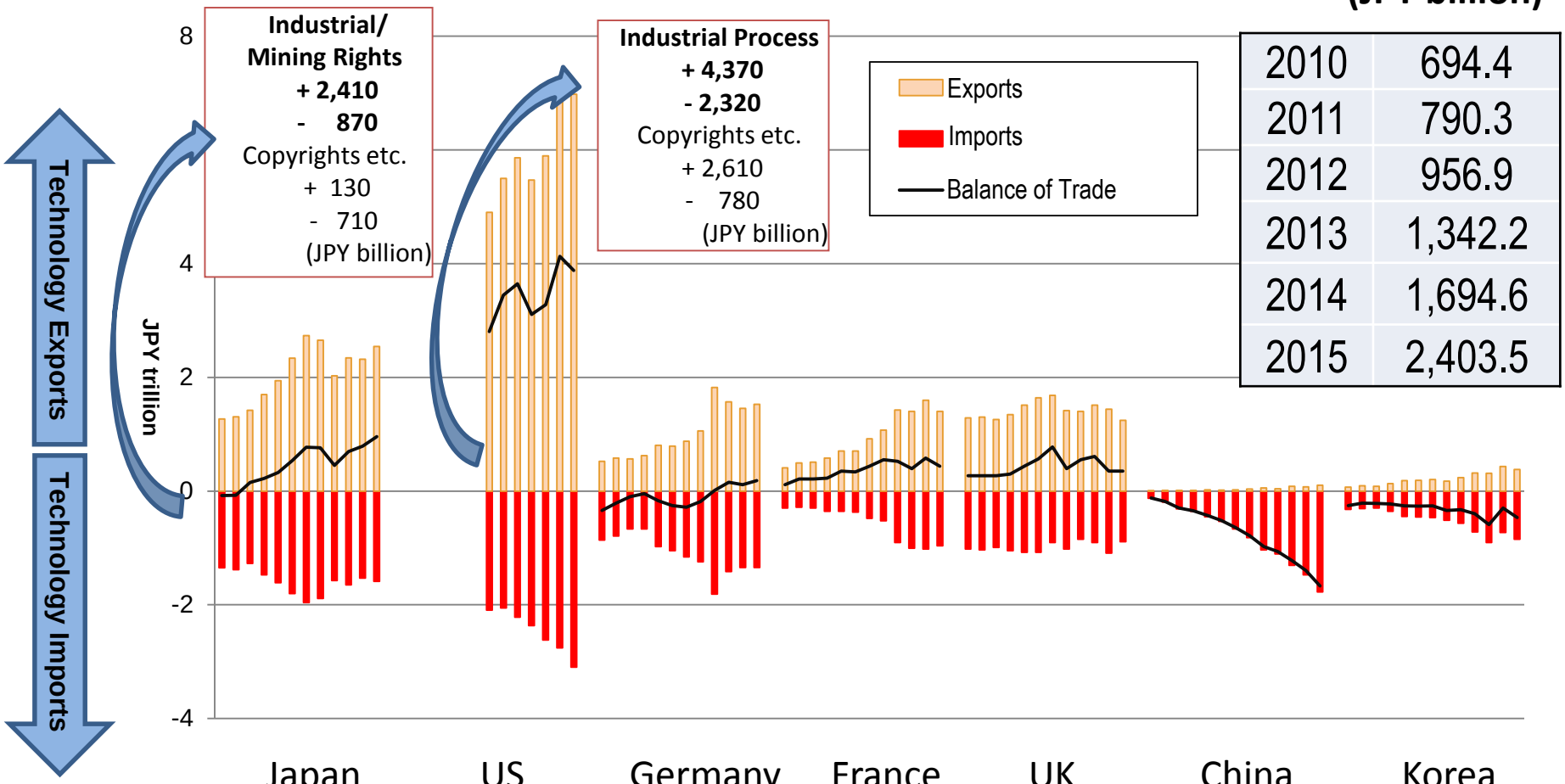
Updates of JPO Initiatives

June 2016

JAPAN PATENT OFFICE

Comparison of Technical Balance of Trade in Major Countries

Technical Balance of Trade in the 7 Major Countries (2001 – 2012)



Japan's Technical Balance of Trade (JPY billion)

