

6 Future Patent System for Timely Patent Acquisition ^(*)

At the 17th meeting of the Intellectual Property Policy Committee of METI's Industrial Structure Council held on March 30, 2012, it was stated that "it is necessary to examine the possibility of establishing a system that allows applicants to choose the timing of examination based on their respective business strategies and IP strategies. The system should be designed with reference to corresponding systems in other countries, aiming for a balance between the applicants' needs and the third parties' burden of monitoring."

In order to enhance Japan's international competitiveness, it is necessary to establish a system that allows users to obtain a patent within a reasonable timeframe based on their respective IP strategies. It is therefore necessary to discuss the future of the patent system as a whole, including the current accelerated examination system, to allow each applicant to choose when to commence examination based on, for example, the merits and demerits of the system, international trends and harmonization, and the effects of the system on society, the economy, and public well-being.

In this research study, we identified Japanese users' specific needs in relation to timely patent acquisition, analyzed similar systems in other countries, and discussed a future system in Japan that would allow applicants to choose when to commence examination.

I Introduction

1 Background of this Research Study

The JPO has been enacting various measures to issue Office Actions to applicants in an efficient manner, such as adopting a fixed-term examiner system and outsourcing prior-art document searches. In 2013, the JPO set out to shorten the period from when an examination request is filed to when the applicant receives the first Office Action to 11 months. To this end, the JPO must improve efficiency when preparing the first Office Action in response to each patent application filed in all technical fields, and it expects to achieve this goal of shortening the period to 11 months. However, the applicants' needs vary in terms of the desirable timing for receiving an Office Action and acquiring a patent, because each applicant has to take into account such factors as the nature of the invention, unique circumstances to the technical field, and the business plan for the use of the invention.

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other countries, aiming for a balance between the applicants' needs and the third parties' burden of monitoring."

In this increasingly globalized world, in order to provide services that are in line with Japanese users' IP strategies, it is necessary to examine the possibility of introducing a system that allows applicants to choose when to commence examination so that their diverse needs for patent acquisition are satisfied.

2 Purpose of this Research Study

The purpose of this research study is to examine the specific needs of Japanese users from the perspective of desirable timing of patent acquisition, to analyze similar systems in other countries, to discuss a future system that allows applicants to choose when to commence examination in order to meet the diverse needs of Japanese users, and to identify potential issues that could arise with the introduction of such a new system. The findings of this research will be made available as basic data for discussions on a future system reform, etc.

3 Method of this Research Study

In this research study, we have conducted the following activities and compiled our findings into a research report:

- (i) Meetings held by a committee of 8 members, namely, 2 experts with relevant knowledge

(*) This is an English translation of the summary of the FY2012 JPO-commissioned research study report on the issues related to the industrial property rights system.

and experience, 5 experts from the industrial circle, and 1 patent attorney (4 meetings in total);

- (ii) Domestic questionnaire survey on 1,057 users, of which 521 users replied (Response rate: 49.3%);
- (iii) Domestic interview survey on 20 users selected from the users subject to the domestic questionnaire survey;
- (iv) Questionnaire survey with the USPTO, the EPO, the KIPO, and the IPOS;
- (v) Interview survey with the USPTO, the EPO, and the KIPO; and
- (vi) Research on the publicly available information concerning the timeframe for commencing examination.

II Timeframe for Commencing Examination in Japan

1 Measures Taken in Japan

In order to facilitate work-sharing among patent offices, Japan has been promoting early sharing of JPO's examination results by taking such measures as the PPH (Patent Prosecution Highway) and the JP-FIRST (JP-Fast Information Release Strategy).

2 Acceleration of commencement of the examination

To accelerate examination, Japan has the prioritized examination system, the accelerated examination system, the super accelerated examination system, and the accelerated trial system. Currently, the prioritized examination system is rarely used probably because users favor the accelerated examination system instead.

3 Deferment of commencement of the Examination

In Japan, any user who wants to defer commencement of the examination may use the examination request system and defer the examination request's filing.

III Timeframe for Commencement of Examination in Other Countries

The USPTO, the EPO, and the KIPO have the following systems to allow each applicant to choose the timeframe for commencing examination.

