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Trends at the Japanese Patent Office

In March 2007, the Japanese Patent Office (JPO) issued a report entitled "Industrial Property Rights in Japan: Today and Tomorrow - Toward greater international competitiveness of Japanese businesses". The report presents the JPO's policies, action plans, and statistics on patent examinations, appeals, and the number of applications filed by Japan and several other countries. This issue of Shiga IP News introduces some of the information from the report which may be of interest to overseas practitioners.

A. Current State of Patent Examinations

On October 1, 2001, the term during which examination can be requested was shortened from seven years to three years from the application filing date. As shown in Figure

1, there has been a large increase in examination requests starting in 2004, which was the year that the first 3-year term for requesting examination ended overlapping with the end of a 7-year term. Although the number of requests for examination declined in 2006, the large number of requests is expected to continue for a few years. Recent increases in the JPO's examination capacity have been insufficient to handle the increase in the number of requests.

As a result, the backlog of unexamined patent applications has increased rapidly, and in 2006 reached approximately 800,000 (Figure 2). Even under these conditions, the JPO plans to constrain the examination wait time to about 28 months in 2007.

Figure 1: Number of Examinations and Requests for Examination

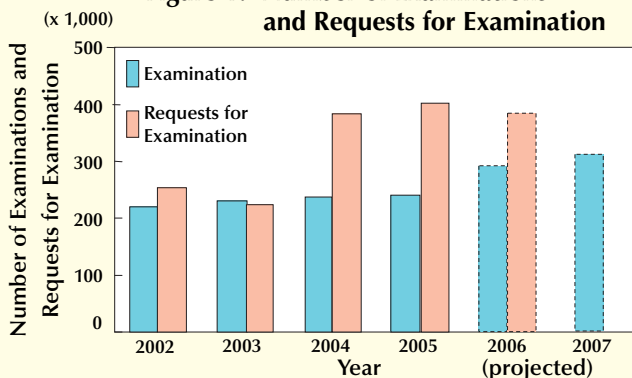
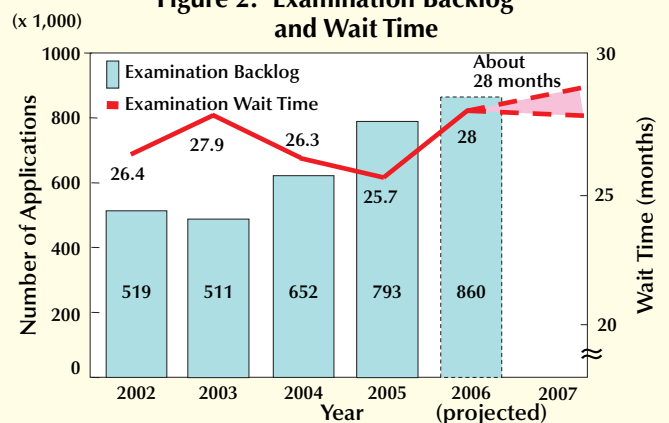


Figure 2: Examination Backlog and Wait Time

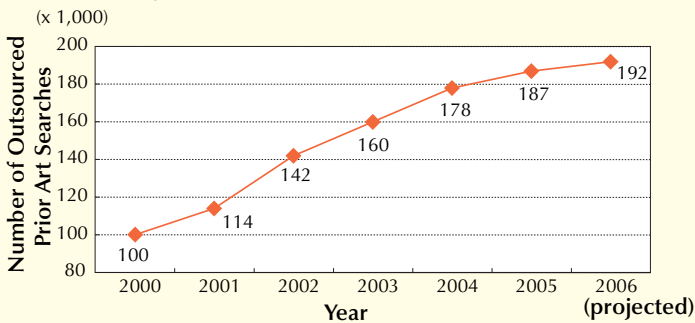


The JPO is implementing several noteworthy plans in order to enhance the examination capacity as outlined below.

A-1. Outsourcing Prior Art Searches

The JPO is increasing the number of outsourced prior art searches in order to reduce the burden on examiners. Approximately 190,000 prior art searches were outsourced in 2005 (about 76% of all prior art searches conducted). Each examiner examined 199 applications on average in 2005. The JPO anticipates a 10% increase in the examination capacity of each examiner in 2007 due to an increase in the number of outsourced prior art searches and the implementation of other plans.

Figure 3: Outsourced Prior Art Searches



A-2. Full Refund of Examination Fee

For a period of one year beginning from August 9, 2006, the examination fee will be fully refunded if an application is withdrawn before examination begins. Figure 4 shows the procedure for receiving an examination fee refund. According to Figure 5, fees for approximately 15,000 applications were refunded in 2006 (triple the number in 2005).