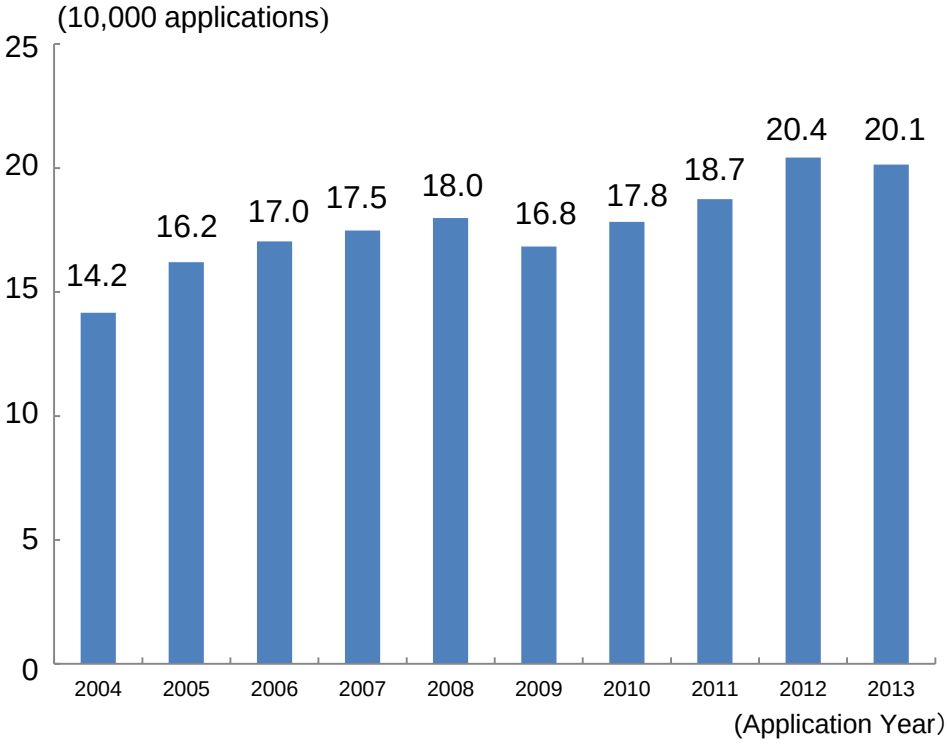
2010	694.4
2011	790.3
2012	956.9
2013	1,342.2
2014	1,694.6
2015	2,403.5

2012 Export Value Import Value (JPY billion)	Japan	US	Germany	France	UK	China	Korea
	+ 2,540 - 1,590	+ 6,980 - 3,100	+ 1,530 - 1,340	+ 1,530 - 1,340	+ 1,400 - 960	+ 100 - 1,780	+ 380 - 850

