

Report of FY2016 Research on SME Assistance Programs Centered on Patent Fee Reduction/Exemption System

I. Purpose of This Research

This research aimed to collect information on the positioning of the patent fee reduction/exemption system among the SME assistance programs as a whole and the effects thereof through a hearing survey of SMEs, etc. that have utilized the system, compile and analyze obtained information, and verify the political efficacy of the system, thereby preparing basic reference materials for evaluating the current system and considering future improvements thereto.

II. Contents of This Research

1. Hearing Survey Method

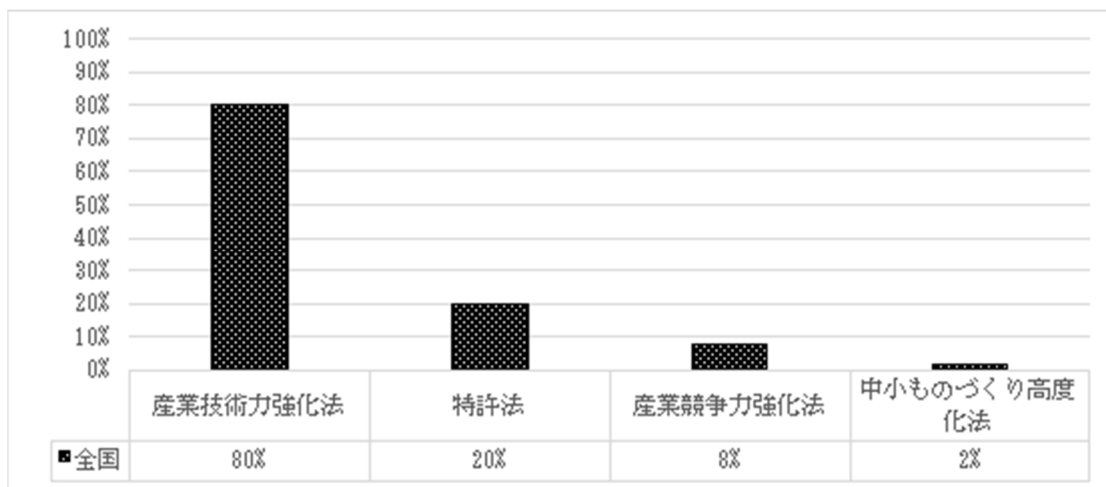
100 SMEs were selected from among those that utilized the reduction/exemption system upon paying patent fees from FY2010 to FY2014, in consideration of regional balance, and a hearing was conducted at each of those SMEs.

2. Survey Results

(1) Utilization of the System

Figure II-1 shows the utilization of the system by the surveyed SMEs depending on the Acts under which applications were filed. The number of companies is the total count.

[Figure II-1] Utilization of the patent fee reduction/exemption system



全国 : Nationwide

産業技術力強化法 : Industrial Technology Enhancement Act

特許法 : Patent Act

産業競争力強化法 : Industrial Competitiveness Enhancement Act

中小ものづくり高度化法 : Act on Enhancement of Small and Medium Sized Enterprises' Core Manufacturing Technology

The survey revealed that applications under the Industrial Technology Enhancement Act account for the majority at 80%. The system covers applications filed by SMEs whose ratio of test and research expenses, etc. exceeds three percent of earnings in the relevant business year under the Industrial Technology Enhancement Act. The survey results show that a large percentage of companies expend a considerable amount on R&D activities.

On the other hand, eligible companies are limited under the Patent Act and the Act on Enhancement of Small and Medium Sized Enterprises' Core Manufacturing Technology and the number of companies utilizing the system under these Acts is small.

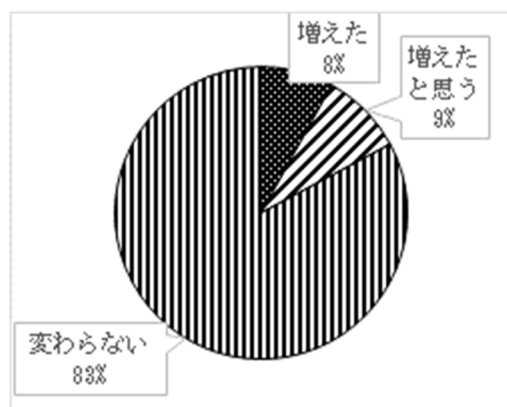
(2) Effects of the System

With the aim of ascertaining whether the patent fee reduction/exemption system is contributing to promoting the establishment of patent rights, (i) its effects on the acquisition of patent rights and (ii) its effects on other aspects were surveyed. In particular, for the latter, effects were evaluated separately (a) on the economic and financial aspects and (b) on the non-economic and non-financial aspects.