Figure 4: Examination Fee Refund Procedure

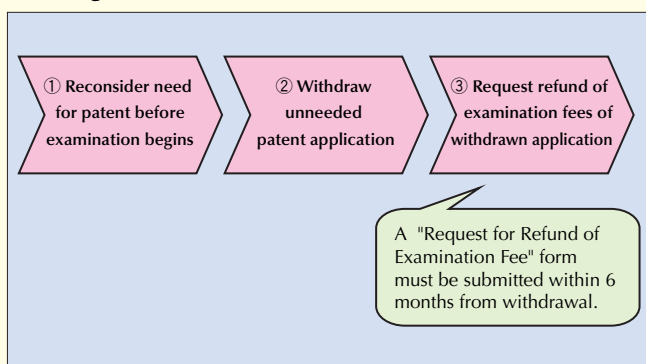
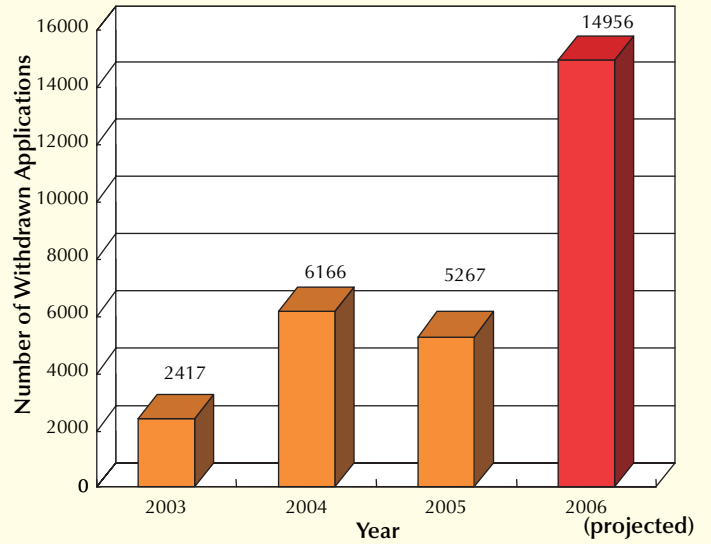


Figure 5: Withdrawals before Examination



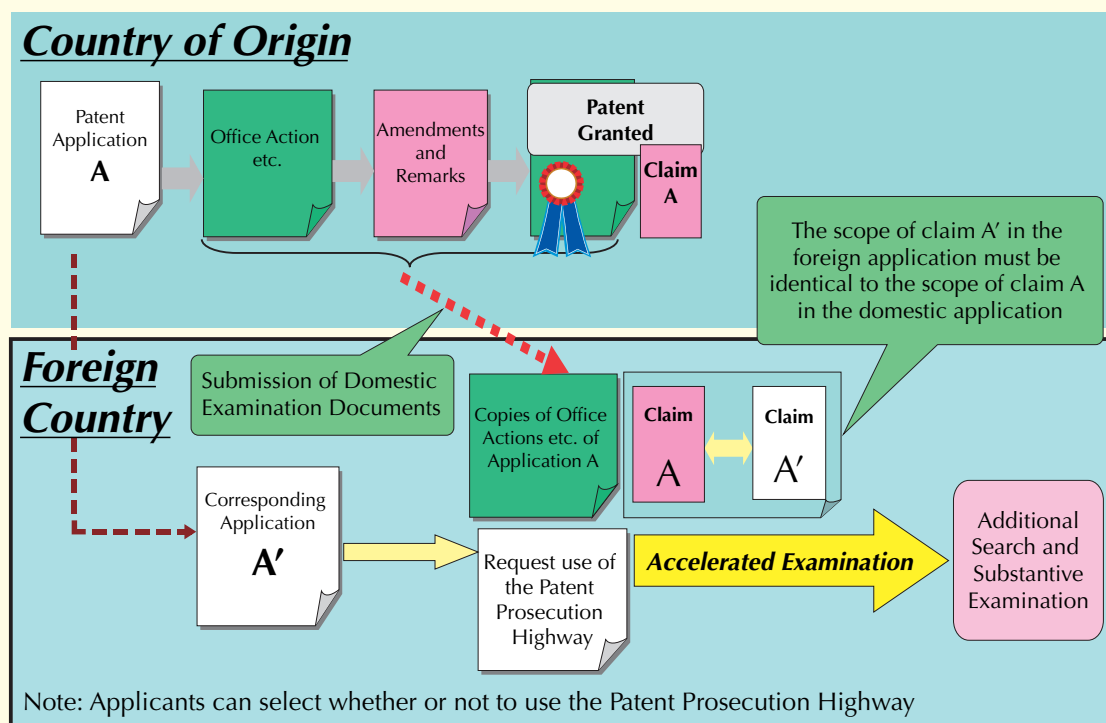
A-3. Patent Prosecution Highway

The "patent prosecution highway" is a system in which an applicant who has obtained a domestic patent may request accelerated examination in a foreign country by a relatively simple procedure. Pilot programs have been in effect between the JPO and the USPTO since July 2006 and between the JPO and the KIPO (Korea) since April 2007. A similar program will start between the JPO and the UKPO (United Kingdom) in July 2007. Figure 6 shows an outline of this system.

