

10 Ideal Framework for the Future Patent Attorney System

A comprehensive revision was made to the Patent Attorney Law in 2000 for the first time in 80 years since its enactment. This revision has expanded the scope of services that patent attorneys are authorized to provide, such as intermediary or agency services for contractual issues, consulting services, agency services for import suspension at Customs, and agency services for alternative dispute resolution. Reforms have also been made with respect to the patent attorney examination by abolishing the preliminary test, reviewing and enhancing the scope of potential examination candidates eligible for exemption from the examination, reducing the number of examination subjects required to be taken and including the Copyright Law and the Unfair Competition Prevention Law in the examination syllabus. Furthermore, in the Supplementary Provisions, it is provided that the revised law shall be reviewed five years following its enforcement.

In this study, in order to inquire into the actual condition of the patent attorney system and discuss future development of the system amidst the change in surrounding circumstances following the revision to the Patent Attorney Law, we conducted questionnaire surveys on the patent attorney system in general, targeting patent attorneys and companies that use their services, and investigated their evaluation of the revised Patent Attorney Law and the current use of and needs for the patent attorney system. We also discussed a wide range of issues at the committee focusing on four major themes, namely the “patent attorney examination system,” “training for patent attorneys,” the “code of ethics (relating to conflicts of interest) for patent attorneys” and “disclosure of patent attorney information,” thereby identifying problems with the existing patent attorney system.

I Introduction

Amid industry’s pro-patent trends with strengthened emphasis on patents and intellectual property (IP), an overall revision was made to the Patent Attorney Law in 2000 for the first time in 80 years since its enactment, with the aim to promote the use of patent attorneys as IP experts.

This revision has expanded the scope of services that patent attorneys are authorized to provide, such as intermediary or agency services for contractual issues, consulting services, agency services for import suspension at Customs and agency services for alternative dispute resolution. It has also enabled patent attorneys to incorporate their firms as patent service companies. Furthermore, for the purpose of increasing the number of patent attorneys, reforms have also been made with respect to the patent attorney examination by abolishing the preliminary test, reviewing and enhancing the scope of potential examination candidates eligible for exemption from the examination and reducing the number of examination subjects required to be taken, while aiming to improve the quality of patent attorneys by including the Copyright Law and the Unfair Competition Prevention Law in the examination syllabus in order to meet the need for new services in these areas.

However, since these revisions were implemented, the circumstances surrounding IP and the patent attorney system have changed, with the government advocating a national policy to make Japan an IP-based nation and the need to increase the number and quality of IP experts being pointed out. In addition, Article 13 of the Supplementary Provisions for the 2000 revised Patent Attorney Law requires a review of the revised law to be made five years after its implementation. In this study, in order to inquire into the actual condition of the patent attorney system and discuss the system’s future development, we conducted questionnaire surveys on the patent attorney system in general, targeting patent attorneys and companies that use their services, and investigated their evaluation of the revised Patent Attorney Law and the current use of and need for the patent attorney system. We also discussed a wide range of issues at the committee focusing on four major themes, namely the “patent attorney examination system,” “training for patent attorneys,” the “code of ethics (relating to conflicts of interest) for patent attorneys” and “disclosure of patent attorney information,” thereby identifying problems with the existing patent attorney system.

II Future Development of the Patent Attorney System

1 Current status and future development of the patent attorney system

(1) Patent attorneys' views on future development of the patent attorney system: Committee Member Mr. Kanbara

Since revisions were made to the Patent Attorney Law in 2000, the number of candidates who passed the patent attorney examination and the pass rate as well as the number of registered patent attorneys have been increasing rapidly. The number of patent attorneys with experience in dealing with licensing services relating to patent rights and other IP rights has also been increasing. Furthermore, as a result of the revision to the Patent Attorney Law in 2002, a new system was introduced to authorize patent attorneys who pass a specific examination to act as counsels in infringement lawsuits: as of February 28, 2006, 1,453 patent attorneys (about 21.8%) were registered as such specially authorized patent attorneys.