(i) Effects on the acquisition of rights

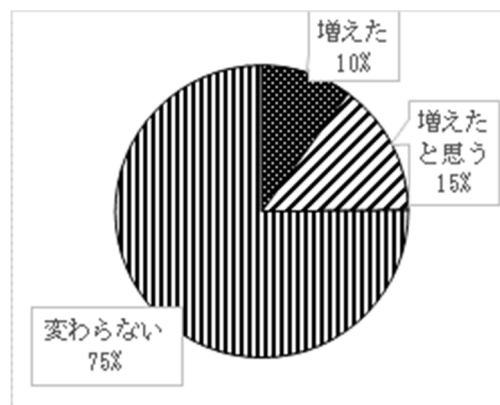
(a) Effects on applications

[Figure II-2] Changes in the number of applications



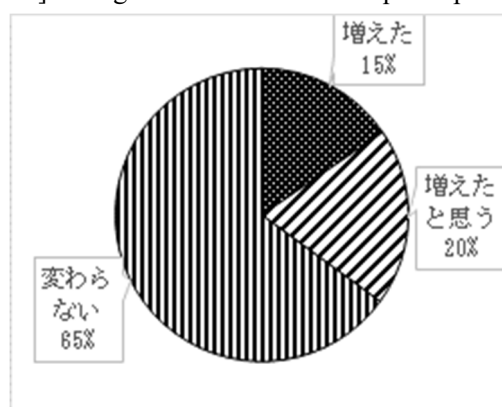
(b) Effects on requests for examination

[Figure II-3] Changes in the number of requests



(c) Effects on acquisition of patents

[Figure II-4] Changes in the number of acquired patents



増えた : Increased ; 増えたと思う : Considers to have increased ; 変わらない : Unchanged

- Those responding that the number of applications is unchanged are large in number, accounting for 83% of the total.

- Percentages of responses "Increased" and "Considers to have increased" altogether show a gradual increase as follows:

Number of applications: 17%

Number or requests for examination: 25%

Number of acquired patents: 35%

Most companies responded that the number of applications is affected by factors other than costs for patent acquisition, such as their policies of filing applications only

for necessary patents.

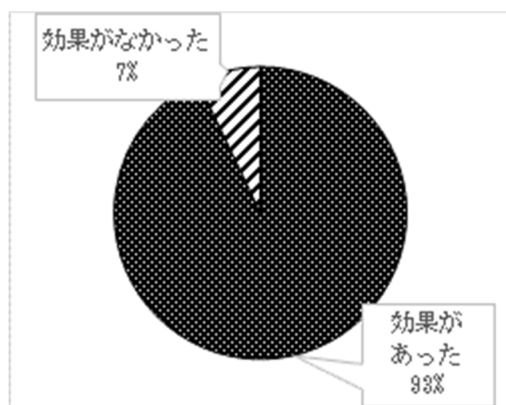
Responses "Increased" and "Considers to have increased" to the question regarding the changes in the number of applications through the use of the system accounted for 17% in total, while the percentages of the same responses regarding the number of requests for examination and the number of acquired patents were 25% and 35%, respectively. This gradual increase in the percentages suggests that the system exerts larger impacts in terms of costs at these subsequent stages for companies that file a larger number of applications and hold a larger number of patents.

(ii) Effects on other aspects

Next, effects achieved through the establishment of patent rights using the system were evaluated separately (a) on the economic and financial aspects and (b) on the non-economic and non-financial aspects.

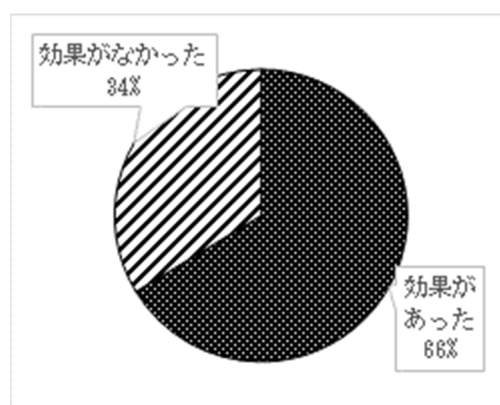
(i) Effects on economic and financial aspects

[Figure II-7] Economic and financial aspects



(ii) Effects on non-economic and non-financial aspects

[Figure II-8] Non-economic and non-financial aspects



効果があった : There were effects ; 効果がなかった : No effects

As the system grants reduction of or exemption from fees, many companies directly recognize economic and financial benefits.

As economic and financial benefits through the acquisition of patent rights, improved creditworthiness and resulting enhancement of bargaining power are cited and this point will be of reference to companies considering acquiring patents.

III. Summary

1. Effects of the System in Promoting Acquisition of Rights

It was found that the system does not affect 83% of the surveyed companies, which responded that the system has not increased the number of applications through affecting decisions on whether or not to file patent applications. Many of them responded that they file applications for only necessary patents or that the number of applications rather depends on other factors.

Therefore, the system seems to be not necessarily effective in motivating applications. However, smaller-scale companies and companies filing a smaller number of patent applications are apt to show an increase in applications through the use of the system. Furthermore, at subsequent stages of requesting examination and deciding whether or not to keep patents, the system exerts larger influence on companies' decisions compared with the stage of filing applications.

2. Effects of the System on the Economic and Financial Aspects

Regarding effects of the system on the economic and financial aspects, 93% of the surveyed companies responded that there were effects. Additionally, among the assistance programs as a whole, 92% are highly satisfied with the system, which grants reduction of or exception from patent fees, and 77% consider the system to be one of the top priorities of the assistance programs, while citing its effects on the economic and financial aspects.

Given these, it was confirmed that effects of the system on the economic and financial aspects are widely recognized by users.

3. Need of Diverse Measures to Increase Companies that Fully Utilize Intellectual Property

The hearing survey revealed that SMEs have diverse needs and it is difficult to drastically increase their utilization of intellectual property only through specific measures. The patent fee reduction/exemption system has only limited effects in increasing patent applications and it is not that companies are encouraged by the system to file patent applications but that many of them just use the system available upon filing patent applications. Therefore, costs required for the operation of the system should also be taken into account.

Multi-layered measures, including the holding of IP-related lectures and enhancement of consultation services, will be required for effectively increasing companies that fully utilize intellectual property.