

Topic5

Advantages and Limitations of the PCT System from the User Perspective



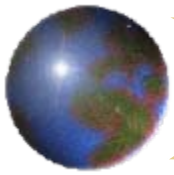
November 12, 2010

Japan Intellectual Property Association

Committee on international patent #2

Chairperson : Takae Ota

Creating IP Vision for the World



Contents

Introduction of JIPA

Present State of using PCT

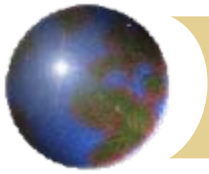
Special Features of PCT system

Advantages of PCT system

Limitations of PCT system

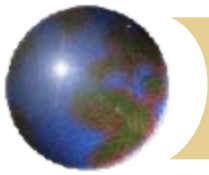
Conclusion





1. Introduction of JIPA





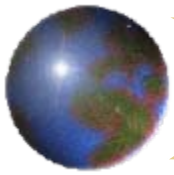
Article 1 of JIPA Charter

The Association aims at **contributing to the business of its Members** by endeavoring to make full utilization of intellectual property systems and to improve them.

It also aims at **contributing thereby to the sound progress of technology and development of Japanese industry.**

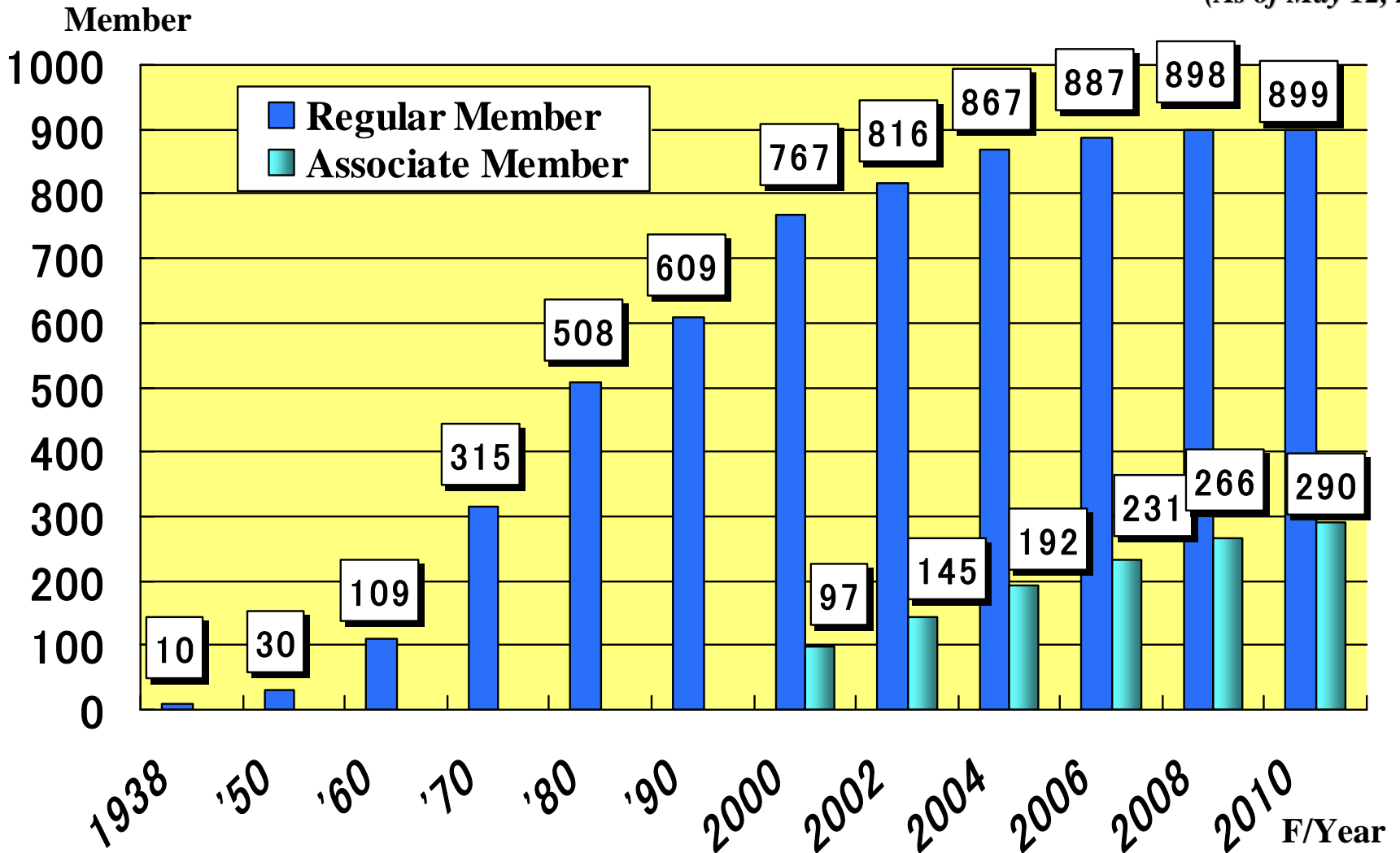
JIPA is

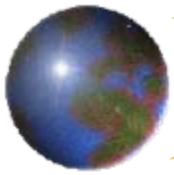
Nongovernment and Nonprofit Organization