	USPTO	EPO	KIPO
Acceleration of commencement of the examination	- Accelerated examination - Track 1 - Depending on age and health	PACE - Accelerated search - Accelerated examination	- Prioritized examination - Super-accelerated examination
Deferment of commencement of the examination	- Deferred examination system	- None	- Deferred examination request system

The three patent offices differ in terms of application criteria, the effects of the systems, etc.

The USPTO's deferred examination system is designed to defer the issuance of an Office Action during the period designated by the applicant by up to three years from the priority date.

The KIPO's deferred examination request system is designed to allow each applicant to designate when to commence examination within a maximum five-year window (within the examination request period) from the application filing date.

The number of cases in which the USPTO's deferred examination system or the KIPO's deferred examination request system has been used is not very high.

IV Timeframe for Commencement of Examination

1 Acceleration of commencement of the Examination

We have discussed the following issues related to acceleration of commencement of the examination:

- (Issue 1) The need to continue accelerated examination, etc.;
- (Issue 2) The need to establish a statutory provision for accelerated examination, etc.;
- (Issue 3) Necessary improvements to accelerated examination, etc.; and
- (Issue 4) The need to issue the final Office Action earlier

Each issue is explained in the following sections.

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| (Issue 1) The need to continue accelerated examination, etc. |
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The domestic questionnaire survey has

revealed that, as far as accelerated examination is concerned, the recognition ratio and the frequency of use are extremely high.

On the other hand, the super accelerated examination system is well known, but rarely used. Many respondents have explained that the reasons they do not use the system are that none of their applications have fulfilled the application criteria and they are satisfied with the speed of the ordinary examination system or the accelerated examination system. The 72.2% of respondents who said that they have not used the super accelerated examination system or that they were not aware that such a system existed also replied that they would like to use the super accelerated examination system when they have a qualifying application. This indicates that, as far as the super accelerated examination system is concerned, while the current use rate is low, there are many potential users.

The domestic interview survey has revealed that applicants use the accelerated examination system mainly because they have decided to or planned to conduct business by using the invention claimed in the application or because they consider the claimed invention to be important technology.

The committee has not expressed any negative view on the accelerated examination system itself, but found the system to be beneficial.

Other countries also have a system to accelerate patent acquisition. From the perspective of promoting work-sharing among patent offices, it is beneficial that the JPO has the accelerated examination system, etc., designed to speed up the issuance of an Office Action.

(Issue 2) The need to establish a statutory provision for accelerated examination, etc.

Other countries have laws and regulations specifying systems to accelerate patent examination, such as the accelerated examination system. On the other hand, Japan does not have any law, regulation, etc. specifying the accelerated examination system and the super accelerated examination system. But it does have a statutory provision specifying the prioritized examination system.

The domestic questionnaire survey and the domestic interview survey have not revealed any concerns or dissatisfaction about not having a statutory provision for the accelerated

examination system, etc.

The committee has stated that, although it may be desirable to establish a statutory provision from the perspective of system stability, it would not make much difference to the current practice of accelerated examination because there is a trusting relationship between the JPO and users in Japan.

Given the absence of a call for the establishment of a statutory provision, the continuation of the current practice without a statutory provision would not raise any issues.

(Issue 3) Necessary improvements to accelerated examination, etc.

We have discussed necessary improvements to the accelerated examination system, etc., from the following two perspectives: the perspective of the expansion of the applicability of the accelerated examination system (the application criteria for accelerated examination) and simplification of the documents explaining the situation, and the perspective of possible measures against patent registration prior to publication under the accelerated examination system.¹

- The expansion of the applicability of the accelerated examination system and simplification of the documents explaining the situation

In the domestic questionnaire survey, in response to the question about necessary improvements, some respondents have requested expansion of the applicability of the accelerated examination system and simplification or omission of the documents explaining the situation.

The domestic interview survey has revealed that most of the respondents use the accelerated examination system because of applications claiming foreign priority and have not experienced an undesired inability to file applications caused by not satisfying the application criteria.

On the other hand, some respondents have mentioned that the "application for an invention being worked or to be worked" is an inconvenient application criterion for accelerated examination. This is because the filing of an application under this category would reveal to third parties that the invention claimed in the application is currently being worked (or to be worked). In

particular, in the case of the super accelerated examination system, since the "application for an invention being worked or to be worked" is an essential application criterion, some respondents requested the omission of "application for an invention being worked or to be worked" from the application criteria.

