Recent Developments

IP5 Heads of Office with IP5 Industry Meeting
13 June 2018

Japan Patent Office
1. Trends in patents

- Rising examination request and patent registration request rates
- Number of PCT applications also increasing

Number of patent applications and registrations in Japan

(Source) WIPO (World Intellectual Property Organization) Statistics (as of January 2017)
2. Initiatives in response to IoT boom

- 23 new hypothetical cases related to IoT technologies published in the Examination Handbook
- The new patent classification “ZIT” assigned to IoT technologies

Number of Patents Issued for IoT Technology Inventions

- Internet of Things [IoT] (ZIT), 379
- for agriculture; for fishing; for mining (ZJA), 16
- for manufacturing (ZJC), 37
- for supplying electricity, gas or... (ZJE), 1
- for communication (ZJV), 94
- for transportation (ZJT), 153
- for logistics (ZJR), 23
- for health care; for social work (ZJP), 146
- for services (ZJM), 240
- for finance (ZJK), 19
- for home and building; for home electric appliances (ZJG), 179
- for construction (ZJI), 15
- for amusements; for sports; for games (ZJX), 86
I. Purpose of the Guide

- Designed to:
  - Enhance transparency and predictability
  - Facilitate negotiations between rights holders and implementers
  - Help prevent or quickly resolve disputes concerning SEPs

- Features:
  - Not legally binding
  - Not prescriptive
  - Does not provide "recipes"

II. Methods for Negotiating Licenses

A. Good Faith
- Issues relating to actions at each stage of negotiations
- Examples of actions in bad faith

B. Efficiency
- Factors for efficient negotiations
  - Parties to negotiate in supply chain

III. Methods for Calculating Royalties

A. Reasonable
- Royalty base
- Royalty rate

B. Non-discriminatory
- Is a use-based license discriminatory?

C. Other Factors
- Lump-sum or running royalty

JPO began the operation of the “Hantei” system for essentiality check on 1 April, 2018.
4. Patent Act Revised to Encourage SME IP Use

- SME patent fees cut by 50% across the board.

※This revision will come into effect within a year from 30 May, 2018.

### Before revision

- SMEs eligible for fee reduction/exemption
  - Only around 30% of SMEs eligible (companies in debt, R&D companies, etc.)
- Procedure
  - Complicated (certification documents required)
  ※ On average, applicants must keep their patent for 10 years
- Domestic application fees
  - About JPY400,000
- International application fees
  - About JPY200,000

### After revision

- All SMEs
- Simple (no certification documents)
- About JPY200,000
- About JPY100,000

※ International application fees are paid to the JPO and WIPO
※ A hike in fees for other users is planned to compensate for the reduction in the patent special account.

- Grace period extended from six months to one year.

※This revision came into effect on 9 June, 2018.
Thank you!