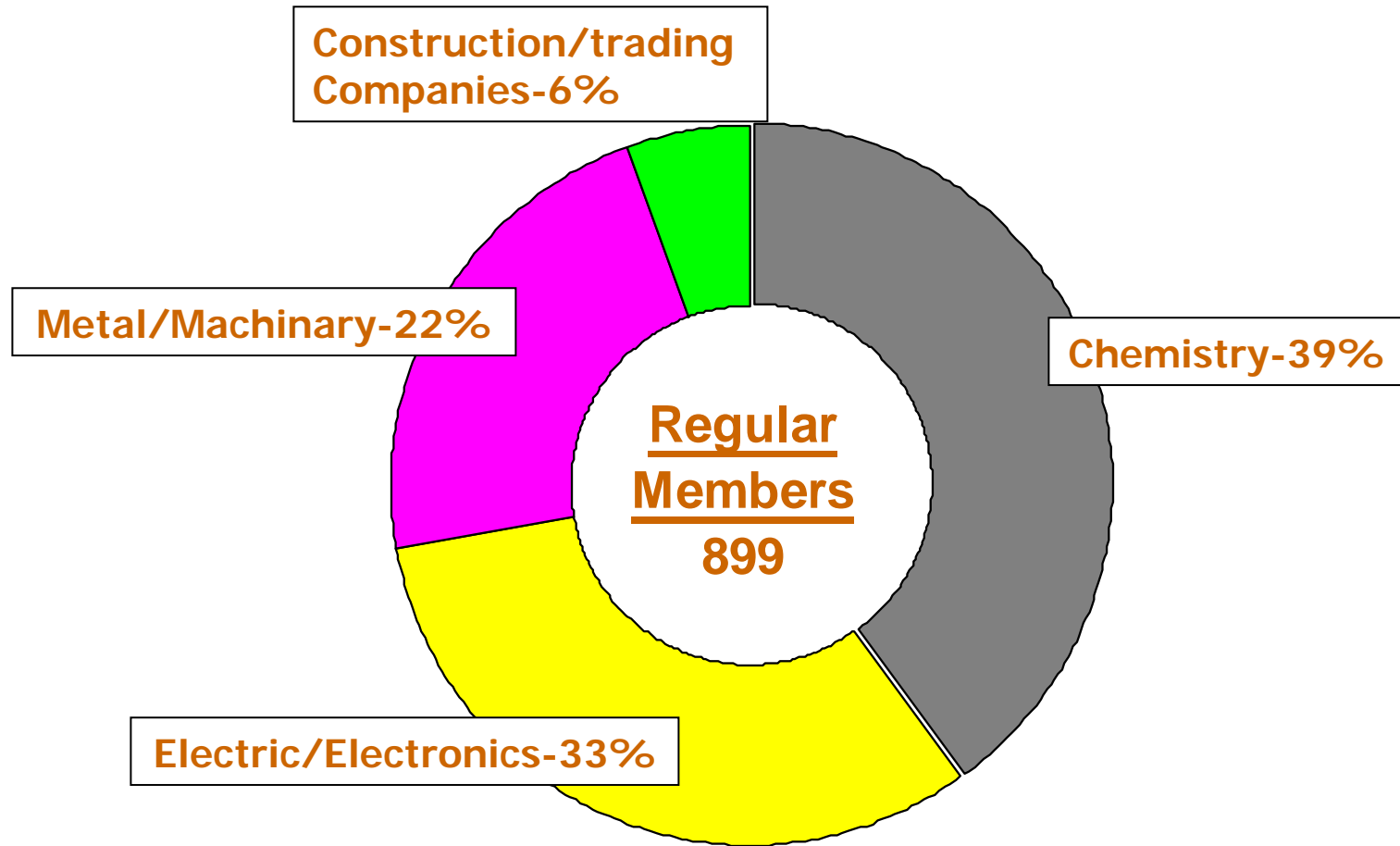
Transition of JIPA's Membership

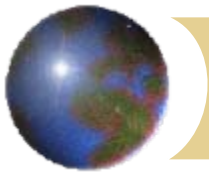
(As of May 12, 2010)





