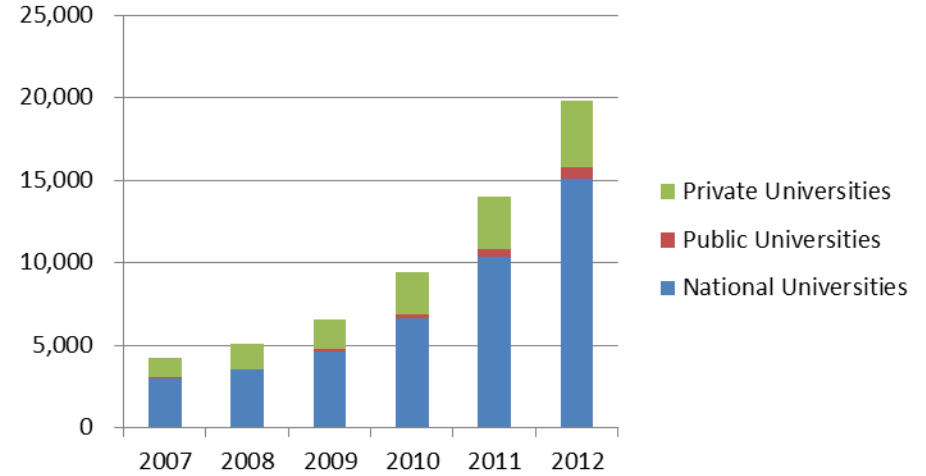
Whole Researcher
of Japan
840 thousands
people



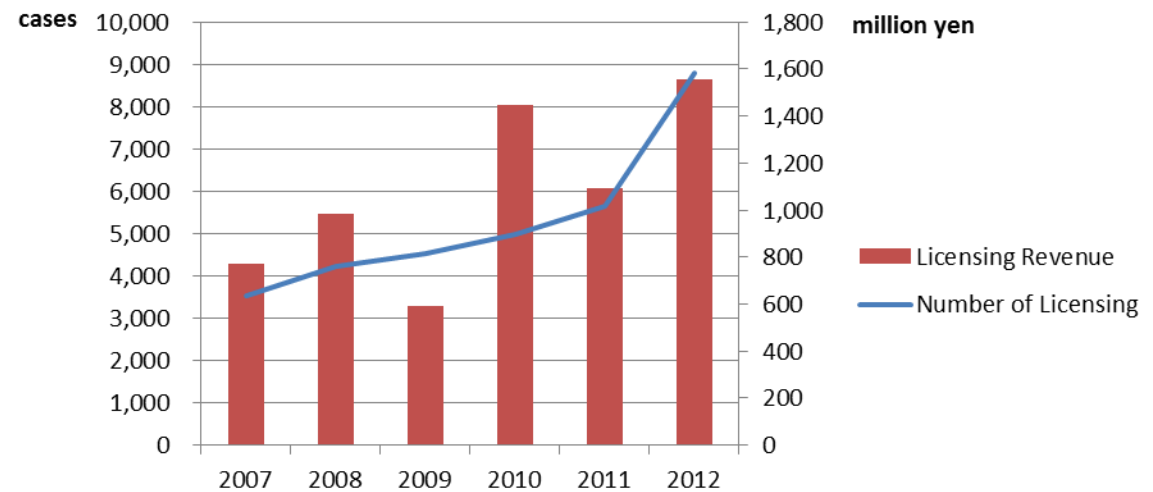
【Number of Joint Research between Universities and Private Companies】