One problem that is pointed out regarding the existing patent attorney system is the increase in number of new patent attorneys who lack the capability to handle patent attorney services due to inadequate knowledge of IP treaties and conventions or limited opportunity to participate in practical training or on-the-job training at patent firms due to the increase in the total number of new patent attorneys. At the same time, amid the societal upheaval in Japan, more existing patent attorneys are unable to respond to conditions brought about by the reforms to the patent attorney system. Other problems with the existing system are as follows: even following the legal revisions, patent attorneys are still subject to some restrictions when providing IP services; clients suffering problems due to misunderstanding of overseas filing procedures; and there is generally a lack of patent attorneys capable of satisfying user needs appropriately.

Given such circumstances, a new examination and training system for patent attorneys should be created by combining an examination to assess whether examination candidates possess the necessary knowledge, with training designed to enable successful examination candidates to acquire the minimum capabilities considered required of patent

attorneys. If it is difficult to introduce a qualification renewal system, it will be necessary at least to require patent attorneys to participate in training programs periodically. With respect to various other issues relating to patent attorneys, such as their involvement in procedures for import suspension at Customs, response to specific acts of unfair competition, role as assistants, services relating to overseas filing procedures, and ethics, an environment should be developed whereby patent attorneys can provide IP services of unprecedentedly high quality. As a measure to promote disclosure of and access to patent attorney information, it would be useful to have a new system whereby a consultation service counter, at the request of users, searches a database and finds appropriate patent attorneys for users.

(2) Client views on the patent attorney system (large companies' standpoint): Committee Member Mr. Toda

Having experienced economic stagnation in the late 1990s, more companies regard IP as a source of corporate value or competitive advantage. In the intellectual property creation cycle, IP departments at companies are more deeply involved not only in protection but also creation and utilization of IP. Under such circumstances, companies face various challenges including in the areas of IP management within business groups by using trusts, treatment of employees' inventions, assessment of the value of IP, anti-counterfeiting measures, management of corporate brands with the aim to increase corporate value and development of internal IP experts.

Patent attorneys who are most desired among companies are those who have a strong grasp of procedural matters based on technical and legal knowledge and can successfully obtain useful IP rights. As their secondary duty, patent attorneys are also required to act as counsels in IP disputes or give advice on how to make use of IP in business management.

Companies do not strongly feel a lack in the current number of registered patent attorneys, which is over 6,000. The issue of patent attorney ethics (conflicts of interest) should be addressed by the taking of legislative measures, while giving consideration to the importance of balance. As a method of providing information on patent attorneys, it would be desirable to develop a patent attorney referral system. In the context of diversification of operational approaches for

companies, we should discuss in future whether one of the companies in a business group should be allowed to carry out the filing procedure on behalf of other member companies, or the patent attorney who belongs to one of the companies in a business group should be allowed to carry out the filing procedure on behalf of other member companies.

Introduction of market principles would be appropriate to create an ideal framework for the patent attorney system, but in this context, we should carefully consider how to increase the number of patent attorneys. Regarding the scope of services to be provided by patent attorneys, priority should be placed on developing patent attorneys who are capable of successfully acquiring rights as required within the scope of services under their exclusive authority, rather than merely aiming to expand the scope of services. To this end, the existing examination and training systems should be reviewed. For instance, we should consider introducing an examination system that is particularly designed to qualify those well versed in technical matters, and establishing a system of compulsory training before registration.

**(3) Client views on the patent attorney system (small- and medium-sized enterprises' (SMEs') standpoint):
Committee Member Mr. Kataoka**

Based on the report of the SME basic survey in 2004, there are about 490,000 SMEs in the Japanese manufacturing industry, and about 7 million people work at these enterprises. On average, the number of employees per enterprise is 14 to 15 and the level of sales and ordinary profits is about 250 million yen and about 9 million yen respectively.

According to the results of the questionnaire survey conducted by the Tokyo Metropolitan Government from June to October 2003 regarding the use of IP by SMEs, more than 80% of the 655 respondents had no experience in filing patent applications. The most common problem encountered when filing patent applications was the "large cost burden." Respondents that had no IP manager accounted for over 80% of the total. With regard to the benefits of patenting, an "increase in reputation for the company's technical capabilities" was chosen by most respondents.

