

PRESENTATION:

**TOWARDS A GLOBAL PATENT SYSTEM:
THE JAPAN PATENT OFFICE VIEW**

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I would like to take this opportunity to introduce the roadmap towards a global patent system proposed by the JPO, Japan Patent Office.

My speech consists of three parts. First, against the backdrop of the expanding world economy, I will present some of the major problems facing most countries regarding patent systems. Second, I will make a simple introduction concerning international efforts to address these problems. Finally, I wish to show the JPO's approach as a realistic solution, in the context of the JPO, USPTO, and EPO.

In response to developments in the expanding world economy, the total number of patent applications in the world has rapidly increased. The first noteworthy fact is that the number of applications filed by domestic residents has remained almost constant since the 1980s, between 700,000-800,000 applications, despite the rapid increase in the total number of applications (based on WIPO statistics). Secondly, it is crucial to note that the number of patent applications filed by foreign residents has been rapidly increasing since the beginning of the 1990s. In fact, the number of foreign applications increased five times over a period of seven years, from about 1 million in 1991 to 5 million in 1998. The number of foreign applications includes the PCT-route designations, and the various-route second country applications. In addition, the number of PCT designations does not directly indicate the number of applications entered into the national phase of each country, but this trend should not escape our attention.

The number of PCT-route applications is steadily increasing, compared to the number of highest route applications, although post-1997 data has not yet been obtained. If we suppose that the number of patent applications from non-resident application applicants have increased not only since 1997, it is predicted that PCT-route applications will increase even more.

It is evident that the enormous increase in foreign applications reflects the fact that applicants file their applications in more than one country. The rapid increase in applications filed by overseas residents can be partially attributed to an increase in the number of original applications subsequently filed overseas. However, judging from the fact that the total domestic applications have not increased greatly, a more reasonable explanation is

Edited for publication by Kraig Hill, Toshiko Takenaka and/or Kevin Takeuchi, CASRIP.

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that there has been an increase in the number of countries where each application is filed. The expanding global economy, therefore, must be the cause of this phenomenon.

Let us now take a closer look at some more interesting information. First, the total number of applications not departing from the domestic area, named the Pure-Domestic Applications, only amounts to 600,000. On the other hand, the total number of applications transcending national borders, named Internationally-Filed Applications, stands at 5.1 million. A striking fact is that these 5.1 million internationally-filed applications originated from a mere 180,000 original applications, named International-Oriented Domestic Applications. Of these 180,000 international-oriented domestic applications, 32% are of U.S. origin, 26% come from EPC member states, and another 26% originate in Japan.

Take a look at the costs and burdens for the applicant created by filing patent applications for the same invention in several countries. In essence, patent applicants must suffer from a lack of predictability in terms of patent granting procedures and high costs associated with multiple filings.

Meanwhile, patent offices cannot escape the increased workload. Patent offices carry out duplicate searches and examinations for an invention, even though other offices may have already performed these for the same invention. In regard to the increases in IP office workloads and the burden to applicants, we cannot afford to sit back and do nothing.

What effort have we made towards these goals? First, let's take a brief look at work done at WIPO and WTO. Fortunately, efforts to harmonize or integrate patent systems have significantly progressed in the past quarter century, as mentioned by Mr. Uemura. Following the adoption of the Patent Law Treaty (PLT), which aims at the harmonization of patent systems in respect to formality, new discussions have begun to improve the framework of international applications – discussions of the PCT Home Committee and International Harmonization of Substantive Requirements for Patent Protection of the Standing Committee for Patent Law. As these issues have been explained in detail by Ms. Boland of the USPTO and Mr. Uemura of WIPO, I will provide only a simple introduction.

As a means of improving the framework of international applications, in May of this year the first PCT Home Committee was held by WIPO. At this meeting, against the backdrop of the problem of the increased workload facing all offices, it was agreed to work towards the goals of procedure simplification, eliminating duplicate work in patent offices, and reducing application costs. There have been proposals regarding PCT Home, not only from member countries, but also from the PCT authority and private sector groups. The short-term goal of realizing the simplification and rationalization of international application procedures in the proposal was discussed at the meeting. During the next meeting, the long-term goal of drastically improving the structure of international applications is scheduled for consideration. In this item are included the mutual exploitation of International Searches Report (ISR) and International Preliminary Examination Report (IPER) prepared at other patent offices, while leaving each country leeway to conduct additional searches and examinations.

Towards the international harmonization of substantive requirements for patent protection, in May of this year the Standing Committee for the Law of Patents convened. Discussion on a harmonization of substantive patent growth treaty re-opened; the present

discussion is different from previous talks since its suspension in 1991. In this meeting, consensus was reached to the effect that the so-called “deep harmonization” for related items be achieved, to enable use of office examination results in other countries. Related items include concrete patent requirements – for example, novelty, inventive step or obviousness, and industrial applicability or utility. “Deep harmonization” effectively means stipulation of each of the above requirements, including use by each country down to detailed items. “Deep harmonization” for related items will lead to identical examination results, and eventually to the mutual use of examination results.

