6 Ideal Framework for the Future Patent Attorney System

Amid industry's pro-patent trends with a strengthened emphasis on patents and intellectual property (IP), an overall revision was made to the Patent Attorney Act in 2000 for the first time in 80 years since its enactment, with the aim of promoting the use of patent attorneys as IP experts. Through this revision, the scope of services that patent attorneys are authorized to provide has been expanded, and various measures have also been put in place regarding the examination of patent attorneys so as to increase the number of patent attorneys. Furthermore, in the Supplementary Provisions, it is provided that the revised Act 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 the future development of the system amid the changes in surrounding circumstances following the revision to the Patent Attorney Act, we discussed a wide range of issues focusing on the themes left unaddressed in the FY2005 study (which addressed the "patent attorney examination system," "training for patent attorneys," the "code of ethics (relating to conflicts of interest) for patent attorneys" and the "disclosure of patent attorney information"), thereby identifying any problems. The FY2006 study focused on: the "review of the scope of services," "incorporation of patent firms (as patent profession corporations)," "corporations or employees acting as agents," and "specially authorized patent attorneys."

I Introduction

Amid industry's pro-patent trends with a strengthened emphasis on patents and intellectual property (IP), an overall revision was made to the Patent Attorney Act in 2000 for the first time in 80 years since its enactment, with the aim of promoting the use of patent attorneys as IP experts. This revision has expanded the scope of services that patent attorneys are authorized to provide, and also enabled patent attorneys to incorporate their firms as patent profession corporations. Furthermore, for the purpose of increasing the number of patent attorneys, reforms have also been made with respect to the patent attorney examination.

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 Act requires a review of the revised Act to be made five years after its implementation.

Against this background, in FY2005, we conducted questionnaire surveys on the patent attorney system in general, and based on the findings in the surveys, we discussed issues 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 the "disclosure of patent attorney information," thereby identifying problems with the existing patent attorney system.

In the FY2006 study, we discussed a wide range of issues focusing on the themes left unaddressed in the FY2005 study, namely, the "review of the scope of services," "incorporation of patent firms (as patent profession corporations)," "corporations or employees acting as agents," and "specially authorized patent attorneys," thereby identifying any problems. Furthermore, we conducted questionnaire surveys in order to investigate whether SMEs actively use patent attorneys.

II Future Development of the Patent Attorney System

1 Review of the scope of services

(1) Services to be provided by patent attorneys: Committee Member Kanbara

In the course of providing users with consistent and quality IP services throughout the intellectual creation cycle, patent attorneys are still subject to some restrictions on the scope of services that they are allowed to provide.

[i] The scope of specified unfair competition defined by the Patent Attorneys Act is too narrow to enable users to fully enjoy patent attorneys' expertise in intellectual property. To correct such a situation, it is recommended that the scope of specified unfair competition should also include the acts prescribed in Article 2(1)(xiii), (xiv) and (xv) of the Unfair Competition Prevention Act (the acts prescribed in item (xiv) should be limited to the act of making or circulating a false allegation concerning an intellectual property right).

[ii] In the procedure for the suspension of imports at Customs, currently, a patent attorney is only allowed to act as an agent for the right holder, which means that the importer cannot enjoy support from a patent attorney acting as an agent. This causes inequality in access to patent attorneys' expertise. To achieve a balance between the parties, patent attorneys should also be allowed to act as agents for importers in the Customs procedures.

[iii] There is no legal provision that expressly stipulates the services relating to overseas filing procedures. Currently, these services are provided not only by patent attorneys but also various types of businesses. This may be because society has not yet fully recognized that the services relating to overseas filing procedures are critically important when obtaining rights in foreign countries with respect to inventions developed in Japan, and in this respect, they will affect directly the quality and strength of intellectual property rights to be obtained overseas. In the present circumstances, patent attorneys do not seem to contribute fully to providing these services. Therefore, the Patent Attorneys Act should clearly stipulate that the services relating to overseas filing procedures shall be provided by patent attorneys under the obligation and responsibility of the profession of patent attorney.

[iv] There is no legal provision that clearly stipulates an exemption from the disclosure of documents exchanged between patent attorneys and their clients. The lack of such an exemption provision might cause the standing of Japanese nationals in the discovery procedure to suffer detrimental treatment by courts or other authorities in the United States. To avoid such a situation, it should be expressly stipulated in Japanese law that documents exchanged between patent attorneys and their clients shall be exempted from disclosure.