Problems relating to the patent attorney system pointed out by SMEs in their

consultations with the Tokyo Metropolitan Government Intellectual Property Center include the following: the cost burden incurred in obtaining patents; inferior quality of patents obtained or other issues arising from filing (e.g. SMEs filing applications themselves or patent attorneys filing applications without giving consideration to the benefit of the clients (SMEs)); lack of available information when searching for suitable patent attorneys; patent attorneys' refusal to undertake commissions on the grounds of conflicts of interest; considerable time and labor required to obtain patents; and the difficulty in carrying out patent infringement litigation.

In order to resolve the problems mentioned above, we should implement the following measures: reduce costs incurred by patent firms; reduce costs for obtaining patents by providing grants or loans to cover costs for domestic filing (including the introduction of a performance-based compensation system); develop support organizations to assist or act on behalf of IP personnel of SMEs; develop a patent attorney database and establish consultation service counters that will find appropriate patent firms for SMEs; encourage patent attorneys to provide proper advice on the use of the accelerated patent examination system; encourage IP experts to provide support to settle infringement disputes; and encourage former IP personnel at large companies to help SMEs in dealing with IP issues (consideration should be given to the relationship with the Patent Attorney Law).

2 Patent attorney examination system

(1) Revision to the patent attorney examination system

For the purpose of increasing the number of patent attorneys and enhancing the range of examination candidates, revision was made to the patent attorney examination by abolishing the preliminary test and the qualifications required for taking the examination, including the Copyright Law and the Unfair Competition Prevention Law in the areas covered by the multiple-choice test, excluding IP treaties and conventions from the mandatory subjects for the written test, reducing the number of elective subjects required in the written test from three (selection from 10 legal subjects and 31 technical subjects) to one (selection from one legal subject and six technical subjects) and organizing the contents of the examination subjects, and

changing the exemption from the requirement to take the written test on elective subjects.

(2) Existing patent attorney examination

During the period from FY1999 to FY2005, the revision to the examination system has brought about a successful outcome, with the number of examination candidates doubling, the number of successful examination candidates increasing, and the pass rate rising. Of the 711 examination candidates who successfully passed the FY2005 examination, about 50% were in their 30s and slightly over 25% were in their 20s. Those who majored in science and engineering accounted for more than 80% of the total. During the four-year period from FY2002 to FY2005, 1,468 persons or about two-thirds of all successful examination candidates received exemptions from elective subjects. Just under 70% of the examination candidates who received exemptions in the FY2005 examination were eligible for exemption because of their master's degree or doctorates.

(3) Opinions expressed in the committee

- The pass rate seems extremely high among examination candidates who received exemptions from elective subjects because of their master's degree or doctorate, and this appears to imply that the exemption is very advantageous to such examination candidates. However, it will be difficult to abolish the exemption unless it causes any notable problems.
- From the perspective of ensuring equal treatment, it would be a good idea to exempt all university graduates from elective subjects or to abolish elective subjects altogether.
- Although deregulation is important, we should not reduce the number of examination subjects or lower the required skill level of the examination.
- IP treaties and conventions should be included in the coverage of the written test again in order to assess knowledge on this subject.
- As the former written test on IP treaties and conventions was focused on knowledge on this subject, such knowledge can be sufficiently assessed by setting more questions on basic areas this subject covers in the multiple-choice test.
- The results of the questionnaire surveys suggest that patent attorneys are required to be well versed in technical matters. It is necessary to consider requiring examination candidates to take technical subjects as mandatory subjects.
- Considering that before the latest revision was made to the patent attorney examination, it had also been possible for examination candidates to pass the examination by only taking legal subjects, it will be difficult to make a change to the examination system by requiring examination candidates to take technical subjects as mandatory subjects.
- As part of the patent attorney examination, some countries implement a job knowledge test to assess practical skills. It is necessary to consider introducing such a job knowledge test, although it might change the examination system drastically.
- If a job knowledge test should be introduced at all, a problem would be posed in terms of the number of examination candidates. In the United Kingdom, it is possible to implement a typical job knowledge test because only several dozens of examination candidates participate in the test. It would be difficult to implement such a test in Japan where several hundreds of examination candidates would participate.
- It would be possible to arrange questions that can nearly serve as a job knowledge test. Even so, it would be impossible to require examination candidates to write a patent specification as part of the written test.
- With respect to the multiple-choice test, it would be appropriate to set the minimum standard score for every subject and take into consideration not only the total scores but also the score in each subject, so as to prevent examination candidates from intensively studying only some of the examination subjects and obtaining their overall necessary score using those subjects alone.
- With respect to the written test, it is necessary to improve questioning and grading methods (e.g. by point-deduction scoring or point-addition scoring based on the overall impression of the written test) from the perspective of assessing the capability of logical reasoning.
- It is difficult to assess, in the oral test, whether examination candidates are qualified to act as patent attorneys. It is necessary to consider abolishing the oral test if any reasonable grounds can be found to ignore

the rejection rate that is as low as 5%.

