

EMPLOYEES' INVENTIONS

In Japan, the law on employees' inventions has attracted a lot of attention. These revisions which went into effect after April 2016, and the current system is described below:

❖ DESCRIPTION

The law was revised so that the right to obtain a patent relating to employees' inventions **shall** originally belong to employers (companies) **under specific conditions**. The revisions also apply to utility models and designs.

❖ LEGAL REQUIREMENTS

- Providing inventors with reasonable economic benefits (monetary/non-monetary benefits, such as a promotion, increases in research funds, research activities abroad, etc.) which serve as rewards for their inventions and are an incentive for inventors

- Companies must establish regulations directed at the inventors*

* Regulations directed at the inventors:

Some major Japanese companies have started establishing a sufficient remuneration system to secure talented human resources.

For your reference, the system before April 2016 was as below:

- The right to obtain a patent (new idea) relating to employees' inventions originally belonged to the employees.
- Employers received the right to obtain a patent relating to employees' inventions from the inventors, according to contracts and/or employment regulations established in advance.
- In cases when the company received the right to obtain a patent, employees had the right to receive "reasonable remuneration".

❖ COMPARISON OF PAST AND CURRENT SYSTEMS

	Before April, 2016	After April, 2016
Right to obtain a patent	Belongs to the inventor	Belongs to the company, if stipulated in company regulations
Inventor has the right to receive	Reasonable remuneration	Reasonable monetary compensation and other economic benefits
Company regulations regarding inventions	Depends on the company	If the company desires the right to obtain a patent, they must establish regulations directed at the inventor