(2) Opinions expressed in the committee

(i) Review of the scope of services in general

- Different types of licensed professionals conventionally had their own areas of activity, but, today, there are overlaps in these areas as society becomes more complex. For the convenience for the public and users of IP services, it is necessary to reconsider the scope of services of patent attorneys.
- In the previous year's questionnaire surveys, I cannot clearly find a demand from users for a review of the scope of services. Is there really such a demand?
- It is meaningful to clearly stipulate that "these services should be provided only by those qualified as patent attorneys" or "these services are not exclusive services of patent attorneys, but they may be provided by patent attorneys," distinguishing the scope of services of patent attorneys from that of other types of licensed professionals.

(ii) Review of the scope of specified unfair competition

- The existing scope of services for dealing with specified unfair competition seems to have no problem as it is.
- From the perspective of deregulation, I

can understand the idea of expanding the scope of services for dealing with specified unfair competition.

- There is a similarity between what constitutes an act of unfair competition prescribed in Article 2(1)(xiii) of the Unfair Competition Prevention Act and what constitutes an act involving a trademark that may be subject to a trial for the rescission of registration prescribed in Article 51 and Article 52 of the Trademark Act, although they target different subject matters (indication/trademark). Therefore, it may be possible for patent attorneys to determine whether or not an alleged act constitutes unfair competition, using their expertise.
- In relation to Article 2(1)(xiv) of the Unfair Competition Prevention Act, whether or not making an allegation of infringement of an intellectual property right constitutes unfair competition may be a point at issue. I do not disagree with the idea of including services for dealing with specified unfair competition in the scope of services of patent attorneys, but I still find room to question whether or not the acts prescribed in Article 2(1)(xiv) of the Unfair Competition Prevention Act should necessarily fall within the scope of specified unfair competition.
- The purport of the provision of Article 2(1)(xv) of the Unfair Competition Prevention Act is not completely the same as that of the provision of Article 53-2 of the Trademark Act. The former means to suspend a third party's act. Therefore, it is still questionable whether or not the acts prescribed in Article 2(1)(xv) of the Unfair Competition Prevention Act should necessarily fall within the scope of specified unfair competition.
- The acts prescribed in Article 2(1)(i) to (xii) of the Unfair Competition Prevention Act, which fall within the scope of specified unfair competition, are prohibited for the purpose of protecting a specific person's intellectual property right, whereas the acts prescribed in item (xiii) and thereafter of Article 2(1) are prohibited for regulatory purposes. In light of such a considerable generic difference, it is necessary to analyze what it would mean to expand the scope of specified unfair competition so as also to include the acts prescribed in Article 2(1)(xiii) to (xv).

(iii) Review of the agent services for Customs procedures (import suspension)

- Since patent attorneys are allowed to act as agents for right holders in filing applications, they should also be allowed to act as agents for the alleged (respondent) parties (importers).
- Importers who are subject to import suspension may request patent attorneys to prepare expert opinions. If it were also allowed to request patent attorneys to act as agents in Customs procedures, this would be helpful for SMEs in reducing the procedural and economic burden.
- From the perspective of deregulation, it is favorable to allow various persons to act as agents in Customs procedures.
- Since Customs procedures develop into disputes between conflicting parties (e.g. right holder vs. importer), they should be carried out by attorneys at law, not by patent attorneys.
- Under the current situation where patent attorneys are not authorized to act as counsel independently in infringement lawsuits (not accompanied by attorneys at law), it is questionable whether or not it is really necessary to review the scope of agent services of patent attorneys.
- Customs procedures involving patent rights and other intellectual property rights usually become disputes that are similar to infringement lawsuits; therefore, it may be appropriate to allow patent attorneys to act as agents jointly with attorneys at law.
- Procedures under the Customs Tariff Act have become more complex and they now function as procedures for dispute settlement. Under such circumstances, we should consider whether or not it is appropriate to allow patent attorneys to

act as agents independently.