Analysis of JIPA Regular Member Corporations according to different Industries and Trades

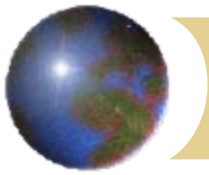




Policy on JIPA Activity in F/Y 2010

- 1) Cope with Globalization of IP & Corporate Activities
- 2) Establishment of User-friendly IP System
- 3) Assist to IP Activities in Member Corporations
- 3) Publishing & Transmitting of Message & Information on the above Activities

- (1) Study of Future IP System, as it ought to be
- (2) Study of Future Multilateral Industry Meeting based on Trilateral Industry Meeting
- (3) Propulsion of Green Technology Package Program
- (4) Initiative Role on Anti-counterfeiting
- (5) Suggestion of Opinions to relative organizations
- (6) Training to IP Human Resources
- (7) IP contributing Corporate Management, especially relation ship between Business and Standardization of Technology
- (8) Assist to IP Activities in IP SME
- (9) 10th JIPA IP Symposium



Main Activities of JIPA

1. Policy & Strategy Project & Special Committee Activities

(4 PJs & 3 Committees)

- ☞ Strategic Studies and Researches on Offer of IP Policy

2. Standing Committee Activities

(20 Committees, 701 Members -'10)

- ☞ Professional Studies and Researches → Feed-back to JIPA Members
- ☞ Offering JIPA's Opinions and Suggestions to Outside Communities.

3. Training Activities

(78 Regular Courses, 12 Extra-ordinary Courses, 2 Overseas Courses, IP Leader Course, Strategic Staff Course & Junior Expert Course, Total: 13,002 Trainees -'09)

- ☞ IP Education / Training to Employees of JIPA Members.

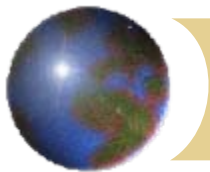
4. Publication

- ☞ Monthly Bulletin (3,850 Circulation), Investigation & Study Reports

5. Others

- ☞ Communication/Coordination with various IP Related Institutions and Organizations.





Main Activities of JIPA

Project etc.(7)

Policy Making

Committee (20)

Study & Research

- PJ on Strategy to Asian Region
- PJ on Propulsion of Green Technology Package Program
- PJ on Corporate Cooperation between Japan & China
- Committee on Trilateral Industry Meeting & Propulsion of Patent System Harmonization in the World**
- Committee on Relationship between Business and Standardization Strategy
- Etc.

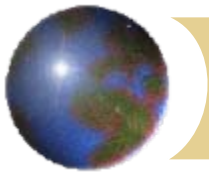
- Committee on Patent #1, #2
- Committee on International Patent #1, #2, #3**
- Committee on Industrial Design
- Committee on Trademark
- Committee on License #1, #2
- Committee on Software Patent
- Committee on IP Management #1, #2
- Committee on Biotechnology Patent
- Committee on Digital Contents
- Committee on IP Information system
- Etc.