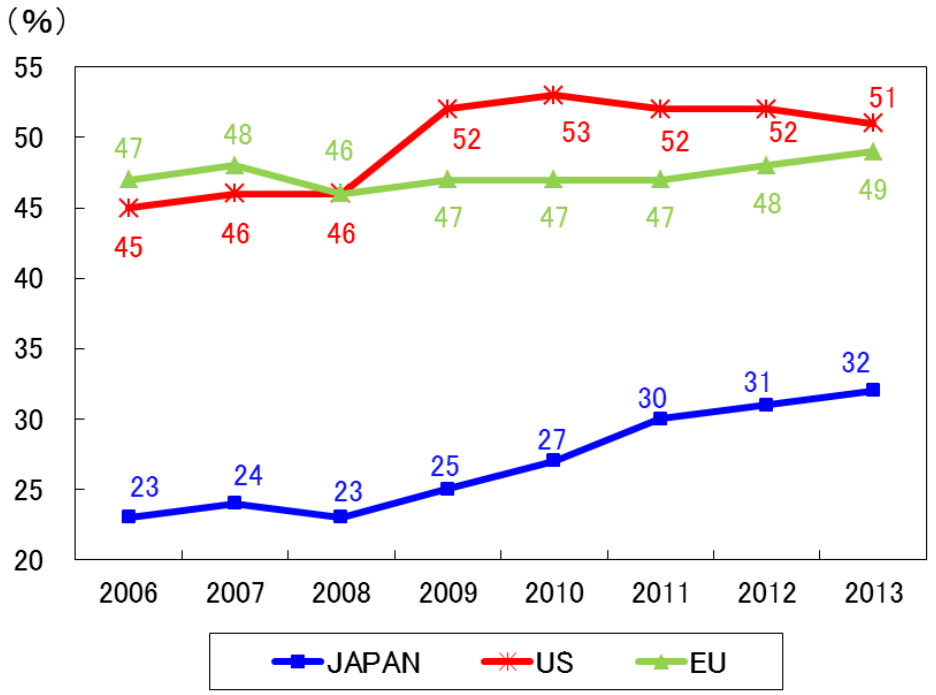
Overseas Filing by Japanese Firms

■The number of Overseas Filing by Japanese Companies

40% increase over the past decade



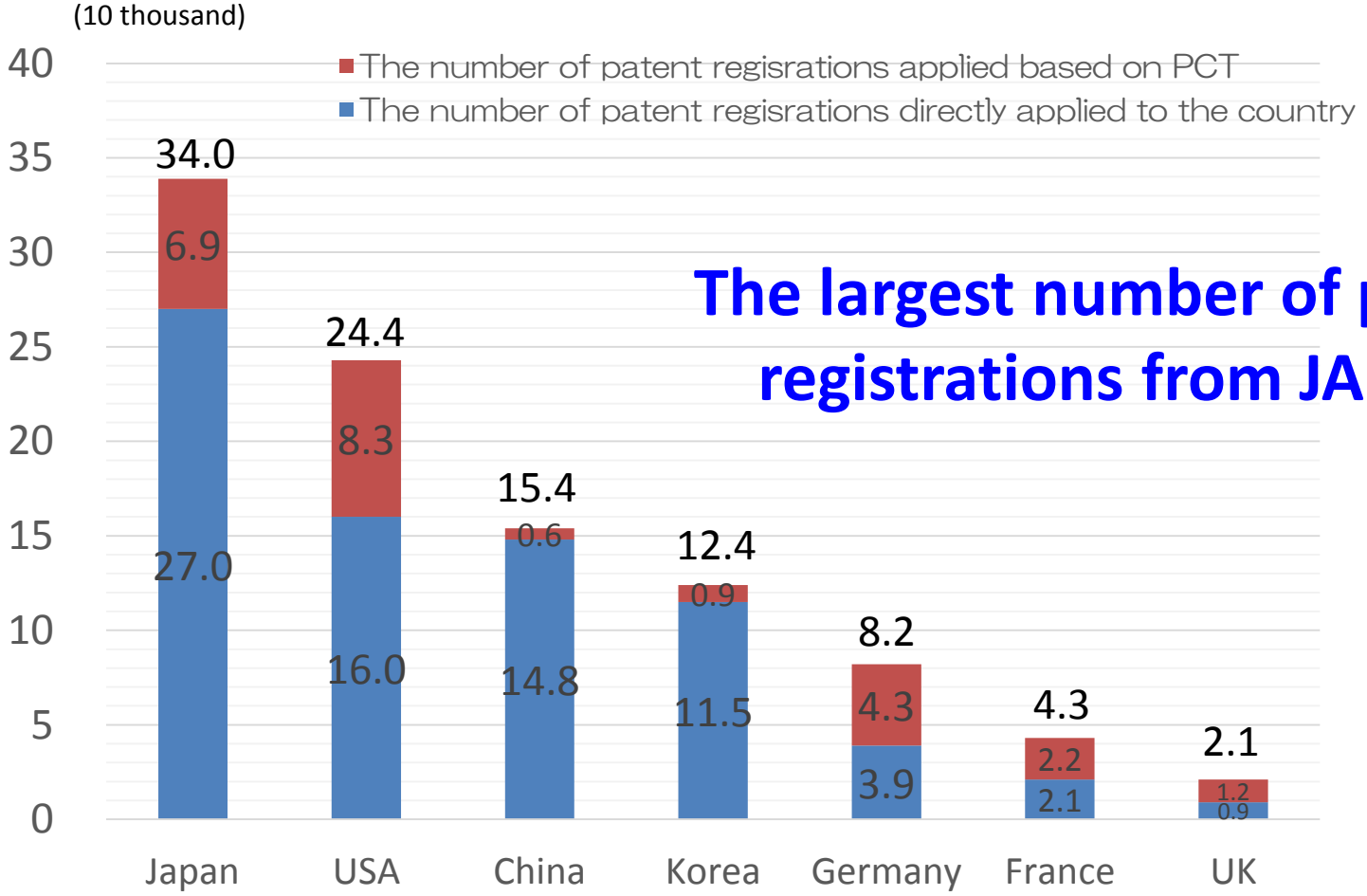
■Global filing ratio of Japanese, US and EP applicants



Global filing ratio =
Total number of applications filed in Japan and other countries / Total number of applications filed only in Japan

The Number of Patent Registrations by Applicants' Residence

■ The Number of Patent Registrations in the World by Country of Residence of Applicant in 2013



The largest number of patent registrations from JAPAN

(Source) WIPO IP Statistics Data Center.