(iv) Services relating to overseas filing procedures

- Services relating to overseas filing procedures mean services for mediating between clients and overseas agents, including consulting services concerning overseas patent systems.
- Since it is very costly to ask Japanese patent firms for services relating to overseas filing procedures, there are other options such as filing applications without agents or via agents other than patent attorneys. However, in reality, Japanese applicants seem to use Japanese patent firms for overseas filing procedures.
- There is no law in foreign countries that specifically stipulates the power of patent attorneys to execute overseas filing procedures, with the exception that the German Patent Attorneys Act provides that patent attorneys may provide advice on intellectual property irrespective of territorial jurisdiction.
- The existing Patent Attorneys Act does not expressly stipulate that services relating to overseas filing procedures shall be included in the scope of services of patent attorneys. This means that the duty of confidentiality under Article 30 of the said Act shall not apply to services relating to overseas filing procedures. However, in practice, it is possible to bind patent attorneys with the professional duty of maintaining their dignity as prescribed in Article 3 of the same Act.
- The Japan Patent Attorneys Association (JPAA) does not intend to monopolize services relating to overseas filing procedures.
- Although patent attorneys are currently allowed to provide services relating to overseas filing procedures, it may be difficult for them, under the current circumstances, to satisfy the need for obtaining higher-quality intellectual property rights in various countries. If services relating to overseas filing procedures were included in the statutory scope of services of patent attorneys, it would be possible for the JPAA to direct and supervise patent attorneys effectively in the fulfillment of their duties. It would also be possible to make patent attorneys aware that services relating to overseas filing procedures do not only mean translation services.
- If services relating to overseas filing procedures were placed under the JPAA's supervision, this would make it easier for the JPAA to monitor patent attorneys engaged in these services, and would also make it clear that patent attorneys shall assume the legal duty of confidentiality.
- If, in other service areas (e.g. accounting services), the acts that should be conducted in Japan by qualified persons for the purpose of carrying out official procedures overseas were clearly stipulated by Japanese law, it would be possible to clarify why services relating to overseas filing procedures should be provided in the name of a patent attorney.
- The Tokyo Metropolitan Government provides grants to SMEs to cover their costs for filing applications overseas. Overseas application documents filed by such financially-supported SMEs are sometimes very poor. Therefore, it is a very good idea (to include services relating to overseas filing procedures in the statutory scope of services of patent attorneys), if it is necessary in order to improve the quality of such services.
- I cannot find a good reason to require services relating to overseas filing procedures to be provided in the name of a patent attorney.
- It is questionable whether to provide for services relating to overseas filing procedures, which may involve foreign countries, in Japanese law.
- It is necessary to ascertain whether or not users specifically point out any problems with the present situation, citing examples.
- The idea of stipulating services relating to overseas filing procedures under the Patent Attorneys Act might be construed

as being the desire of patent attorneys to preserve their privilege or acquire competitive advantage over their conventional rivals (e.g. search agencies).
- Since most SMEs entrust patent attorneys with overseas filing procedures, it is uncertain whether or not it is really necessary to stipulate specifically by law that services relating to such procedures shall be provided in the name of a patent attorney.
- It is questionable whether or not it is really impossible to improve the quality of services relating to overseas filing procedures without stipulating them by law.

(v) Exemption from the disclosure of documents exchanged between patent attorneys and their clients, patent attorneys' privilege of nondisclosure in the United States, and other issues

- In the discovery procedure in US civil litigation, nondisclosure is rarely demanded in prosecution cases, and is intended mainly for infringement cases. With regard to whether or not disclosure is required for various documents exchanged between Japanese patent attorneys and their clients, courts allowed nondisclosure in some cases and denied it in others. Such inconsistency is a problem.
- The judgment on the VLT case in 2000 seems to overestimate the enactment of Article 220 of the Code of Civil Procedure as having established a procedure similar to the US discovery procedure. There is no supportive evidence to prove that the court made a concrete examination of the provisions of Article 220 of the said Code. There is concern about what would happen when courts examine the provisions more closely in future cases if no measure is taken. In particular, a problem can be found in that some documents that patent attorneys deal with in their daily routine do not satisfy conditions (c) and (d) of Article 220(iv) of the Code of Civil Procedure.
- The Code of Civil Procedure or the Patent Act should be revised so as to limit somewhat the duty to submit documents.
- The Japan Federation of Bar Associations (JFBA) considers that the existing Code of Civil Procedure allows exemption from disclosure to a certain extent and it has become significantly easier to manage documents by taking advantage of the special authority to act as counsel at court; therefore, currently, the JFBA has no specific ideas for further improvement.
- In Article 197(1)(ii) of the Code of Civil Procedure as applied mutatis mutandis under Article 220(iv) of the said Code, patent attorneys and attorneys at law are listed alongside each other. This can be construed as meaning that professions of the same nature shall necessarily be treated in the same manner. If patent attorneys demand more privilege of nondisclosure, they should argue specifically that their current privilege is insufficient.