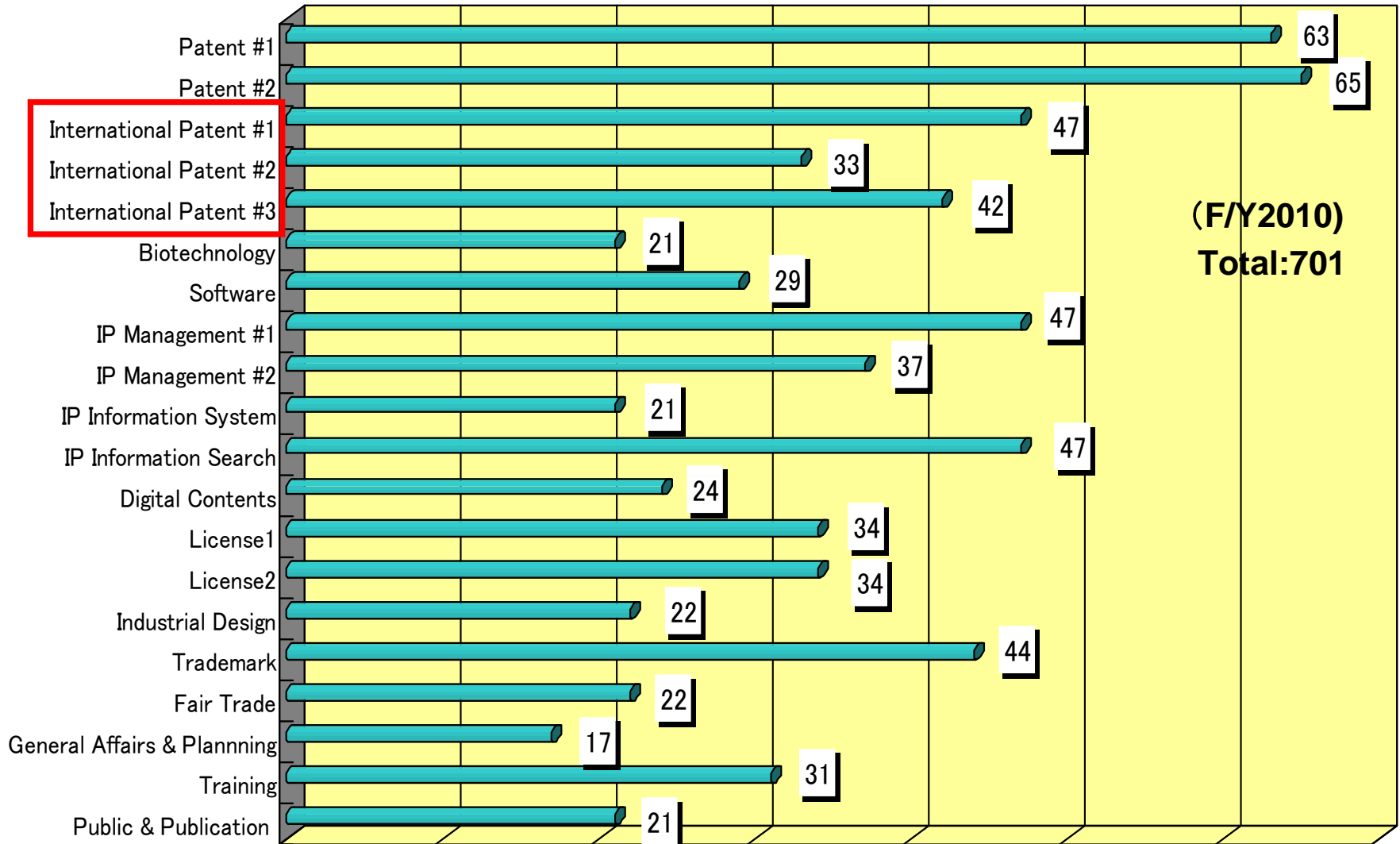
Recommendation & Position Paper

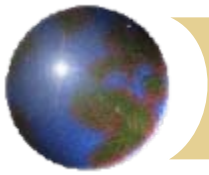
Study Report

[JPO, Minister(Economy, Justice), Supreme Court, Political Party]



Activities in Standing Committee





- Background

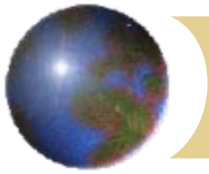
- ✓ Confirm Advantages and Limitations of the PCT System