Three Priority Issues for the JPO

1. Accelerated Market Changes
→ Achieving the World's Fastest and Utmost Quality in Patent Examination

2. Globalized Economy
→ Promoting globalization of Intellectual property system

3. Establishing a Self-Sustaining Society
→ Promoting utilization of intellectual properties regional areas in Japan.

Toward the World's Fastest and Highest Quality Examination System

Fastest examination

1. Request for Examination

2. First Action

3. Granting Patent Rights

FA Pendency
FY2008
29.3 months

JPO achieved

FY2013
10.4 months

Total Pendency*
FY2012
28.1 months

TARGET

FY2023
14 months or less

Highest Quality Examination

Key Components of Quality Management

Quality Assurance

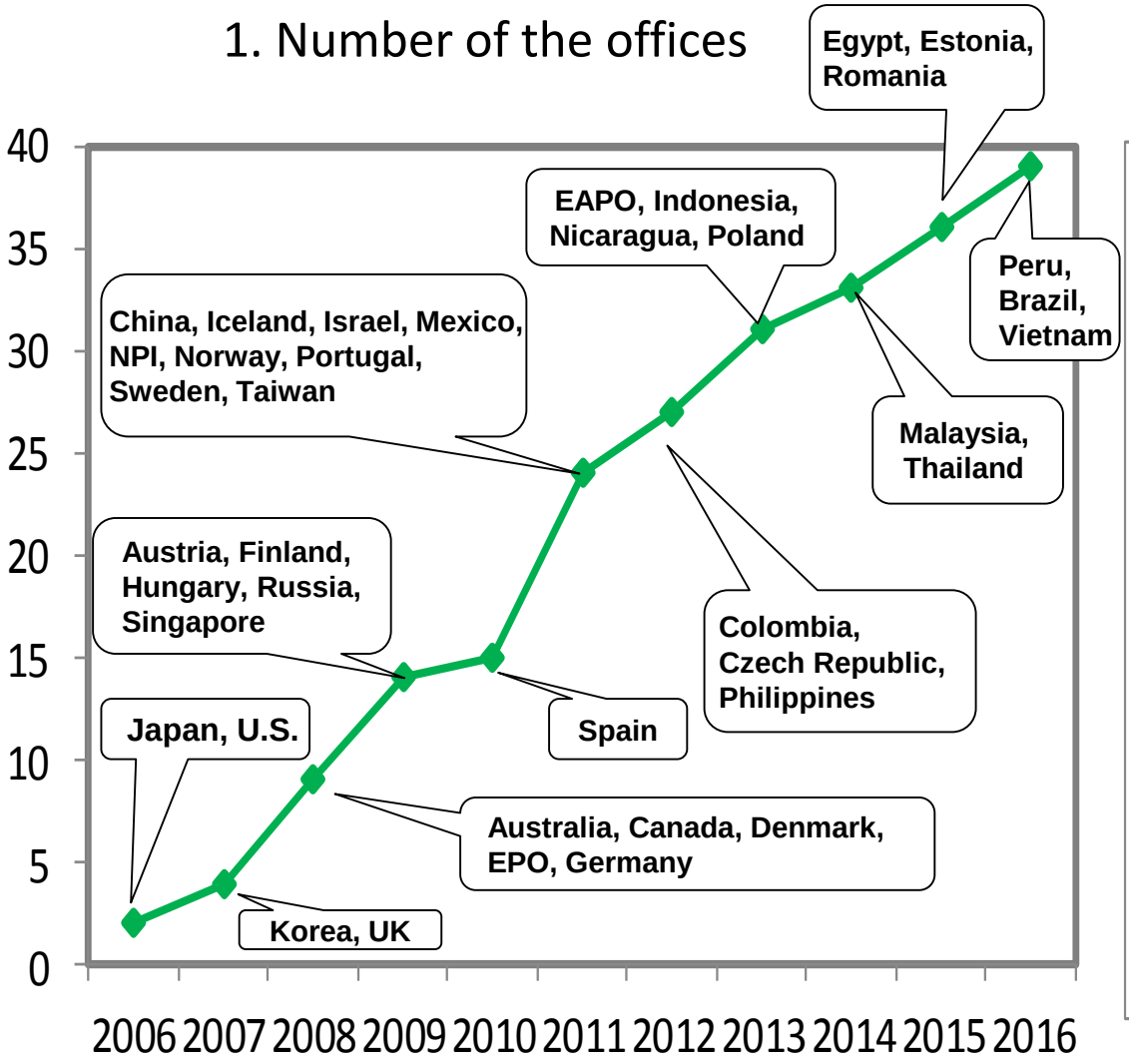
Quality Verification

External Evaluation of the QMS

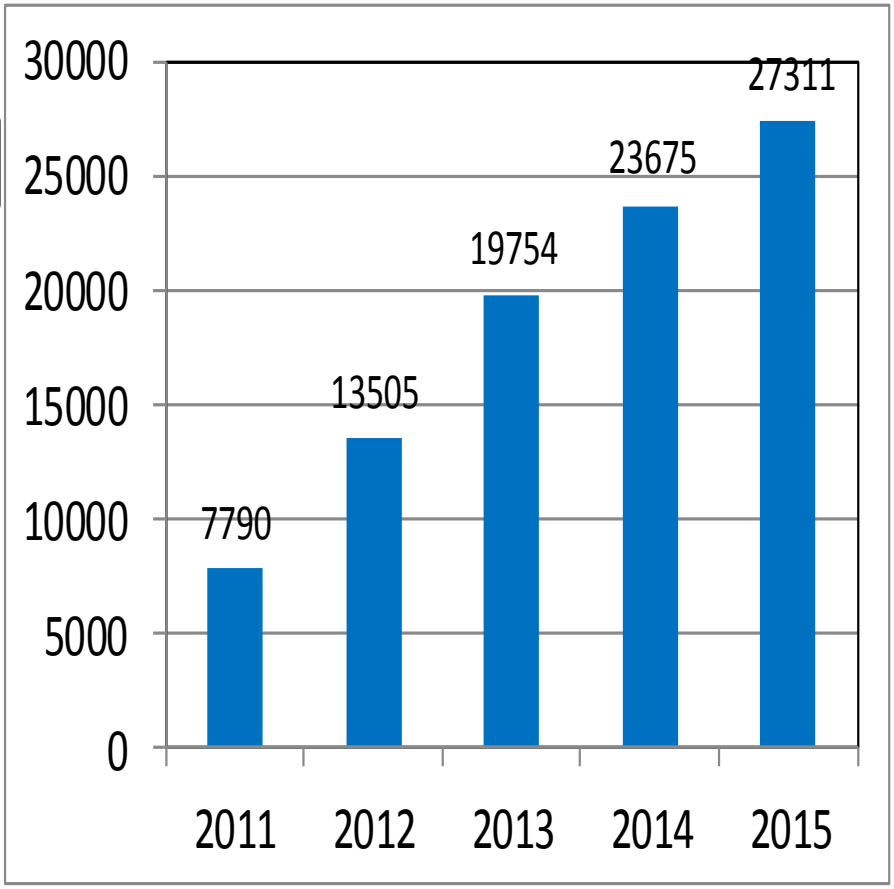
*"Total Pendency" does not include cases when the JPO requests applicants to respond to second notices of reasons for refusal and the like.