2 Incorporation of patent firms (as patent profession corporations)

(1) History of the introduction of the corporation system and current problems: Committee Members Kanbara and Lecturer Mr. Isshiki

The corporation system was introduced by way of the revision to the Patent Attorneys Act in 2000, as a result of a discussion highlighting the continuity required for patent attorney services and the need for patent firms capable of providing comprehensive services. On that occasion, as in the case of audit corporations, the provisions (of the Civil Code) then applicable to general partnership companies were applied mutatis mutandis to patent profession corporations. For this reason, patent profession corporations have the following characteristics: (i) all patent attorneys who are partners of a patent profession corporation shall assume unlimited liability jointly and severally; (ii) a patent profession corporation shall basically consist of more than one partner.

There are many advantages to

incorporation, including: (i) guarantee the continuous and stable operation of agent services; (ii) improve social confidence in patent attorneys and their services; (iii) receive tax benefits; (iv) encourage directors to participate in corporate activities; (v) clearly distinguish between individual assets and corporate assets.

By the end of January 2007, 66 patent profession corporations had been established. The number of partners is only two to five per corporation. Despite users' demand for the continuous and large-scale operation of patent agent services, not many patent firms have been incorporated thus far. Measures should be taken to facilitate the use of the corporation system for patent attorneys.

More specifically, it is necessary to consider (i) imposing unlimited liability only on designated partners, and (ii) allowing the establishment of a one-partner corporation.

(2) Opinions expressed in the committee

- A partnership may be established between patent attorneys whose clients' interests are in conflict with each other. The partnership system may be popular for usability.
- In the case of a partnership, it is necessary to conclude a new contract whenever a partner changes. The corporation system may be preferable for ensuring the continuous operation of services.
- In order to increase the usability of the corporation system, it is necessary to publicize the system to the greatest possible extent and reform the system by eliminating the defects thereof.
- Patent firms may have difficulty finding their successors due to not being incorporated.
- Some committee members pointed out that by disclosing BS and PL, patent profession corporations can increase the transparency of their business and attract more users, whereas others suspected that unlimited liability is imposed on these corporations in exchange for exemption from the obligation to disclose BS or PL.
- When users choose patent attorneys as their agents, they prefer patent attorneys who belong to patent firms where each consists of more than one patent attorney, rather than patent attorneys who operate patent firms independently, by reason of continuity and permanence.
- If users become aware of the benefits of incorporation of patent firms, they will actively push forward incorporation.
- It is doubtful that many patent firms will switch over to incorporation unless the members change their recognition on transparency or correct the idea that the firms belong to their members.
- The JPAA should declare a policy to actively promote incorporation.
- It is necessary to define the details of a patent profession corporation such as how it differs from a partnership under the Civil Code in terms of liability to a third party.
- If a patent firm becomes a patent profession corporation, its name will be maintained permanently. Some committee members pointed out that young patent attorneys might argue that the permanence of names of patent firms would reduce the opportunities for them to open their own firms (the same argument was heard regarding the use of names of firms as abstract nouns.) Others stated that today, patent attorneys may not be very eager to maintain the names of their firms.
- Since it sometimes takes a long period of time to conclude one case, it may be difficult for all partners of a patent firm to assume responsibility for all cases handled within the firm.
- It has often been argued recently that the responsibility for each client shall be borne by the patent attorney who is in charge of the client. According to this argument, a patent firm's responsibility should be divided to this extent.
- Liability limitation may be acceptable if it is reasonable in light of the characteristic nature of the services of patent attorneys.
- We should consider how to limit liability

upon the introduction of the corporation system, including a method of publicizing the scope of liability to be assumed and the division of the liability.