- The patent attorney examination must at least serve to guarantee that those who pass it have the minimum required capabilities.
- The patent attorney examination is not aimed at assessing practical skills but rather intended to assess basic knowledge; it should be designed to assess whether examination candidates have the minimum knowledge required for acting as patent attorneys.
- However, from the perspective of enabling people who are currently engaged in dealing with IP operations to pass the examination more easily, it would also be appropriate to design an examination system that will not impose an excessive burden on such people, although it might increase the burden on those without such job experience.
- It would be a good idea to establish IP law schools in the future.

3 Training for patent attorneys

(1) New training system for patent attorneys proposed by the Japan Patent Attorneys Association: Committee Member Mr. Inoue

The existing patent attorney examination is not designed to assess practical skills. Although the most effective method to acquire practical skills is to learn through on-the-job training, it is becoming more difficult to provide all new patent attorneys with sufficient on-the-job training because a large number of people pass the examination and become patent attorneys every year. In order to improve the quality of new patent attorneys as a whole, it is necessary to require those who have passed the examination but lack experience in dealing with IP operations to participate in pre-registration training and acquire the minimum practical skills required for on-the-job training at patent firms. Pre-registration training is also provided in relation to other national examinations for job qualifications, such as training for judicial apprentices and supplementary lessons for certified public accountants.

A basic idea of developing a new training system is that the government should undertake the system design and the Japan Patent Attorneys Association (JPAA) should implement the system as commissioned by the government. Under the new training system, an e-learning system would be available. Trainees are required to participate in the compulsory training program for a period of

not less than six months and not more than one year. Based on the draft training program developed by the JPAA Training Institute, each trainee should obtain credits for at least 45 of the total 58 subjects, including patent specification writing and other basic subjects, and take an examination to confirm the skills accumulated.

(2) Opinions expressed in the committee

- According to the results of the questionnaire surveys, regarding the question of how to secure high-quality new patent attorneys, most respondents chose the answer “job experience should be included in the registration requirements.” Although it may be difficult to implement practical training, it is necessary to provide new patent attorneys with the minimum amount of training.
- Compulsory training is implemented for judicial apprentices and certified public accountants. However, the training systems for these professions have not been recently created, and restrictions on the contents of the training have also gradually been relaxed. Under such circumstances, it is questionable whether introducing compulsory training for patent attorneys is appropriate.
- If compulsory training should be implemented at all, it would be reasonable not for the government but for the JPAA, as the association that all patent attorneys are obliged to join, to undertake the implementation at its own expense.
- If the JPAA should take the initiative at all in requiring those passing the examination to participate in pre-registration training, the association would need some basis for making such training compulsory. Therefore, the government should take the initiative by setting certain standards.
- The patent attorney examination is not designed to assess practical skills. As an independent body, the JPAA should play a role in preventing new patent attorneys from making mistakes in dealing with actual IP operations.
- Along with the increase in the total number of new patent attorneys, the number of those who lack practical skills has also been increasing. Since one of the causes of this problem is that the government adopted a national policy to increase the number of new patent attorneys, the government should also be responsible for helping the JPAA work toward implementing compulsory training

and increasing the quality of new patent attorneys, rather than leaving all such work to the association.