- Time

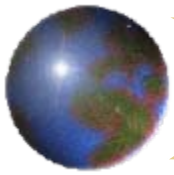
- ✓ September 2010

- Subject

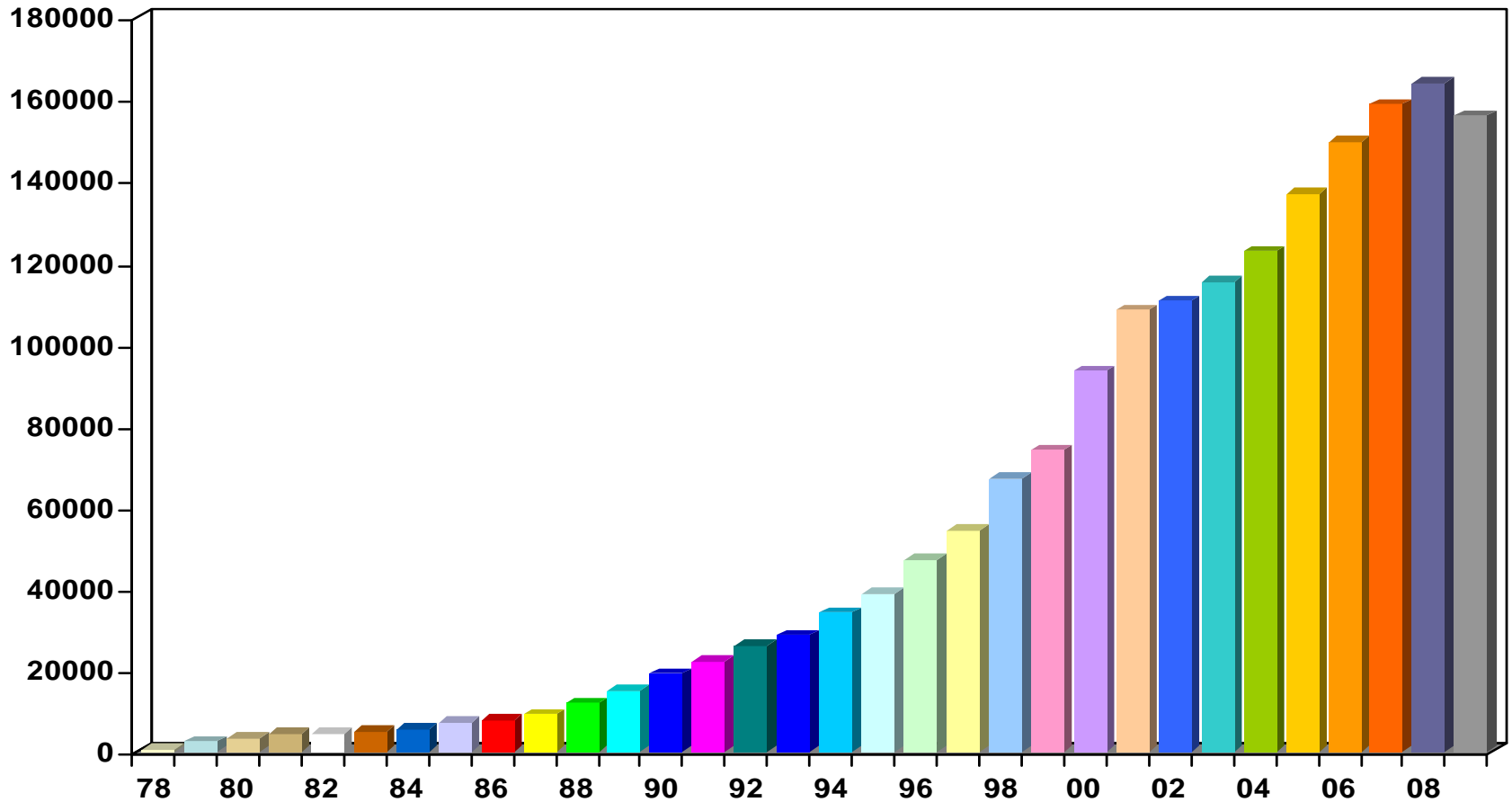
- ✓ Members in Committee on International Patent #1,2,3
 - These committees study the patent prosecution, practical utilization and etc. in the foreign patent system
- ✓ Electronics : 57 , Chemical : 42 , Machinery/Metal : 23