- Where unlimited liability is imposed on only designated partners, and the representative partner assumes no liability for any acts of other partners, clients would not be completely satisfied. The representative partner should assume liability to a certain extent.
- In the case of a patent profession corporation where only designated partners shall assume unlimited liability, it may be inappropriate to state only the name of the corporation in an application form because it would be impossible to discover who should actually assume unlimited liability.
- Some committee members suggested the idea of registering the limit of liability as required under the Companies Act, whereas others argued that the situation would be somewhat different in the case of a patent profession corporation which is financed and managed by the corporation itself, compared with stock companies for which limiting the liability of directors is reasonable.
- Establishing a patent firm as a one-partner corporation may be acceptable if there is a good reason to do so.
- In order to allow a patent firm to be established as a one- partner corporation, it is necessary to consider in advance what should be done if the one partner leaves.
- If a patent firm is allowed to be established as a one- partner corporation, this would promote the incorporation of patent firms because currently about 60 to 70% of the patent attorneys registered with the JPAA operate one-attorney firms.
- The reasons why the incorporation of patent firms has not been promoted may be because: (i) the owner of a patent profession corporation is required to disclose the corporation's assets to other partners; and (ii) if there is more than one partner other than the owner, the owner may be dismissed by a resolution of other partners.
- A general partnership company is allowed to be established with only one partner in order to make it easier to start a business. If we apply this theory to a patent profession corporation, we should consider whether it is also necessary to facilitate business start-ups in the area of patent attorney services.
- It may be possible to segregate the patent firm's assets from the firm owner's assets without incorporating the firm.

3 Corporations or employees acting as agents

(1) Changes in the environment affecting corporations or employees acting as agents: Committee Member Toda

Through the recent reforms of the accounting system, consolidated management is now allowed for corporate groups, and the types of subsidiary subject to consolidation have been established as uniform types. In addition, corporate governance has been expressly stipulated by laws in the United States and Japan, which means that the governance of intellectual property within a corporate group as a whole has also become very important.

Since intellectual property is valuable as a management asset but can also be a risk factor, corporate groups currently face the necessity of centralized management of intellectual property. Furthermore, as the number of in-house patent attorneys has increased and human resources capable of IP management have been developed, companies may hope to entrust in-house patent attorneys with the IP management for the companies themselves as well as closely affiliated companies within their corporate groups.

Under such circumstances, in the case where an in-house patent attorney who belongs to the IP management subsidiary (or the parent company) acts as an agent in the position of an employee of the corporation, a question arises in relation to the restrictions

of engagement in the patent attorney business prescribed in Article 75 of the Patent Attorneys Act. It is not desirable to establish strict guidelines under which all services currently performed by such in-house patent attorneys would be deemed to be illegal.

However, the request that corporations other than patent profession corporations be allowed to act as an agent does not seem to be dominant in industry.

(2) Spin-off of IP departments and Article 75 of the Patent Attorneys Act: Committee Member Itami

The scope of companies within a corporate group for which in-house patent attorneys who work at the spin-off IP management company are allowed to act as agents, should be defined while taking into account the services that have actually been handled by the IP department before the spin-off.

A spin-off IP management company may be allowed to assist the parent company or affiliated company in carrying out the filing procedure if it is not engaged in preparing documents, which is prohibited under Article 75 of the Patent Attorneys Act. It is necessary to discuss and clarify the details of allowable assistant acts in advance.