Regarding issues related to the submission of documents explaining the situation, while some respondents pointed out that the number of documents required to be submitted should be reduced, some mentioned that the submission of such documents explaining the situation is preferable because it would prevent abuse of the accelerated examination system.

The committee has stated that the complete abolishment of the application criteria for accelerated examination would lead every applicant who requests examination to file an application for accelerated examination. The committee also mentioned that this situation would render accelerated examination meaningless and, therefore, that it would be necessary to impose certain requirements, such as fees.

The survey results described above indicate that users are somewhat satisfied with the current accelerated examination system and the current super accelerated examination system.

However, since some users request an expansion of applicability of the systems and simplification or omission of application documents, it is necessary to discuss whether or not any measures should be taken to satisfy such requests in light of the objectives of the accelerated examination system, etc.

- Patent registration prior to the publication of the application under the accelerated examination system

In response to the survey question on whether the respondents had ever had problems with the registration of another person's invention under the accelerated examination system prior to the publication of the application, most respondents answered that they had not. However, some respondents pointed out that, even though they hadn't actually experienced this problem, it should be found problematic that a patent registration could be made without providing third parties with an opportunity to submit information in advance. Some respondents have requested early publication in the case of an application subject to the accelerated examination

system and the establishment of a review system that may be used after the patent grant.

The committee has stated that it would be necessary to take measures against patent registration prior to the publication of the application under the accelerated examination system.

(Issue 4) The need to issue the final Office Action earlier

The domestic questionnaire survey revealed that most of the respondents are satisfied with the timing of the receipt of an Office Action. The relatively high level of satisfaction is probably attributable to the fact that the wait time for receiving the first Office Action has been shortened thanks to the JPO's measures. On the other hand, some respondents pointed out that there is a need to shorten the wait time even further.

Regarding the importance of the timing of the receipt of the first Office Action and the timing of the receipt of the final Office Action, while some respondents answered that they care more about the timing of the receipt of the first Office Action, a larger number of respondents replied that they care more about the timing of the receipt of the final Office Action or about the timing of the receipt of both the first Office Action and the final Office Action.

The committee stated, "When we discussed the time frame for commencing examination with a certain industry group, some attendants requested a system that would allow each applicant to control the timing for receipt of the final Office Action rather than a system to control when to commence examination, such as the accelerated examination system and the deferred examination system."

As described above, we have identified a need to prioritize the timing for receipt of the final Office Action.

In view of the fact that there is a need to issue the final Office Action earlier, it would be necessary to examine what measures can be taken within the framework of the current practice in consideration of the maintenance of fairness, transparency, etc.

2 Deferment of commencement of the examination

We discussed the following issues related to deferment of commencement of the examination:

- (Issue 1) The need for deferment of commencement of the examination;
- (Issue 2) The examination request system;² and
- (Issue 3) The need for the deferred examination system

Each issue is explained in the following sections.

(Issue 1) The need for deferment of commencement of the examination

The domestic questionnaire survey has revealed that there are both a need to defer the timing for receipt of the first Office Action and a need to defer the timing for receipt of the final Office Action.

In the domestic interview survey, the respondents were asked to name cases for which they hoped to defer the commencement of examination. Their answers may be roughly categorized into the following:

- (a) Cases in which they want to delay the decision-making about whether to seek patent prosecution (an invention about which they are uncertain about the future working of the invention in their business because the invention is related to basic research); and
- (b) Cases in which they hope to delay determining the scope of claims despite a decision to seek prosecution (e.g., they want to determine the scope of claims after seeing the related standards established or after monitoring the moves of other companies).

The committee presented these example cases in which applicants wanted to defer examination due to a patent infringement lawsuit and in which the applicant wanted to keep an application that could bring a broad patent that would be useful in licensing negotiations.