2. Present State of using PCT

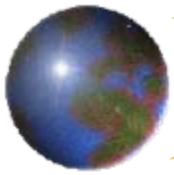


The number of PCT Publications in 2009

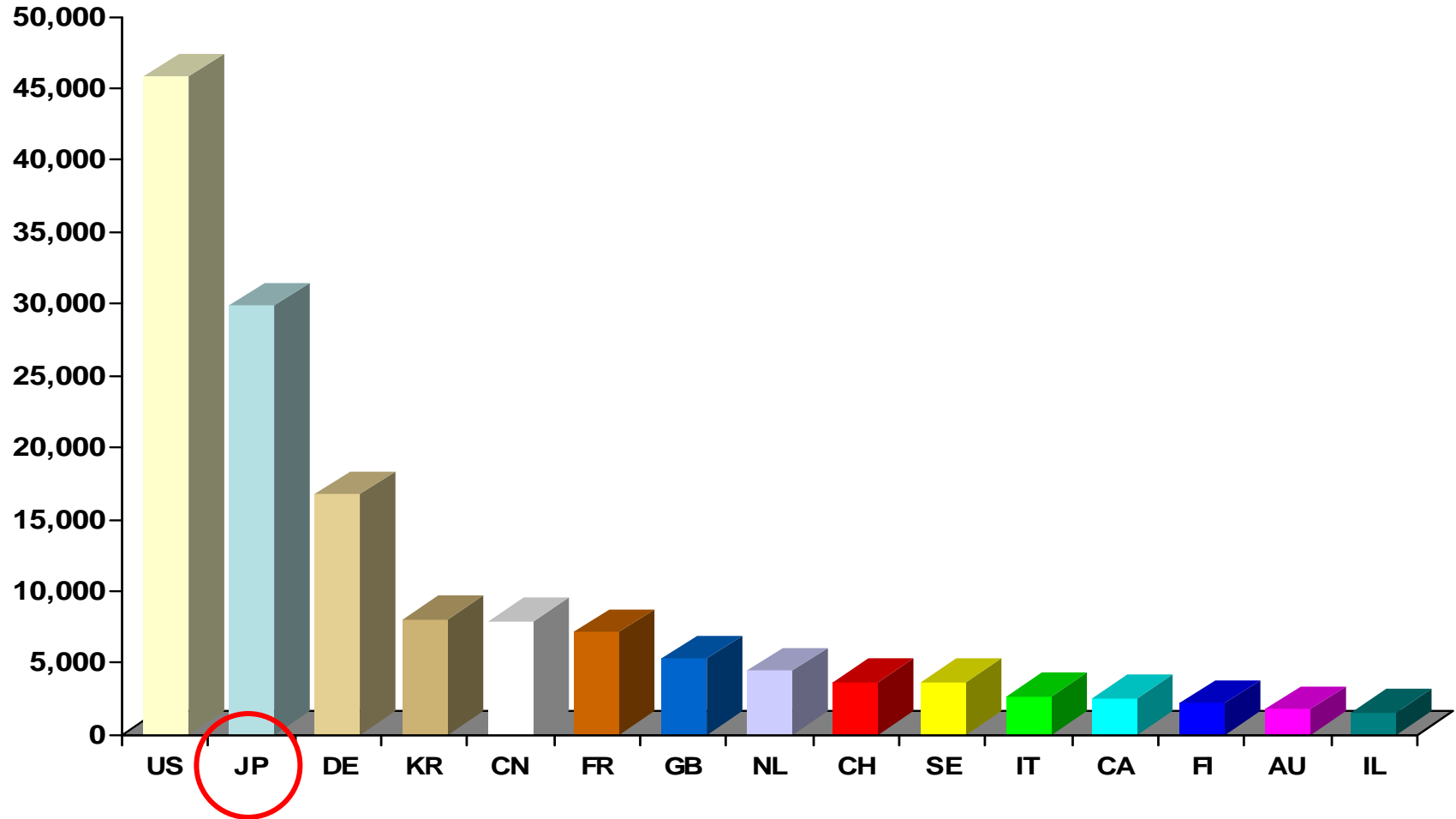


Source : WIPO



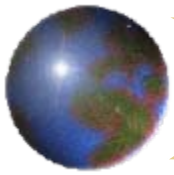


The number of PCT applications by applicants' country in 2009