- It is not realistic to implement compulsory training before registration for such a long period of not less than six months and not more than one year. The training period should be limited and the training contents should be selected.
- At least six months would be necessary for compulsory training because the training should cover a wide range of areas including practical elements and patent specification writing.
- Based on the results of the questionnaire surveys, the majority of the respondents believe training on patent specification writing should be given. Training in this subject area might be sufficient as compulsory training.
- Regarding the exemption from compulsory training, it is necessary to consider whether exemption should be granted on an individual subject basis, for all subjects except for the confirmatory examination, or for all subjects.
- For practical training, it would be effective to require trainees to write a patent specification and carry out the filing procedure under the supervision of instructing patent attorneys. If an office action notifying reasons for refusal is issued within one year of the filing, the trainees would be able to acquire further skills by preparing a written opinion to be submitted in response to such an office action.

4 Patent attorney ethics

(1) Code for conflicts of interest

With the revision of the Patent Attorney Law in 2000, cases for which patent attorneys shall not provide services are now specified in Articles 31 and 48, and those who violate these provisions shall be subject to disciplinary actions under Article 32. More specifically, Article 31, Item 3 (and Article 48, Paragraph 1, Item 3) provides that a patent attorney shall not undertake a commission, from the other party to the case in which he acts as an agent for his client, for dealing with other cases. Since carrying out the filing procedure is also regarded as dealing with a case, an issue arises as to whether a patent attorney who has undertaken the filing procedure for such another party should be subject to disciplinary action. The provisions of Article 31,

Item 3 and Article 48, Paragraph 1, Item 3 of the Patent Attorney Law correspond to the provisions of Article 25 of the Lawyer Law. However, considering that the number of cases handled by one lawyer per annum is about 8.6 whereas the number of patent filings handled by one patent attorney per annum is about 70, patent attorneys are more likely to face a conflict of interest than lawyers.

(2) Opinions expressed in the committee

- It is necessary to make some arrangements to support patent attorneys most of whose clients for patent filing are SMEs.
- “Cases” specified in Article 25 of the Lawyer Law basically refer to disputes. However, the overwhelming majority of “cases” handled by patent attorneys are procedures to be implemented at the JPO. It would therefore be appropriate to distinguish disputes from procedures.
- Although the invalidation procedure is similar to a dispute, it would be appropriate to regard it as an exception and exclude it from the scope of cases subject to the code for conflicts of interest.
- The invalidation procedure must not be excluded from the scope of cases subject to the code for conflicts of interest. If such a procedure should be excluded at all as an exception, it is definitely necessary to provide in the code of ethics that prior consent shall be obtained from the other party.
- If a patent attorney who has carried out the filing procedure for his client is prevented, on the grounds of conflict of interest, from carrying out subsequent procedures or invalidation procedures, this would undermine the client’s interest.
- It should be possible to resolve the difficulty of obtaining the client’s consent if the patent attorney has obtained blanket consent upon initially undertaking a commission from the client.
- In order to obtain blanket consent from the client, the patent attorney would have to inform the client of another client for whom he also acts as an agent. Client information is important for patent attorneys.
- As in the case of the Lawyer Law, it is necessary to specify, under the Patent Attorney Law, acts of conflict of interest that constitute offenses under the law separately from acts that constitute ethical issues.

- Where the patent attorney has undertaken the filing procedure of a large company with business operations in many areas, he would not be able to carry out the filing procedure for any other companies because of conflicts of interest. It is therefore necessary to relax the code for conflicts of interest with respect to conflicting applications pertaining to business fields that are not completely identical.
- Where the patent attorney undertakes commissions from companies that compete with each other, confidentiality issues would arise because either company's know-how could be leaked to the other via his patent firm.
- As in the case of the Lawyer Law, it would be a good idea to relax the code for conflicts of interest under the Patent Attorney Law so that the same patent firm may undertake commissions from companies that compete with each other if the patent attorney dealing with either case is not involved in the other case.
- Problems such as outflow of know-how and leakage of confidential information might occur if the same patent firm undertakes commissions from companies that compete with each other even if different patent attorneys deal with the cases. These problems should be resolved in order to allow patent attorneys of the same patent firm to deal with conflicting applications.

5 Disclosure of patent attorney information

(1) Necessity to disclose patent attorney information

Patent attorney information is indispensable when companies seek to find and appoint patent attorneys who will undertake filing procedures for them. In particular, based on the results of the questionnaire surveys, SMEs need such information when investigating who to approach for consulting services on IP management in general. At the same time, due to the significant increase in the number of patent attorneys, it has become more important than ever to acquire patent attorney information, which is increasing the necessity for disclosure of such information.