If an applicant requests accelerated examination in Japan without using this system, the applicant must provide an analysis of the differences between the invention and the prior art in the request. Therefore, the burden on an applicant when requesting accelerated examination can be reduced if this system is used.

It should be noted that, when using this system, the claims in the Japanese patent application must be substantially the same as the allowed claims in the domestic application. Moreover, the Japanese patent application will NOT automatically be allowed, but will be examined in the same manner as a regular patent application.

Figure 6: Patent Prosecution Highway



B. Appeals against Decisions of Rejection

There has been a decrease in the number of appeal examiners due to a portion of the appeal examiners being reassigned as primary examiners in order to enhance the examination capacity. Although the number of appeals against Decisions of Rejections has not rapidly increased, the time until the issuance of a first Office Action in the appeal stage is becoming longer (Figure 7).

The JPO issued a statement in 2005 regarding appeal examinations indicating that the purpose of an appeal examination is to determine whether or not an examiner is justified in issuing a Decision of Rejection. Under the new guidelines, Office Actions are basically not issued during the appeal stage, which is one factor resulting in the decrease in successful appeals against Decisions of Rejection (Figure 8).

Figure 7: Number of Appeals and Time until Issuance of First Office Action in the Appeal Stage

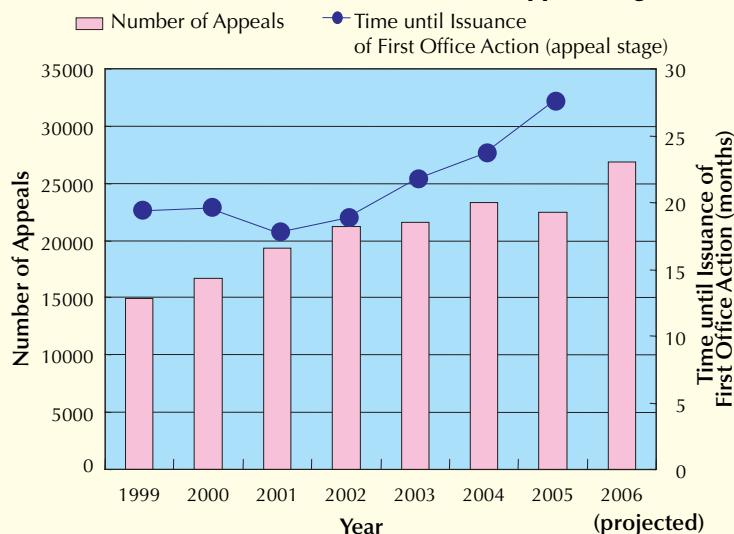
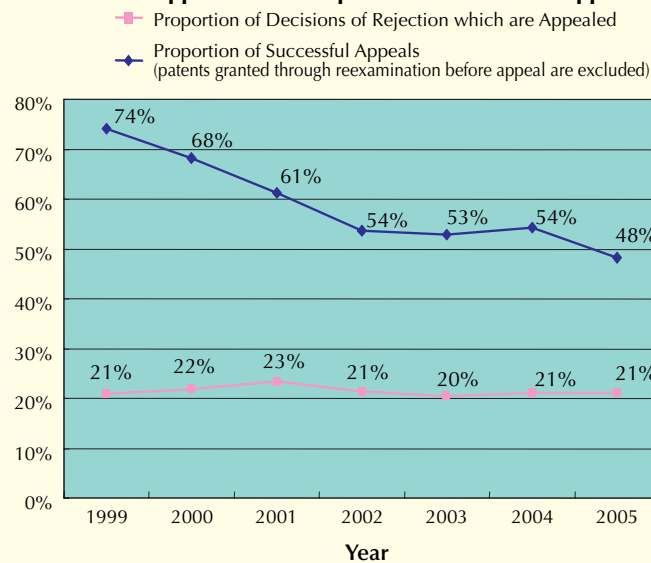


Figure 8: Proportion of Decisions of Rejection which are Appealed and Proportion of Successful Appeals



