

Wednesday Morning Session 8:30 - 12:00
Hot Topics - Session Chair: Suzanne Robins

11:00 - 11:30

Recent Development in Japan IP Industry
by Yutaka Wada, Chairman and CEO of PATOLIS Corporation

Abstract:

Although the US started advocating pro-patent ideas as early as 1985, the pro-patent movement in Japan can only now be said to have taken root. Looking back ten years ago, around 75% of our customers were companies which dealt directly with intellectual property. Whereas now, even financial institutions and other organizations which we would normally think would have nothing to do with IP, have started utilizing our services. Usage by non-IP related firms has increased by 10%, occupying a total of 35% of the overall customer base. In addition to conventional users, a whole new customer base has risen to add variety to our market.

As one of newest movement, in July 2002, the government formed the Intellectual Property Policy Outline. With this, transforming Japan into an Intellectual Property-based nation became a national goal. Shortly thereafter, the Basic Law on Intellectual Property became effective in March of 2003. Then, in July 2003, the Intellectual Property Strategic Program was introduced in order to define a solid policy to achieve this national goal.

There are 410,000 applications being filed at the Japan Patent Office each year. Due to this massive amount of applications, the JPO also boasts the longest waiting period, which is 26 months. The pending applications are expected to be up to 800,000 in the near future.

The JPO is trying all the possible method to improve this situation. It plans to propose a bill called the Bill for Accelerating Patent Examinations. If it passes, the Japan Patent Office has decided to outsource to highly selected organizations within the private sector in order to speed up the examination process. Outsourcing to the private sector will be a challenge, in that this is the first time the government has done so relative to preliminary prior art searches.

As intellectual property becomes more important, corporations continue to invest enormous amounts of money in R&D. The Japan Patent Office summary shows that the rate of patent grants has dropped every year, recently falling as low as 51.4% in 2002. This means, then, that almost half of the applications were rejected. If we are to assume that each application had received the same amount of funding in its R&D stages, then we can say that exactly half of these funds were spent without bringing in any profit. To put it more concretely, approximately 50 billion dollars worth of R&D could not be tied toward any hard results. Furthermore, up to 76% of applications were rejected due to prior literature which had been made public more than 4 years prior to the application. When prior art searches are done properly, though, it is not difficult to avoid duplicated R&D. With this in mind, I don't think it is unreasonable to say that the majority of wasted R&D resources could be avoided entirely.

Currently there are increasing needs among Japanese intellectual property owners. In the end, it is all about business; everyone is focusing on the bottom line. The activities of tying intangible property into revenue are gaining more speed. Technical Licensing Organizations, or TLOs, play an important role as liaisons between academic organizations and corporations. The fact presents a new wave in academic institutions.

Briefly talk about my company, PATOLIS.

I would like to present to you today, PATOLIS-e, the only database which covers Japanese patents and utility model information in English. It is specially designed to provide value-added

solutions to our customers. Regarding the data volume, we suspect that while the Patent Abstracts of Japan, contains approximately 6.9 million documents, PATOLIS-e holds more than 17 million documents, including 11.7 million patent documents and 5.5 million utility model documents. Moreover, PATOLIS-e includes more than 280,000 PCT publications that are not available through PAJ.

Along with this rich data coverage, PATOLIS-e contains substantial legal status information. While even the Japan Patent Office only contains historical records dating back to 1998, PATOLIS-e has all pertinent historical data back as far as 1964. In addition, our users can group their results according “dead” or “living” information. Moreover, unlike other databases, PATOLIS-e has all types of public disclosures available the day after their release. To be sure, no other database can compare to our prompt data updates, and certainly no free database is able to provide you with such high quality service.

Thank you for your time.

Biography:

Mr. Wada has started his career with Ministry of International Trade & Industry as a top class bureaucrat. He has experienced Director-General for Administration of the Japan Patent Office, Director of the Defense Agency and CEO & Corporate Senior Executive Vice President of SHARP Corporation (1990-1995). In 2001, he founded PATOLIS Corporation which provides IP information to thousands of customers on the globe. In 2002, he was elected to be the first Chairman of the Patent Information Online Service Council. Additionally, Mr. Wada is a councilor of Japan Business Federation as well as a member of Japan Association of Corporate Executives. Mr. Wada is respected as the leader of Japan IP industry.