

IV Administration – Support IP-related Policies

The purpose of intellectual property administration is to contribute to the development of economy and civilization by way of promoting inventions and arts. Existing systems and services available based on the systems should be improved so as to make them user-friendly, quick, and form a global model.

[Problems]

- 1) Administrative officials should strongly recognize the fact that delays in administrative procedures would heavily and adversely affect the economy and society of Japan.*
- 2) Importance of intellectual property administration does not mean strengthening the power of the government. It must provide citizens with satisfactory services to attract the trust of citizens as the user of the services.*
- 3) One of the important role of administration is to establish an environment in which emerging IP-related business is conducted freely.*
- 4) In global economic society, it is essential to cooperate with developing countries in promoting education and protection of intellectual property. The international harmonization of intellectual property systems is essential. The government should pay more attention to a growing need of protecting national interest. For that purpose, it is important to take an initiative in harmonization efforts and seek human resources widely and publicly.*

[Proposals]

51. User Friendly Prosecution

The Examiner has so far made effort to discover reasons for rejecting patent grant. Consequently, even in a successful case, patent grant was late, and patent claims turned out to be weak and narrow.

In examining a patent application, the Examiner should give a priority to information obtained from technical explanation by an applicant/inventor who knows the invention best. The Examiner should actively seek the chance of interview, through which the applicant will be able to obtain an advice for earliest grant and to know the need of amendments.

52. Be Kind to Individuals and Ventures

In the near future, users of Patent Office services will gradually shift from major companies to individuals, venture companies and universities. A visitor can take a look of a patent specification on a PC but he/she has to wait for a couple of days until he/she obtains a hard

copy of the specification which was read on the computer. Unless a visitor pays for a pay-online service, he/she has to revisit the JPO to pick up the requested copy. These inefficiencies and inconveniences should be improved as soon as possible. Future policies should be based on a concept of user satisfaction.

The web site of the Patent Office needs improvement. Among others, retrieval speed should be upgraded. Services should be available for lay users and lay users of different expertise.

53. Support Patent Strategy of Small/Medium Companies

Through the university-industry collaboration, small and medium companies should be provided with patent strategies. For example, a wonderful invention may be conceived and reduced to practice by a small firm. It would be tested in a university with a large scale research facilities. This would allow a resultant patent application to be drafted with broader claims. With collaboration among small firms, university and TLO, license fees would be allocated to the members. With the condition of such allocation, TLO may give an advice on patent application procedures or TLO may pick up fees for patent applications, local and overseas. This arrangement would significantly reduce financial burden on small firms.

54. Improve Service at JPO's Electronic Library

Patent requires an invention to have an inventive step. For efficiency, patent searches are needed before filing. Desirably, searches before research and development may likely help avoid duplicative researches and innovate prior applications by others. Duplicative applications would be eliminated and basis for infringement analysis would be formed.

In order to enable this, network should be established nationwide. Patent information should be available less expensively, quickly and easily. Now, the service of the Electronic Library (IPDL) is available through the web site of the Japanese Patent Office. However, the downloading is slow and is hard to connect with printers. Requested is a quicker system which can be attained relatively inexpensively.

55. Allow National Grant to Cover Patent Fees

In the past, a number of research activities were conducted without filing patent applications to cover the fruit of the research. It is because research grant does not cover the fees for filing and request for examination. There should be a system for financial aid by the government, under which the applicant can request financial supports for filing, request for examination and patent grant. Such system will enhance the motivation of researchers for patent.

56. Get Examination Started Promptly

Good inventions should be rewarded as patent promptly and allowed a smooth commercialization. Unfortunately, however, patent examination in Japan is most time-consuming among the industrialized nations. When a Japanese company file a patent application in and outside Japan, patent grant is available first in US and Europe, then in Japan. Examination should take place promptly after a patent application is filed, and results of the examination should be available as soon as possible. Quick examination is desirable in view of corporate patent strategy and prevention of duplicated research and development.

There are criticisms that quick examination spoils the quality of examination. Of course, administrative services have to cover both speed-up and quality. Speeding up examination and maintenance of quality are not alternative choice. They can be co-existing. Good example is patent litigation for which courts have introduced a trial-scheduling system. The courts have succeeded in achieving these two goals: speed and quality.

Another criticism says that further speed-up is unavailable unless resources at the Patent Office are increased. It has to be emphasized that the Patent Office has a number of capable examiners and a valuable experience that it has built up the electronic application system. If necessary, drastic structural reform should be sought in order to achieve the goal that a patent application should be placed for substantive examination promptly after the application is filed.