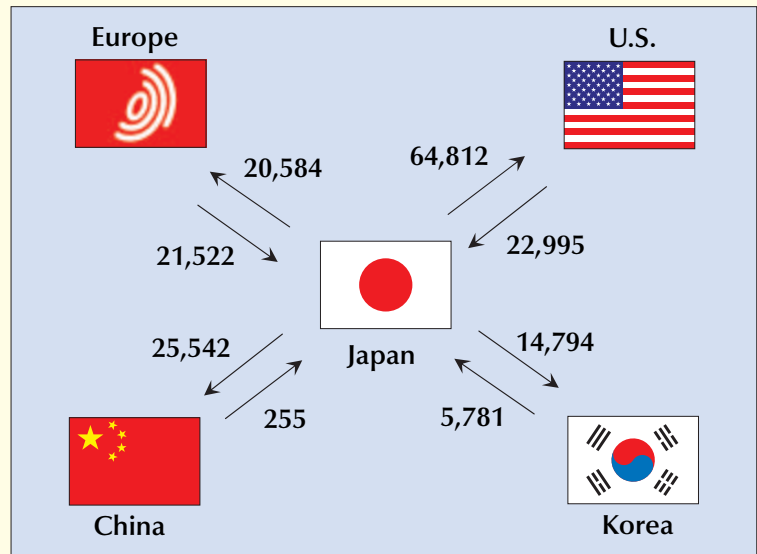
C. Encouraging Global Filing

Figure 9 shows the number of patent applications filed between Japan and the U.S., Europe, Korea, and China in 2005. Compared with the number of domestic applications filed by Japanese applicants, the number of overseas applications filed by Japanese applicants is low. In 2004, the ratio of overseas applications to domestic applications filed by Japanese applicants was approximately 20%, which was lower than that for the U.S. (approximately 44%) and Europe (approximately 60%).

In line with the Pro-Patent Policy established by the JPO and the Japanese government, Japanese applicants are encouraged to attain an overseas patent application ratio of 30%.

It is believed that the overseas application ratio for Japan is increasing due to the recent interest in filing applications in China.

Figure 9: Number of Patent Applications Filed between Japan and the U.S., Europe, China, and Korea in 2005



Ranking of Companies Based on the Number of Applications

Patents (Domestic Applicants)

Top 10 Domestic Applicants Based on the Number of Patent Applications in 2004

	Company	Number of Applications
1	Matsushita Electric Industrial Co., Ltd.	17,145
2	Canon, Inc.	11,098
3	Seiko Epson Corporation	8,542
4	Toshiba Corporation	7,016
5	Sony Corporation	6,852
6	Ricoh Company, Ltd.	6,415
7	Fuji Photo Film Co., Ltd.	6,315
8	Toyota Motor Corporation	6,110
9	Sharp Corporation	5,816
10	Hitachi, Ltd.	4,678

Patents (Foreign Applicants)

Top 10 Foreign Applicants Based on the Number of Patent Applications in 2004

	Company (Country)	Number of Applications
1	Samsung Electronics (Korea)	2,389
2	Philips (Netherlands)	2,042
3	Hewlett Packard (United States)	946
4	IBM (United States)	729
5	LG Electronics (Korea)	671
6	Robert Bosch (Germany)	574
7	3M (United States)	531
8	General Electric (United States)	526
9	Thomson Licensing (France)	503
10	Samsung SDI (Korea)	465

Trademarks

Top 10 Applicants Based on the Number of Trademark Applications in 2005

	Company	Industry	Number of Applications
1	Kao Corporation	Cosmetics	1,054
2	Meiji Seika Kaisha, Ltd.	Confectioneries	590
3	Rohto Pharmaceutical Co., Ltd.	Pharmaceuticals	565
4	Shiseido Co., Ltd.	Cosmetics	481
5	Kose Corporation	Cosmetics	478
6	NEC Corporation	Electric equipment	420
7	Tomy Co., Ltd.	Toys	383
8	Japan Post	Postal service	350
9	Ezaki Glico Co., Ltd.	Confectioneries	335
10	Kanebo, Ltd.	Cosmetics	302

Designs

Top 10 Applicants Based on the Number of Design Applications in 2005

	Company	Industry	Number of Applications
1	Matsushita Electric Industrial Co., Ltd.	Electric equipment	1,079
2	Sharp Corporation	Electric equipment	526
3	Sanyo Electric Co., Ltd.	Electric equipment	434
4	Matsushita Electric Works, Ltd.	Electric equipment	398
5	Toshiba Corporation	Electric equipment	387
6	Okamura Corporation	Furniture	352
7	Takeda Lacc Co., Ltd.	Fibers/textiles	329
8	Mitsubishi Electric Corporation	Electric equipment	272
9	Shin Nikkei Company, Ltd.	Nonferrous metal products	260
10	Aronkasei Co., Ltd.	Chemicals	250

Data from the Japanese Patent Office Annual Report 2006

Disclaimer: The articles in this newsletter reflect our understanding and are not meant to convey legal opinions or advice. We disclaim any liability for errors or omissions.

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