(3) Opinions expressed in the committee

- If corporations (companies) are allowed to act as agents for the filing procedures, this might make Article 75 of the Patent Attorneys Act meaningless.
- In the case where a patent attorney who is an employee of a subsidiary acts as an agent for the patent filing procedures on behalf of the parent company, if the patent attorney receives fees from the subsidiary, his/her employer, it would be suspected that the subsidiary itself had entered into a contract with the parent company for acting as an agent. This would mean that a corporation other than a patent profession corporation acts as an agent, and might be in violation of Article 75 of the Patent Attorneys Act. However, considering that a parent company and its subsidiary can be collectively regarded as one corporation, it would go against economic reality to regard such practice as violating the Patent Attorneys Act only because the parent company and its subsidiary are different entities.
- In relation to Article 75 of the Patent Attorneys Act, it is necessary to clearly define (i) the scope of "preparation of documents" and (ii) the scope of "others."
- Since companies that form a corporate group have tended to be regarded as one corporation recently, the issues concerning the scope of services allowed to be undertaken by patent attorneys and the remuneration for such services can be determined flexibly to some degree.
- The JFBA considers that in the case of a parent company and its subsidiary that can be regarded as one entity, the subsidiary shall not be precluded from dealing with legal affairs for the parent company if it satisfies certain requirements. This rule can be also applicable to the patent attorney system.
- The scope of the subsidiaries prescribed in Article 2(iii) of the Companies Act may also apply in the discussion concerning patent profession corporations.
- Procuring agents for patent filing by receiving fees is not prohibited under Article 75 of the Patent Attorneys Act, but such an act is sometimes malicious and therefore it is currently regulated under Article 3 of the said Act as an issue of professional ethics. Some committee members suggested that the procurement of patent attorneys should be included in the scope of services exclusively authorized to patent attorneys.
- Public organizations do not receive remuneration for the procurement of patent attorneys. However, the persons engaged in the procurement receive payments for their work, and this aspect might be regarded as "engagement in the business."
- Under the current circumstances where patent attorneys work as employees of public organizations, the scope of patent agent services that public organizations

are allowed to provide would be different depending on whether or not the organizations have patent attorneys as their employees.
- Various ways of providing agent services for patent filing have been developed in line with economic reality.
- Most SME consultants provide various kinds of consulting services concerning invention, management, and dispute settlement, and it is difficult to determine which services would be deemed to be illegal (under the Patent Attorneys Act).

4 Specially authorized patent attorneys

(1) Current status and problems of the specially authorized patent attorney system: Lecturer Mr. Mitsuishi

Along with the significant increase in recent years of the number of lawsuits disputing the infringement of industrial property rights, in order to enhance and strengthen dispute settlement services by increasing the number of counsel with expertise in this field and to improve their abilities, a system has been developed to authorize patent attorneys to act as counsel in specified infringement lawsuits after taking measures to secure the reliability and high capabilities of patent attorneys (training and examination). Although this system celebrated its fourth anniversary in 2006, such specially authorized patent attorneys have not been so frequently used in specified infringement lawsuits.

In order to acquire the authority to act as counsel in court, patent attorneys should make independent efforts to study basic matters in the Civil Code and the Code of Civil Procedure. In this respect, their learning and practical skills in this field may be insufficient compared with attorneys at law. Therefore, it is necessary to oblige patent attorneys, who wish to act as counsel in infringement lawsuits, to study the basics of the Civil Code and the Code of Civil Procedure for a certain period at university, etc., including basic case studies.

(2) Specially authorized patent attorneys system: Lecturer Mr. Koda

Initially, there was an argument that patent attorneys with experience of acting as assistants for attorneys at law in court proceedings should be mainly allowed to participate in the examination for acting as counsel in specific infringement lawsuits. However, among the 1,600 persons who passed the examinations by FY2005, the number of those with experience as an assistant was only 595, accounting for 37% of the total, whereas those with no such experience are the majority. Analyzed by the number of years of membership in the JPAA, the sum of specially authorized patent attorneys with job experience of not more than five years and those with job experience of not more than ten years accounted for 50.8%. This indicates that the share of relatively young patent attorneys has been increasing in the total of specially authorized patent attorneys. About 80% of the examination participants have majors in science and engineering.

From the perspective of actual performance, the number of specially authorized patent attorneys who have in some way taken part in infringement lawsuits was not so large, 138 as of August 2005. However, they have engaged in a wide range of activities, providing clients (parties to lawsuits) with advice on technical matters as a basic service, as well as providing attorneys at law with advice on intellectual property laws and technical matters.

In the future, the collaboration between attorneys at law and patent attorneys will be important in intellectual property lawsuits. In this regard, the specially authorized patent attorney system can function as a common interface for these professions, thereby contributing to speeding up and facilitating court proceedings.

(3) Opinions expressed in the committee

(i) Specially authorized patent attorney system

- The effect that has been brought so far through the implementation of the specially authorized patent attorney system seems somewhat different from

what was initially expected based on the philosophy of the system. The advantages of the system currently argued are that: (i) specially authorized patent attorneys can have mutual knowledge about the contents of their work, and (ii) they have risen in position, or more specifically, they are allowed to use the title of patent attorney for overseas-related services and act as counsel in court proceedings. Taking these effects into account, we should review the ideal framework of the system.