PPH (the Patent Prosecution Highway)

1. Number of the offices

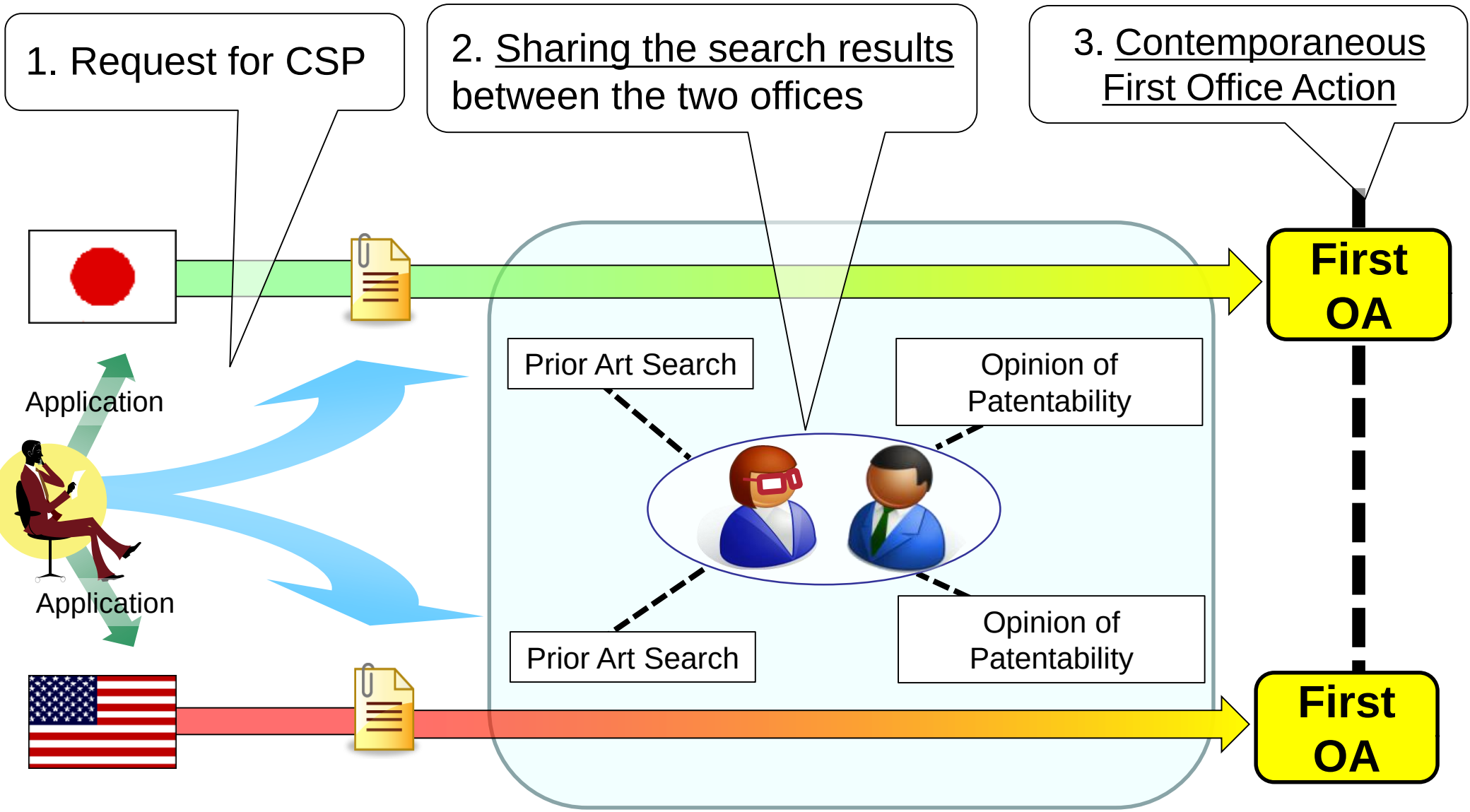


2. Number of applications requesting PPH

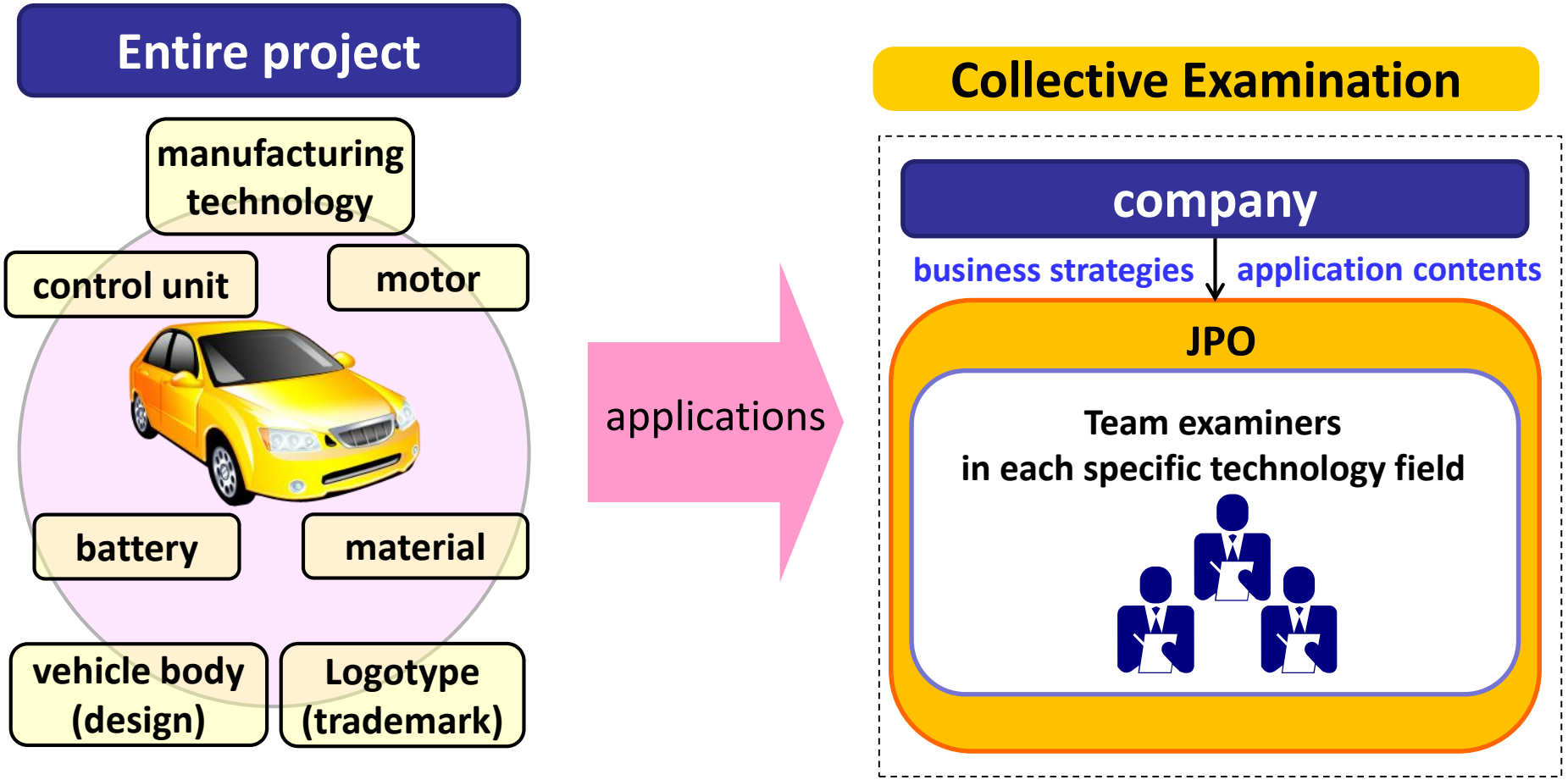


●The number of applications filed offices participating in the PPH program accounts for more than 90% of all patent applications being filed worldwide (in 2011).

US-JP Collaborative Search Pilot Program (US-JP CSP)



Collective Examination of IP Portfolios to Support Business Strategy



In line with corporate business activities, examiners will collaborate on examinations.

Achieving the Utmost Quality

Principles of JPO Quality Policy on Patent Examination

- The 3 main tenets of patent quality are:

  We grant robust, broad and valuable patents.

  1. “robust”: so as not to be invalidated afterward,
  2. “broad”: to such an extent that they have coverage matching the extent of the technical levels of inventions and their disclosures,
  3. “valuable”: so as to be recognized around the world.

■Enhancement of Quality Management System

Since April 2014, the JPO has appointed 90 Quality Management Officers. Quality reviews are being conducted the Subcommittee on Examination Quality Management (a committee of external experts).

■Complete update of Examination Guidelines

The Examination Guidelines were updated to make descriptions more clear and concise, and enable them to be accepted globally.

■Ensuring Highly capable human resources

Providing various career paths based on training suited to the level of each examiner.

Patent Act

(A) Encouraging Employee Inventions

- Making it possible for employers to have the right to obtain a patent when the right becomes effective
- Giving employees the right to receive incentives that are basically the same as those under the current Act

(B) Revising Patent Fees

- Decreasing patent fees by 10%