(Issue 2) The examination request system
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In the domestic questionnaire survey, many respondents answered that they change the timing of filing an examination request in accordance with their respective IP strategies. Many respondents found it problematic to introduce a system like the US system without modification—namely, scrapping the examination request system and allowing each applicant to choose when to commence examination—because it would result in the abolishment of the

examination request system. Many respondents answered that the ideal length of an examination request period is three years, which is currently prescribed. Almost none of the respondents replied that the examination request system is unnecessary.

In the domestic interview survey, most of the respondents answered that they differentiate the inventions for which they want to obtain a patent as soon as possible from the inventions for which they do not, and file an examination request at different times accordingly. Many respondents have replied that they consider the examination request period to be a period during which they need to determine whether to seek patent prosecution. While some respondents have pointed out that, in the case of an invention related to basic research, the current three-year period is too short for them to determine the benefits of the invention, some respondents have stated that the current three-year period is reasonable in consideration of the burden of monitoring other people's patents and the increasingly fast development of technology.

(Issue 3) The need for the deferred examination system
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The domestic questionnaire survey has revealed that some respondents are against the deferred examination system because they are concerned with an increase in the complexity of the system, the lack of necessity and also in the burden of monitoring other people's patents.

In the domestic interview survey, when asked whether they support the introduction of a deferred examination system, some respondents said yes, while others said no. They are against the introduction of the deferred examination system because the demerits of the introduction of the system, namely, an increase in the burden of monitoring other people's patents, outweighs the merits, namely, the deferment of the commencement of examination of their applications.

The committee has pointed out, among other things, that, in the case of the introduction of a new system, discussions should be held on its possible negative effects, and that, if there is a need for such a system, a new system should be established, while discussions should be held as to whether the new system would ultimately contribute to industrial development.

The surveys conducted abroad have revealed that the EPO is concerned that Japan's

introduction of a deferred examination system could have a detrimental effect on the work-sharing among patent offices.

As described above, there is a certain level of need for deferred examination, while more than a few respondents oppose deferred examination for fear of an increase in the burden of monitoring due to the delayed patent grants.

In order to determine the necessity of the system or practice of deferring the commencement of examination, it is necessary to discuss not only the demerit of increased burden of monitoring but also the fairness, transparency, efficiency, etc., of such system and practice in consideration of various factors, such as the objective of the Patent Act and the work sharing with foreign patent offices.

V Conclusion

1 Accelerated Examination

Since many applicants highly value the accelerated examination system and the super accelerated examination system and find no particular problems with the current system, it is necessary to ensure continuation of the system.

On the other hand, since some people expressed concerns about the possibility of patent registration before publication of the application and presented a request for simplification or omission of the documents explaining the situation and also for expansion of the applicability of the system (more relaxed application criteria), it is necessary to continue discussions on these issues.

While we have found that many applicants are satisfied with the timing of the receipt of the first Office Action, some applicants would like the final Office Action to be issued earlier. Therefore, it is necessary to understand the applicants' needs and devise measures to fulfill requests for earlier issuance of the final Office Action.

2 Deferred examination

In order to allow applicants to defer commencement of the examination, there would be two possible approaches: a reform of the current examination request system or the establishment of a new system or practice that allows any applicant who hopes to defer the commencement of examination to choose when to commence examination.

We have found that many applicants oppose

the abolishment of the examination request system, while they support the current three-year examination request period starting from the patent application date. This indicates that there is little need for review of the current examination request system.

The establishment of a system or practice that allows timely commencement of the examination could raise the issue of an increase in the burden of monitoring other people's patents.

We need to discuss a future system and practice of deferred examination based on the deep understanding of the applicants' needs, the objective of the Patent Act, the work-sharing with foreign patent offices, and the risk of increasing the burden of monitoring, while ensuring the maintenance of fairness, transparency, efficiency, etc.

¹ In the case where an applicant files a patent application, an examination request, and an application for accelerated examination simultaneously, the registration could be made prior to the publication of the application, which will occur 18 months after the application filing date. In this case, third parties would be deprived of the opportunity to submit information after the publication of applications. This means that a patent would be granted without undergoing examination by the public in the form of the submission of information. We discussed the necessity for measures against patent registration prior to the publication of the application.

² As a means to defer the commencement of examination, some applicants delay the filing of a request for examination within the examination request period. We discussed the necessity of the examination request system itself and the appropriateness of the length of the examination request period.

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