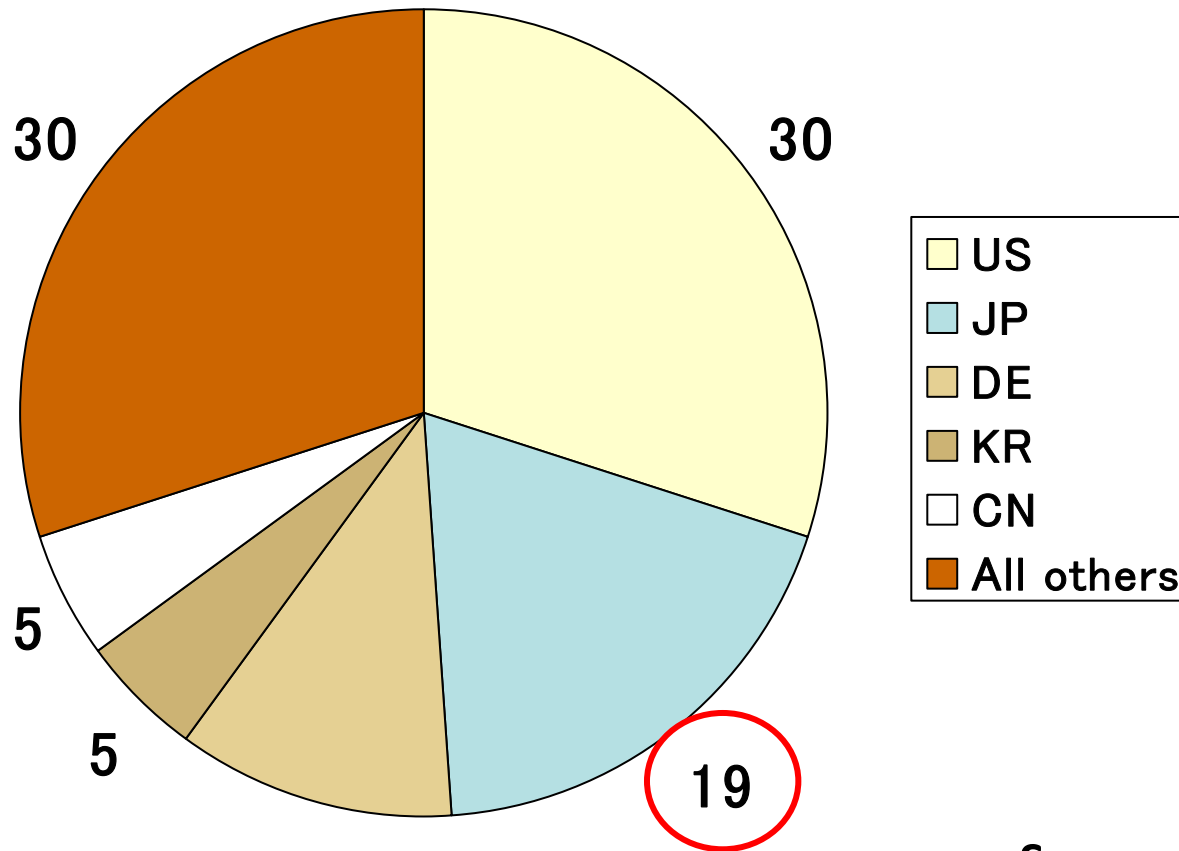
Source : WIPO



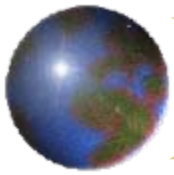


Distribution of PCT application by country of origin

- JP : Big User for PCT

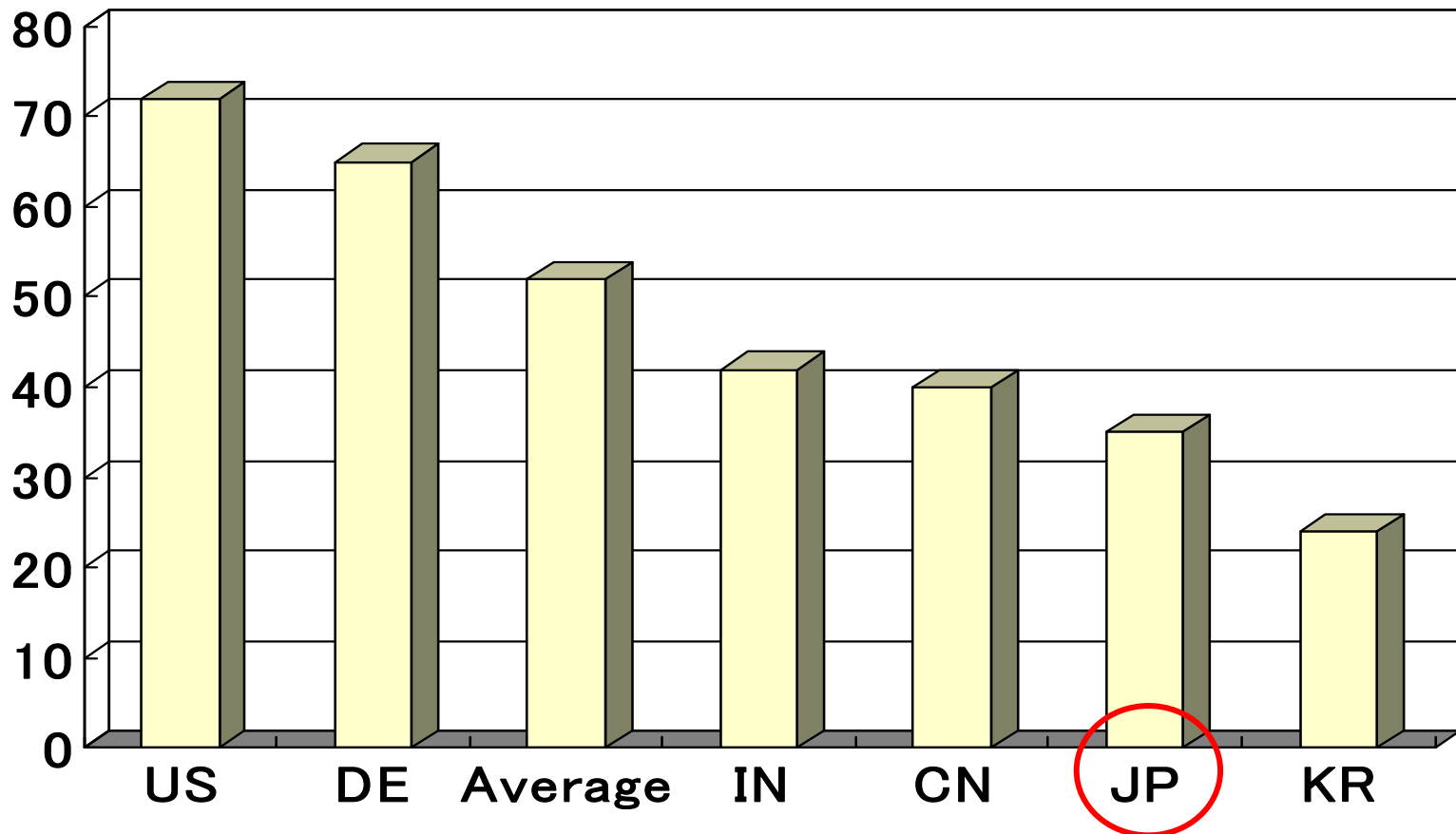


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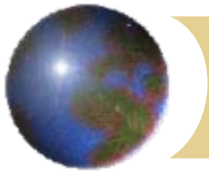