- Decreasing trademark registration fees by 25%, and trademark renewal fees by 20%

(C) Acceding to Patent Law Treaty (PLT)

- Allowing extra time for applicants to submit translations, when they weren't able to submit within the prescribed deadline
- Making it possible for applicants to correct applications, e.g., submit missing documents, for a certain period

Opposition to Grant of Patent

Brief explanation of comparison between the Patent Opposition System and the Trial for Invalidation System

Pre-legal-revision (before the revised Patent Opposition System was started)

Trial for Patent Invalidation System

< any time after the registration of rights >

- **Any persons may file a request**
- **Oral proceedings in principle**

Post-legal-revision (after the revised Patent Opposition System was started)

Entry into force: April 1, 2015

Newly Established

the revised Patent Opposition System

<only within six months from the date of publication of the Gazette of the patent>

- **Any persons may file an opposition**
- **Documentary proceedings**

Trial for Patent Invalidation System

<any time after the registration of rights>

- **Only interested persons may file a request**
- **Oral proceedings in principle**

Complete Updates of Examination Guidelines and Handbook

- Updated and released on Japanese and English versions. Applied on October 2015.
- Making the Examination Guidelines internationally acceptable.

Basic policy

- ✓ To clearly and logically explain examination practices and procedures.
- ✓ To provide ample case examples (372 cases) and court precedents (193 cases).
- ✓ To make descriptions more clear and concise through the use of tables, figures, and shorter sentences.

- Making a basic idea of examination easier to understand.
- High predictability to obtain a patent right.

- Fostering the public confidence in examination result.
- Making the Examination Guidelines internationally acceptable.