- In light of the philosophy of the system, the most important issue is how specially authorized patent attorneys should make use of their title in the course of providing services for users and society, and how the JPAA should develop a desirable environment and guidelines to achieve this.
- As patent attorneys, with their special authority, acquire the capability and experience of dealing with lawsuits, they will also be able to improve their abilities in providing services for obtaining rights, which are exclusively authorized to patent attorneys.
- The specially authorized patent attorney system should be reformed in order to improve the capabilities of specially authorized patent attorneys so that they can fully perform their functions as patent attorneys as partners for attorneys at law.
- In lawsuits, the gap in ability between counsel significantly affects the result of the case. Therefore, information should be disclosed so that clients can choose capable counsel.
- In order to maintain the specially authorized patent attorney system, mutual communication between the JFBA and the JPAA is very important.
- Since specially authorized patent attorneys are often required to settle disputes comprehensively, it may be insufficient for them to be well versed in technical matters.
- Licensed professionals are governed by professional laws because they are required to have professional knowledge. A problem might arise if we promote deregulation or liberalization of interdisciplinary transactions for anything.
- According to the findings in the last year's questionnaire surveys, the JIPA and SMEs seem to expect patent attorneys to act independently as counsel at court. Some committee members pointed out that such expectation comes from the hope of reducing legal fees, whereas others presented a cautious view that whether or not to allow patent attorneys to act as counsel independently should not be discussed until specially authorized patent attorneys have acquired sufficient experience of acting as counsel jointly with attorneys at law and their performance has been recognized by the public.
- Since this system has just started, we are still at the stage of observing the situation.

(ii) Training for securing ability

- In light of the current situation, a possible measure might be to oblige patent attorneys to participate in studying necessary matters at university for a certain period, including basic case studies, as a requirement for registration as specially authorized patent attorneys (qualification for taking the examination for securing ability).
- The training for securing ability can have two meanings as a requirement for registration as specially authorized patent attorneys: (i) it can be a requirement for taking the examination; (ii) it can be a requirement for obtaining registration (patent attorneys can take the examination before completing the training but they cannot obtain registration unless they receive the necessary education at university).
- If examination participants are to be required to earn credits at university, it is necessary to discuss the details of the subjects for which credits will be

required.

- In the training for securing ability, some patent attorneys indicate incorrect clauses of laws in litigation documents. This is not due to a problem with the substance of the training for securing ability but a problem with the training method currently employed by the JPAA. To solve this problem, the JPAA is considering a periodical training program to impart information on legal revision.
- For the purpose of permanently maintaining the specially authorized patent attorney system, it is necessary to secure a sufficient number of attorneys at law who can be teachers, depending on the number of training participants.
- In order to implement effective training for securing ability, it is a good idea to keep the number of training participants as small as possible (so that it will be possible to give feedback to individual participants).
- If the aim is to allow patent attorneys to act as counsel at court independently in the future, it is necessary to require them to study the basics of the Civil Code and the Code of Civil Procedure.
- Of patent attorneys who have participated in the 45-hour training program, 60 to 80% have been able to pass the examination. This means that the training is sufficiently effective.
- Some courses in international intellectual property litigation that are implemented at graduate schools specializing in intellectual property are similar to the training for securing ability.

(iii) Examination

- Whether or not the existing examination is appropriate has not been verified.
- It may not be possible to find out entirely, from the questions of the examination, what extent of knowledge is required for patent attorneys (the majority of them have majored in science and engineering) in order to act as counsel jointly with attorneys at law.
- When companies are involved in intellectual property disputes, they usually take measures that are similar to those referred to in the questions of the examination. Therefore, the examination does not seem so difficult or strange.

(iv) Others

- Some committee members suggested that questions concerning the Civil Code and the Code of Civil Procedure could be included in the coverage of the patent attorney examination, whereas others argued that the knowledge required for preparing litigation documents (e.g. written answers or briefs) are not suitable as content for the patent attorney examination because most of the patent attorneys' services relate to the procedures for filing applications.

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