(2) Opinions expressed in the committee

- Is it appropriate for the JPAA to disclose certain items of information with or without each patent attorney's permission, or only disclose information permitted by him? Problems might arise in the context of the Personal Information Protection Law.
- In light of the provisions of Article 57 of the Patent Attorney Law, it would be permissible for the JPAA to disclose all information recorded in the patent attorney register.
- Article 57 of the Patent Attorney Law does not directly provide for information disclosure; it only stipulates that the JPAA shall establish a related by-law.
- If it is provided by law that the JPAA may disclose patent attorney information in accordance with its by-law, it would be able to avoid violating the Personal Information Protection Law as a result of information disclosure.
- It would be sufficient to provide information that indicates each patent attorney's performance, such as the number of applications filed, the number of requests for examination, and the number of patents obtained by him in his specialist field. Publication of patent applications would be a good information disclosure. If such data is disclosed with patent attorney information, this would be helpful to clients in finding desired patent attorneys.
- The contents of performance information to be disclosed should be determined by each patent attorney. As a measure to prevent exaggerated advertising, it would be sufficient to accept reports from clients who have found false information.
- Patent attorneys who actually engage in patent operations may have no time to participate in training, whereas most of those who have completed the required training may lack job experience. In that case, is it appropriate to indicate the latter as patent attorneys that have completed training?
- It would be possible to enable clients to find patent attorneys who have not completed training but are actually engaged in patent operations, by disclosing information on both training and job experience or providing information on the number of applications filed by each patent attorney by technical field classification on a linked page.
- It would be a good idea to disclose patent firm information, although this might be difficult due to staff changes.
- In the case of a patent firm operated by only one patent attorney, the difficulty in finding the attorney's successor is a serious problem.

Such a patent firm should declare its policy on this issue.

- The JPAA does not provide patent attorney referral services. If a public organization provides such referral services, this might pose business-related problems (e.g. the organization might only use particular patent attorneys).
- It would be helpful to provide clients with patent attorney information likely to more or less satisfy their needs and allow them to determine whether to select a desired patent attorney.

III Survey of Actual Conditions Surrounding Japan's Patent Attorney System

We conducted a questionnaire survey in order to investigate current conditions surrounding the patent attorney system in Japan. The survey targeted 6,097 registered patent attorneys, 870 companies that are members of the Japan Intellectual Property Association (JIPA) and 400 SMEs. The targeted SMEs were selected at random, based on the patent gazettes and public databases, from among SMEs that had obtained many patents over the past three years. The response rate was 31.4% among the patent attorneys, 51.5% among the JIPA members, and 31.8% among the SMEs.

Regarding the expansion in the scope of permitted services upon the revisions to the Patent Attorney Law, more than 90% of the JIPA members and nearly 70% of the SMEs were aware of this. However, these clients who were aware of the expanded services had not yet frequently requested patent attorneys in the new areas.

Regarding the party who prepares drafts for patent specifications or claims, "patent firm (patent attorney or his assistant)" ranked first among both the JIPA members and the SMEs, while one-third responded that the "client (inventor or IP personnel)" prepares drafts. The majority of the patent attorneys responded that they themselves prepare drafts. These results indicate that clients' contribution to the preparation of drafts is generally small.

Regarding the party who prepares drafts for written opinions or amendments, "patent attorney" ranked first among both the JIPA members and the SMEs, while one-fourth responded that the "client (inventor or IP personnel) prepares drafts. Among the patent

attorneys, "patent attorney" ranked first at 75.0%, and "client" was selected only by 2.6%.

With respect to the review of the patent attorney examination system, most respondents in the three groups selected "there is no need to review the system" from the perspective of increasing the number of patent attorneys. On the other hand, from the perspective of reducing the burden on candidates, while the majority of both the JIPA members and the SMEs sought the introduction of either "a step-by-step examination passing system" or "a system based on passing individual subjects and a period of two or more years to pass the entire examination", the majority of the patent attorneys selected "there is no need to review the system." From the perspective of securing the quality of patent attorneys, "job experience should be required for registration" was selected by most respondents in all groups.