- For further details, see below;
  http://www.jpo.go.jp/tetuzuki_e/t_tokkyo_e/1312-002_e.htm
  http://www.jpo.go.jp/tetuzuki_e/t_tokkyo_e/handbook_sinsa_e.htm

Examination Guidelines

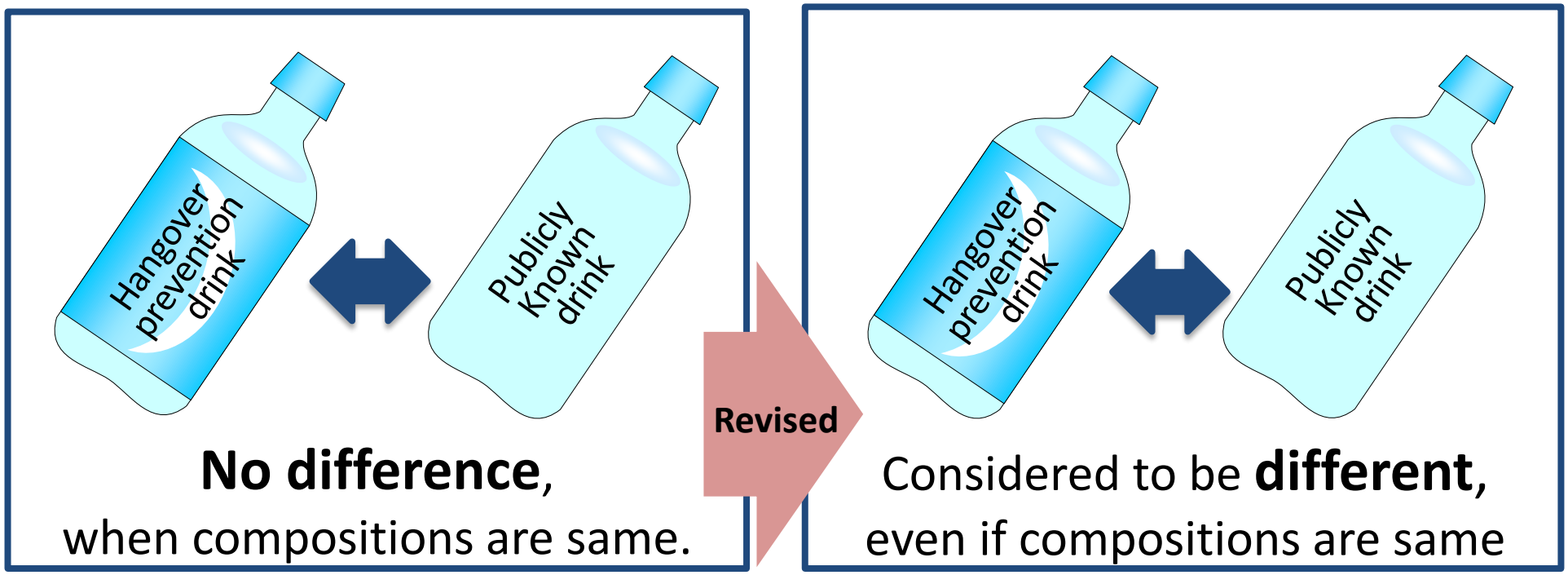
summarize the basic ideas of applying applicable laws such as the Patent Act.

Examination Handbook

summarizes the essential points to consider when conducting examination, and provides sufficient case examples, court precedents, and application examples of basic ideas of the Examination Guidelines.

Use Invention

An invention that is specified in consideration of the limitation of **new use**, even if the product itself is known.



No difference, when compositions are same.

Considered to be **different**, even if compositions are same

Applied to examinations on or after April 1, 2016

Extension of patent term

- Supreme court made a judgment (2014 (Gyo Hi) 356, on Nov. 17, 2015) that when an approval of drug with new dosage and administration opens a way for working of patent in terms of that dosage and administration, the extension of patent term shall be granted.
- In other words, even though present approval of drug is the same as prior one in terms of active ingredient and effect, when the both differ from each other in terms of dosage and administration, extension of patent term shall be granted.

- The Examination Guidelines have been revised in accordance with the supreme court decision, and applied on April 1, 2016. The revised Examination Handbook provides case examples.

Procedures for Examinations involving PBP Claims

Does a claim recite (at least partially) a manufacturing process of a product? *1

YES → Is it a case where the existence of "impossible or impractical circumstances*2" is recognized?

NO → Claim is clear

Is it a case where the existence of "impossible or impractical circumstances*2" is recognized?

NO → Notification of reasons for refusal (claim is **not clear**)

YES → Claim is clear

Examples **NOT** corresponding to PBP Claims:
"An item in which a resin composition has been cured"
"A laminated film formed by placing a layer C between a layer A and B"
"Plating layer"

Examples where it is **impossible/unrealistic circumstances** to define a product based on structure, characteristics, etc.:
"A cell created by a novel genetic manipulation"
"A monoclonal antibody prepared by a hybridoma cell A"

Applicants' Possible Actions

Presenting **arguments and verification as to the existence of the "impossible or impractical circumstances"** in written arguments, etc.

- **Any reasonable doubt** against the applicant's argument → Decision of refusal
- **No reasonable doubts***3 against the applicant's argument → Claim is clear

Amendments:
- **manufacturing process**;
- **product not reciting the process** (i.e., deleting recitation of the process);
- **deleting claims** concerned.