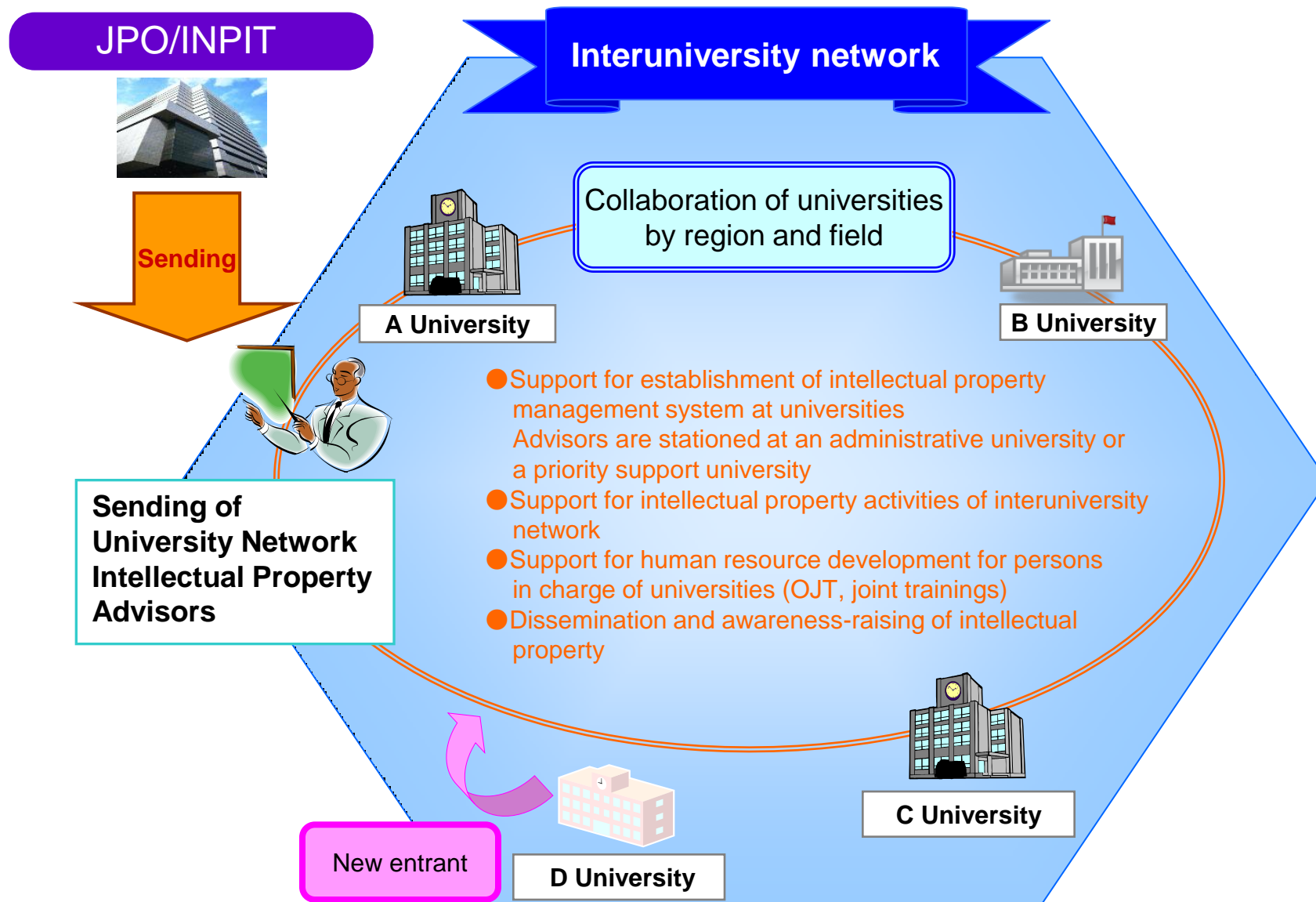


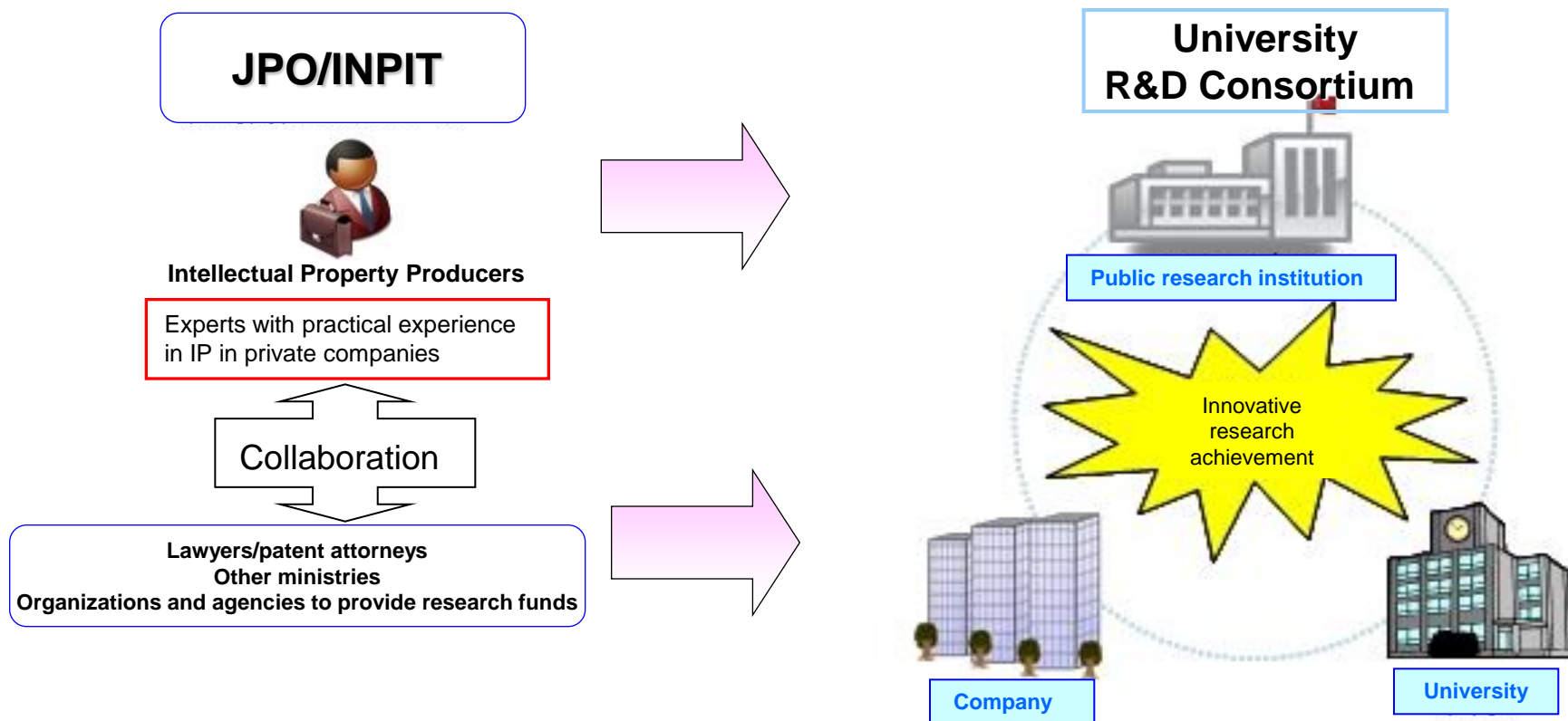
【Number of IPRs belong to Universities】



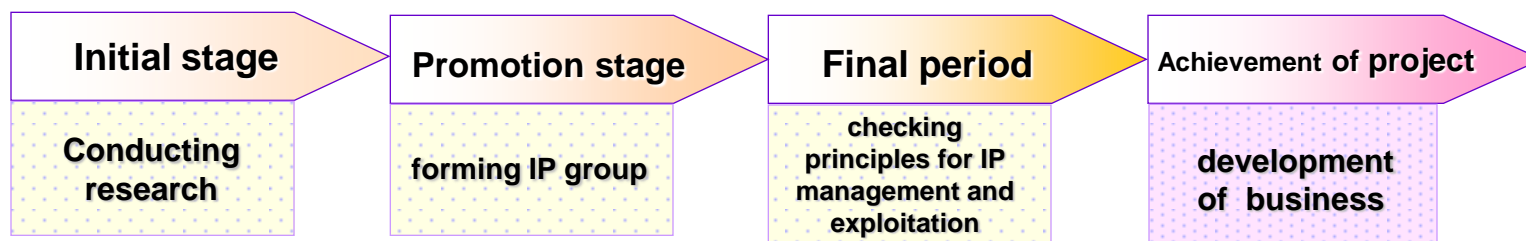
【Licensing of IPRs from Universities】







○ Outline of Intellectual Property Producer Project



- The JPO launched Patent Licensing Promotion Projects in 1997, which were taken over by the National Center for Industrial Property Information and Training (INPIT).
- The INPIT ended the projects as of the end of March 2011 as the project led to a certain level of outcome in improving the environment to vitalize the patent licensing market.