An applicant is responsible for sufficient prior art searches. With the list of prior art, an application is required to be filed. The Patent Office should make the result open to complete the examination. With such system, prior art will be centralized and such centralization would stimulate further research and development.

With these in mind, we propose as follows.

1) Abolish the System for Requesting Examination

The system for requesting examination should be abolished, in which the applicant is required to request examination within 3 years from the filing date. All applications as filed should be subject to examination.

2) In Statistic, Use Actual Examination Period

Currently, a parameter to measure the period of examination is the time period between the request for examination and the first action which shows the start of examination. This is due to the system of Request for Examination. However, it is suggested to use the period between the filing date and the date of final decision on patentability.

3) Get the Applications Open As Soon As Possible.

Laying open to public inspection (OPI) should be made much earlier than the current one, say, within 6-12 months. Research and development has been speeded up and the current period for OPI of 18 months does not match with its. The OPI period is subject to arguments before an international forum so that this issue should be considered as one of the rules for the world patent.

4) Give a Reward for a Voluntary Prior Art Submitter

When examiner fails in finding appropriate prior art against a patent application, it is often likely that underlining technologies were already disclosed. It may be a good way to seek a public comment on prior art. If someone provides strong prior art which is eligible as a basis for rejection, he/she would be in a position to obtain a reward.

57. Set One Year as a Standard Period for Examination and Appeal

Stipulate by law the examination period and the appeal period as being one year. Also a period for appeal against rejection and for nullification appeal should be one year. Shortening these periods to one year would be beneficial in many aspects. For example, the applicant will be required to complete its patent specification with full details and prohibited to take delaying tactics of prosecution. The period for royalty income will be extended. Merits would also be on other parties who are interested in a pending application. Quick examination will be an incentive for submission of information on prior art and actual business plan. It will be another goal for the Patent Office to achieve quick and articulate examination.

Patent examination and appeal procedures are not subject to the Administrative Proceeding Law, under which the principle of an administrative decision is 3 months or earlier. In recent years, other statutory laws tend to specify the period of disposition.

58. Sweep Stacked Workload Away

Mass filings in the 20 century remain as the huge volume of stacked files waiting for processing. They have to be swept away. The Patent Office should launch the plan to sweep away the stacked files by 2005, and intensively carry it out. The government should support the plan with increased resources if necessary. With consent of the applicants, this can be done.

Another key factor is the collaboration between the applicant, his attorney, a third party and the Patent Office. Human resources should be outsourced to make a match with the workload. Also, work sharing should be introduced between applicants and examiners.

With the arrangement of search tools and search facilities, the applicant should be responsible for disclosure of prior art and defect-free description of specification. This will reduce the burden of examiner significantly.

59. Provide Assistant to Examiner

Economic value of patent has increased significantly. This requires examination of high quality. Technical assistants should be hired for a specific period as searchers of prior art. Examiners should be reinforced. Candidates for additional examiners are post doctorate holders, researchers at research laboratories, and retired examiners. Experience as examiner would be a valuable opportunity for researchers to learn about intellectual property.

60. Make It Compulsory To Disclose Prior Art

In order to understand an invention correctly, knowledge on prior art is essential. An inventor is in the best position to know relevant prior art. He/she should be required to disclose prior art in his/her patent specification. Such disclosure will help examiner determine the scope of claims. It will also enhance the value as technical information. Japanese applicants do not cite scientific papers as prior art references. When compared with US applicants, it is only one fifth. Japanese applicants are less active than applicants in Germany, France and UK.

Penalty should be sought for breach of disclosure requirement.

61. Rationalize Statutory Procedures for Patent

1) Utilize IT Technologies

Access to Patent Records should be allowed via Internet any time, any place. Work on applicant data handled by each patent office has been duplicative. International work sharing should be sought. For example, one country may be assigned a preparation of electronic bibliographical database. Other countries may be assigned examination and registration, respectively. Information on each assignment should be shared by each country via Internet.

Prior art information may well be sought from public via Internet.

2) Review the Relationship between Opposition and Nullity Appeal

Opposition proceedings and a nullity appeal lead a patent to nullification. Opposition is available within 6 months from the patent grant and nullity appeal is available anytime thereafter. They are duplicative in nature, thus causing a need for review.

3) Amend Provisions for Inventorship

When an invention is falsely granted to a non-inventor, the current law has no provision for remedy. Rather, it forces the patent at issue to be nullified.

4) Introduce an Estoppel Doctrine

It is suggested that the doctrine of estoppel should be applied to data in the specification and prior art disclosure, like in U.S.

5) Introduce Remedy for Deferred Proceedings

Delayed payment of annuity causes a patent to be cancelled. It does not matter whether the patent itself is defective. There should be some remedial system with the payment of, for example, penalties.