Regarding patent attorney training subjects that new patent attorneys should take, "patent specification writing" ranked first in all groups. For measures to enable patent attorneys to acquire knowledge on a continued basis, "require periodical training" was chosen by most respondents.

Regarding the experience of facing problems in terms of conflicts of interest or ethical issues, those respondents with such experience were in a minority, at 14.1% among the JIPA members and 5.5% among the SMEs.

Regarding the experience of facing patent attorneys' refusal to undertake the filing procedure on the grounds of a conflict of interest, 33.9% of the JIPA members and 6.3% of the SMEs reported they had had such an experience, while 30.1% of the patent attorneys responded that they had experienced being unable to undertake the filing procedure on the grounds of a conflict of interest.

Regarding methods for selecting patent attorneys, the majority of the JIPA members and the SMEs chose "references given by competitors." Patent attorneys also responded that they undertook new commissions "through referrals from former clients."

Regarding important factors for selecting patent attorneys, the majority of the JIPA members and the SMEs chose "performance in their specialist field" and "performance in their specialist technical field." These factors were also chosen by the majority of respondents as the most necessary patent attorney information.

Regarding the number of patent attorneys

and the amount of patent attorney information available, the majority of the JIPA members (70.1%) and the SMEs (79.5%) responded that they had “never felt a shortage” when selecting patent attorneys.

In response to the question for the patent attorneys regarding the incorporation of patent firms, the majority or 58.1% selected “have no plans to use the partnership system,” while 28.9% selected “want to use the partnership system if certain requirements are fulfilled.” With regard to defects in the existing system that should be corrected, “unlimited liability” ranked first, chosen by 65.0%.

In response to the question for the JIPA members regarding the IP management system in the case of a corporate spin-off, 39.3% selected “have no plans for a spin-off” while 36.8% selected “establish a central IP management department at the head office.”

Regarding services that patent attorneys are expected to undertake, “consulting services on IP issues in general,” “expert opinions on the scope of IP rights held by competitors,” and “procedures from filing to obtaining rights to be implemented at the JPO” were popular responses among both the JIPA members and the SMEs. More specifically, however, “procedures at the JPO” ranked first among the JIPA members whereas “consulting services on IP issues in general” ranked first among the SMEs.

Regarding what is required from lawyers who deal with licensing negotiations, “tactics to promote licensing negotiations while understanding the client’s situation” and “advice on developing advantageous contracts” ranked first and second among both the JIPA members and the SMEs. On the other hand, regarding what is required from patent attorneys, “tactics to promote licensing negotiations while understanding the client’s situation” and “technical understanding and legal support” ranked first and second respectively.

Regarding the scope of authority of patent attorneys acting as counsels in infringement lawsuits, the majority of the JIPA members and the SMEs responded that “there is no need to change the existing scope.” However, the sum of the respondents that selected “the scope should be expanded to cover unfair competition in general” and those that selected “the scope should be expanded to cover lawsuits other than infringement lawsuits” accounted for 37.0% of the JIPA members and 44.8% of the SMEs. This indicates that the respondents that consider it

necessary to expand the existing scope of authority exceed the number that find “no need to expand the existing scope.”

Regarding the party who acts as a counsel in an infringement lawsuit, “lawyer (with a patent attorney as his assistant)” ranked first among both the JIPA members and the SMEs. “Lawyer and specially authorized patent attorney” ranked second among the SMEs, indicating that specially authorized patent attorneys are more popular among the SMEs than among the JIPA members.

Regarding whether or not to maintain the examination for specially authorized patent attorneys, most respondents considered it necessary to maintain the examination, and the respondents that selected “it is no longer necessary to hold the examination because there are sufficient specially authorized patent attorneys” were in the minority in all the groups.

Regarding whether or not to allow patent attorneys to attend court as counsels independently, the majority of the JIPA members and of the SMEs selected “there is no need to change the existing system.” However, the sum of the respondents that selected “patent attorneys should be allowed to undertake legal proceedings jointly with lawyers and attend court as counsels independently” and those that selected “patent attorneys should be allowed to independently undertake legal proceedings and attend court as counsels” accounted for 46.7% of the JIPA members and 33.1% of the SMEs. This means that the respondents that considered it necessary to allow patent attorneys to attend court independently exceeded the number that found “no need to change the existing system.”

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