Now let’s look at the trilateral offices, which handle the majority of the world patent applications. According to FY2000 regular trilateral data, searches and examinations at each office – in other words, substantial workload – numbered around 260,000 at the JPO, 90,000 at the EPO, and 300,000 at the USPTO. Incidentally, if we look at the number of various routes on the PCT DO inter-trilateral applications of the JPO, we see around 12,000 from the U.S. and 2,600 from Europe, out of 21,855 total applications. These applications comprised about 8.4% of the total JPO workload. At the USPTO, we see a total of 26,000 applications. These applications take up 32.4% of the total workload of the USPTO. Looking at the EPO, we see a total of 41,500 applications; these comprised 45.3% of the total EPO workload. A total of approximately 159,000 applications originated from and were filed with trilateral offices. If we divide the FY2000 total trilateral workload of about 650,000 applications by the inter-trilateral total of 159,000, we see that about 24.4% of the total workload is duplicated. Naturally, eliminating this duplicated workload would contribute greatly to workload reduction at each trilateral office. This suggests the possibility that the applicant will be able to enjoy a cost reduction.

On the other hand, in reality, problems such as differences between systems, practices and languages exist between the trilaterals. Although eliminating these problems completely would be ideal, everyone understands that undertaking such an effort could require a tremendous amount of time and effort. However, taking into account the serious workload problem in trilateral offices, we cannot afford to wait for convergence of the above-mentioned differences, with the idea that, in reality, there are many differences among the trilateral offices. For that purpose, thought must be given to what can be accomplished among them. One possible answer is the mutual exploitation of search and examination results, while securing a safety net to cope with troubles from the differences in language, practice, and systems.

The JPO recognizes the following four points on the roadmap to mutual exploitation of search and examination results. First, conduct a study to complete steps towards mutual exploitation of search and examination results. Second, use trilateral electronic data exchange for search and examination results. Third, promote examiner exchange. Fourth, utilize machine translation systems.

The first point is research towards the improvement of utilization of search and examination results of the various-route and PCT-route applications. In order to promote mutual exploitation of search and examination results by the trilateral offices, precise analysis of current status and exploitation is necessary, as is consideration of how to improve their rate of exploitation. For this purpose, one approach is to analyze how much the international search report appearing in the PCT international phase has been exploited during the

examination process of the domestic phase. Using the results of this analysis, a complete study of how to improve the utility of search and examination results and how to translate such improvements into cost reductions to the applicant could be meaningful.

Regarding the mutual exploitation of various-route search and examination results, it is necessary for a second office to know a first country's search and examination result before the second country carries out its own examination. Based on that, I would like to point to trilateral electronic data exchange of various-route applications. Presently, in regard to various-route applications, no exchange of search and examination results is carried out. However, for the purpose of workload reduction, it would be extremely helpful if examiners could use search and examination results of other offices. Along these lines, it is appropriate to aggressively promote electronic data exchange – which is presently being discussed at trilateral meetings. The discussions could lead to future improvements in the utility of the exchange of data, consideration of data content integration, and a format for search and examination result exchange.

The third point is the promotion of examiner exchange. For effective exploitation of the search and examination results of other offices toward workload reduction, the first step is mutual understanding of search and examination practices. The second step is to build mutual confidence among trilateral examiners. From this viewpoint, we think that promotional examiner exchange would be effective. However, to achieve the above goal, other effective measures could also be considered.

Fourth is the introduction of the automatic translation system. As everyone knows, the official language of Japan is Japanese. If the official languages of this summit conference were both English and Japanese, it would not be necessary for me to prepare or translate my document into English, and I am sure that I could answer your difficult questions more easily. The problem of different languages has become a roadblock to progress in mutual exploitation of search and examination results. In order to increase the utility of search and examination results, it is necessary to prepare a system to translate documents and promote database translation. Concretely speaking, the introduction and use of a machine translation system is being considered. Around the world, there are a variety of languages. The challenge for us is to take the first step toward breaking down these language barriers.

Based on these four points, there is evident cooperation among the trilateral offices, cooperation to develop the appropriate policies for a roadmap to the reduction of a duplicated trilateral workload. Although my explanation uses the reduction among the trilateral offices as an example, these four points can be applied to other IP offices to cut down workload duplication. If workload reduction could be tied to the systematic reduction of exemption from fees, it would be possible to feed back the effect of this accomplishment to the applicant.

In conclusion, we have considered the long-term measures to institutionalize an arrangement on mutual exploitation of international search and examination results of the PCT international phase, and to institutionalize an arrangement on mutual exploitation of national and regional search and examination results from the various-route applications. It is important to set long-term and short-term policies, as well as to steadily implement movement towards our goals.

Thank you very much for your attention.