62. Shift from “Fixed Letters & Still Drawings” to “Multimedia-Convertible”

A patent specification is a tool to describe an invention. It would be more understandable than conventional fixed and still information that explanation is made with 3-dimensional pictures and mobile and sound presentation. Multimedia-convertible patent specification would allow better and quick understanding of technology.

63. Utilize Strategic Disclosure of Inventions

In actuality, request for examination is not filed for every patent application. Many applications remain unexamined if no request is made. This approach is defensive because the applicants try to bar other companies from obtaining similar patents by way of disclosure of invention. This is one of the reasons for the flood of applications. Since 1978, the Patent Office has published new invention in disclosure gazettes. Inventions disclosed in the gazettes are technical information in public domain and they constituted a bar against other parties from obtaining a similar patent. However, it was difficult to obtain a copy of the gazette since the gazette is not included in the database accessible through the search system within the Patent Office. The Patent Office should make it available through the electronic library.

For the same reason, technical bulletin of commercial companies should be open to public inspection, provided that copyright issue is cleared. Information in the bulletin should be translated into major languages, and should allow access by users in the world.

Once information services of this kind is available, the patent offices and academic associations of each country will be major users. This would protect Japanese technology and avoid future dispute, thereby to contribute to protection of national interest. Desirable situation is that access fees fully compensate fees for costs for information processing.

64. Improve JPO's Search System

In several aspects, commercial databases and search systems in EPO are superior to the current search system in the Japanese Patent Office. For examination of high quality, a refined search system is essential. Improvement of JPO's search system should be sought by way of, for example, extending linkages to non-patent literature, foreign technical literature, disclosure gazettes and other search systems.

65. Improve Systems for Early Examination and Early Request for Examination

The systems for early examination and early request for examination aim at supporting creative R&D, early utilization of R&D results and global economic activities. They are in compliance with the need for obtaining patent right in the earlier time. However, they have not been well utilized. In 2000, for example, the number of early examination request was only 2200 applications with a slight increase. It accounts for 0.8% of the total number of examination requests. Individual applicants, university, venture companies and small/medial companies are not familiar with the system.

Cost problems have to be resolved. For preparation of documentation for early examination request, it would cost around US\$1000. It is too burdensome for individual applicants. One may attempt to prepare necessary documentation by himself. Although documentation format is available from the Patent Office website, information is insufficient. Consultation on the timing of examination is sought for large companies, which are not necessarily fair treatment.

66. Keep Statistics on Technology Trade

Collection and analysis of IP-related data and statistics will be inevitable to constitute future industrial strategies. Such data and statistics, for example, include balance of technology trade and relationship between R&D expenditure and resultant IPs. Amid accelerated globalization of world economy, it would be necessary to articulately distinguish patent royalty from foreign subsidiary from technology transfer revenue from independent foreign companies.

Statistics on royalty payments to and from foreign companies (Technology Transfer Balance Statistics) is critically important parameter in view of evaluation of international competitiveness of Japanese intellectual property. A governmental report and a report from the Bank of Japan do not necessarily reflect the actual figures. For example, the former

excludes license-in of computer software and import of distribution-related technologies. On the other hand, the latter includes non-technical trademark fees such as royalty for brand for clothing.

A lot of Japanese manufacturers moved out overseas. Companies are required to make profits under the name of Technology Fees. Statistics on technology trade is very important and we propose that more reliable statistics should be prepared.

67. Make Intellectual Creativity Cycle for Copyright

Pro-patent policy to drive an intellectual creativity cycle in which technological development ends up with further investment through patented commercialization is now commonly accepted. This notion should be applied to copyright.

Along with the development of IT, many people have their own web sites. It would be increasingly popular that an author of visual and musical work is a sender as well. In the field of copyright, there are a group of copyright, apart from traditional artistic copyright, relating to industrial products including game software. Industrial copyright plays more important role in actual business. Commercial translation covers not only music and novels but game software and program through the Internet.

A new design for the Age of Industrial Copyright should be planned out.

68. Competition Policy in harmony with IPs

Debate on desirable competition policy should be developed.

In the field of information communications, network infrastructures has to be improved. In the field of e-commerce and environment, technologies to prevent earth warming and environmental degradation should be sought. Likewise, gene and protein in bio-tech field. In these fields, some arrangement to adjust the interest of intellectual property and competition policy would be needed.

Competition authority will be required to sort out the interest of inventor and disadvantage of monopoly caused by patent misuse. The authority has to be quick and articulate in drawing the line between the two. They should try to use a new technology or business model in order to grasp the activity of businesses and business groups entering into the existing market for administrative decision-making.