- Claim still **recites a process** → Decision of refusal
- Claim does **not recite any process** → Claim is clear

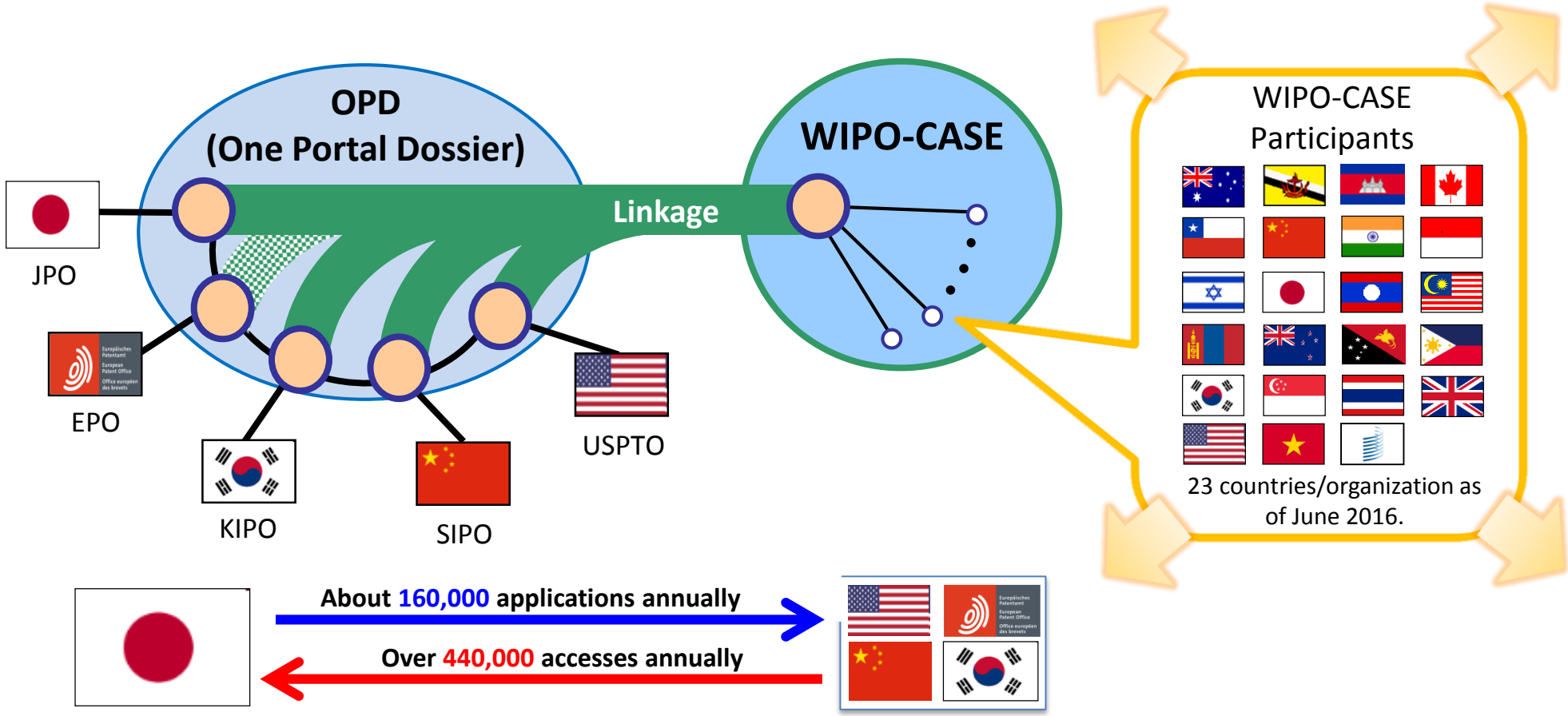
Arguments that a manufacturing process is **NOT** recited in a claim.

- The arguments **not acceptable** → Decision of refusal
- The arguments **acceptable** → Claim is clear

*1 when it is clear what structure or characteristics of the product are represented by the manufacturing process considering the description etc. as well as common general knowledge, the examiner does not consider that the claimed invention violates the clarity requirement because it corresponds to the case.
*2 any circumstances in which it is impossible or utterly impractical to define the product directly based on its structure or characteristics.
*3 the examiner will, normally, conclude "No reasonable doubts" unless the examiner has doubts based on a tangible reason.

Further Advancing Global Work Sharing

- One Portal Dossier functions as work-sharing tool among IP5
- WIPO-CASE works to share dossiers within CASE members
- Linkage of OPD and WIPO-CASE has potential to achieve **global work-sharing** beyond IP5



Harmonization of Patent Systems and Practices

特許庁 JAPAN PATENT OFFICE

■ Japan is working toward the realization of a harmonized patent system which will benefit the users.

Group B+ Meetings

- Four workstreams have been formed for the issues of (1) Grace period, (2) Conflicting applications, (3) Prior user rights, (4) Options for implementation.
- B+ sub-group will meet in May 2016 to discuss output from the workstreams and the next step forward.

✓ The Group B+ Meeting consists of IP offices in 46 countries and two organizations, which include member countries of the WIPO B Group (Group of developed countries), the European Union (EU) and Korea.

Meetings of IP5 Heads of Office

- In June 2016, the IP5 offices discussed the following issues on harmonization of patent systems and practices: (1) unity of invention, (2) Citation of Prior Art, (3) Written Description/Sufficiency of Disclosure.

✓ The IP5, which consists of Trilateral Patent Offices (EPO, JPO and USPTO), KIPO and SIPO has been continuously holding the Heads Meetings since 2007, in order to take the lead in promoting global initiatives on intellectual property.

Thank you!

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