**Patent Providing Companies,
University, Research Institution**



Grasping open patented technologies

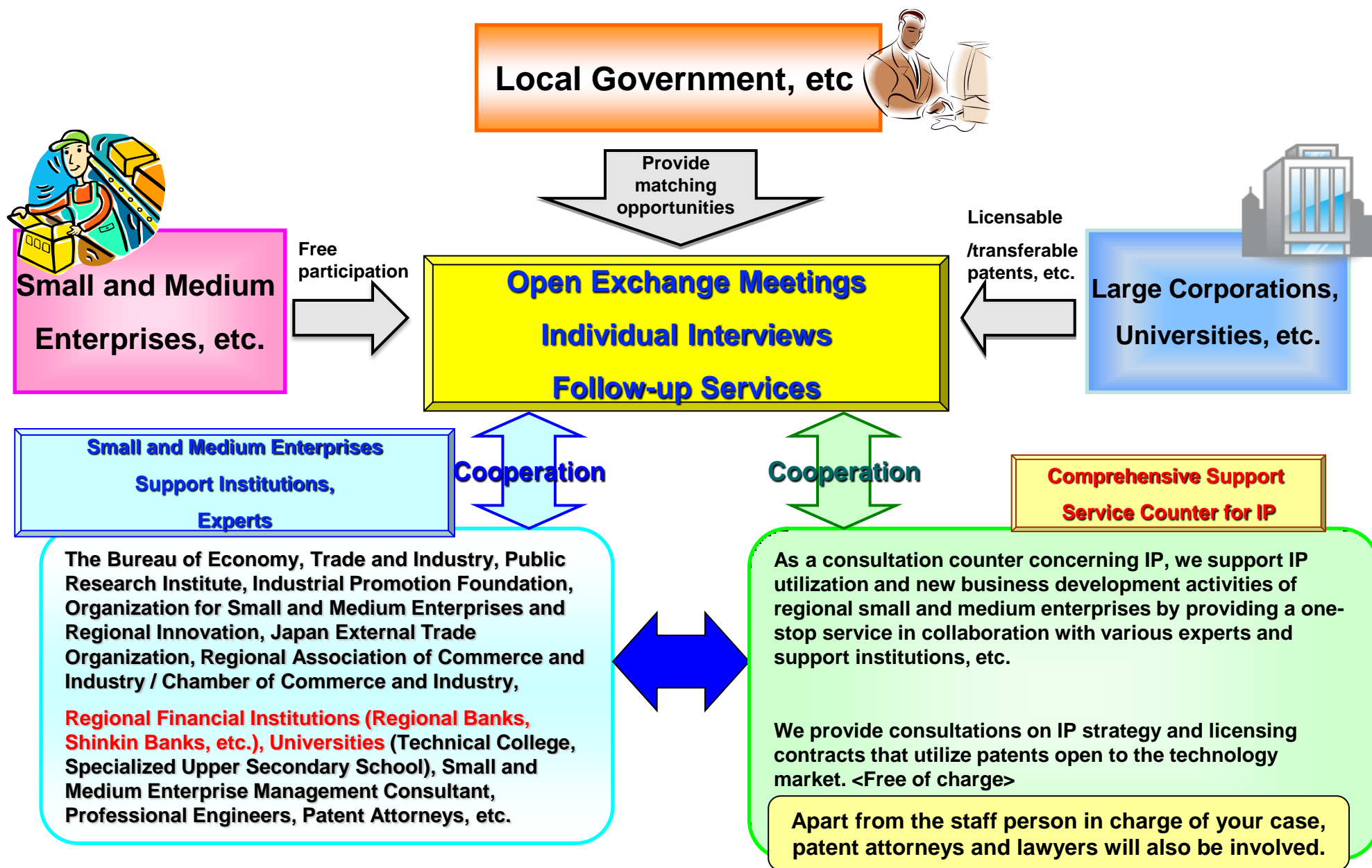
Understanding the needs of introducing technologies

Matching transferable technologies and needs

Patent Introducing Companies

【Number of Contracts through Patent Licensing Advisors' Promotion】

Kinds of contracts	Number
License agreement	4,750
Patent assignment agreement	813
Confidentiality agreement	4,021
Option agreement	1,207
Joint R&D agreement	1,176
Technical guidance agreement	824
Supply agreement for partial product	101
Others	1,807
Total	14,699



1. Revision of the Patent Law

- Establishing a quick and simplified post-grant review system
- Streamlining administrative procedures in accordance with the Patent Law Treaty

2. Revision of the Design Law

- Acceding to the Geneva Act of the Hague Agreement
- Reconsidering protection scope of GUI (Graphic User Interface) designs

3. Revision of the Trademark Law

- Introducing a broader definition of trademarks eligible for protection:
 - Protection of new types of trademarks such as colors and sounds
- Widening the availability of regional collective trademarks

4. Revision of the Patent Attorney Law

- Redefining the missions of patent attorneys
- Building up consulting capacities to effectively assist SMEs

Initiative by Government

Timely and high quality
Examination

Establishment of
Global IP Infrastructure

Support for SMEs of IP
Management

Improvement of IP Infrastructure

Initiative by Industry

Acquisition of IPRs

IP Exploitation (Licensing)

Enforcement against Counterfeit
Products

Acceleration of Innovation Cycle

Thank you for your kind attention!



JPO Homepage
<http://www.jpo.go.jp/index.htm>