Share of PCT National Phase Entries in Total Filing Abroad in 2008

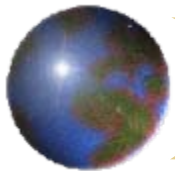
- JP : Still use “Paris Convention Route” for filing abroad



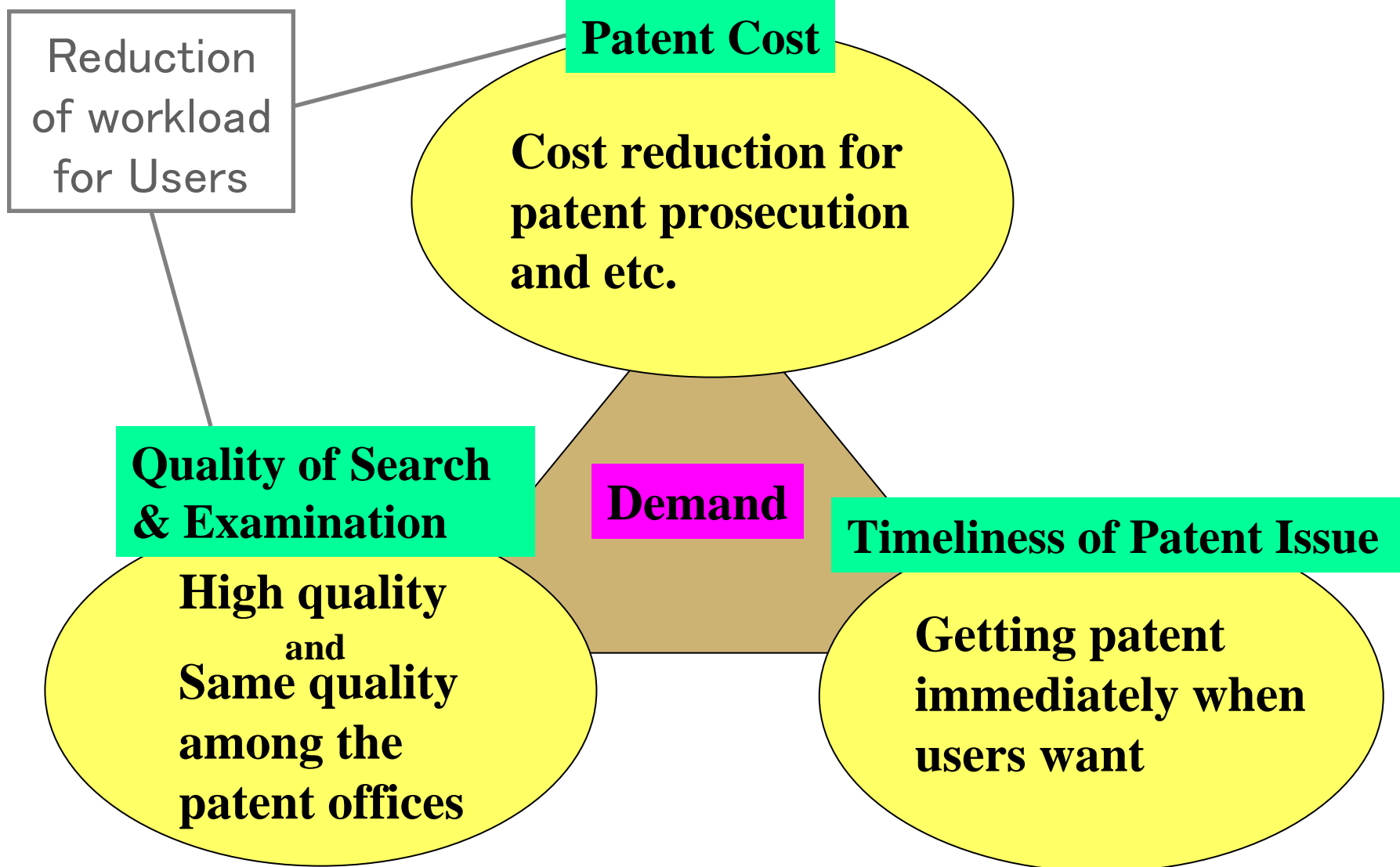
Source : WIPO

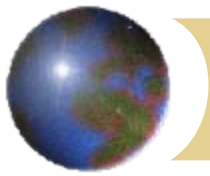


3. Special Features of PCT system



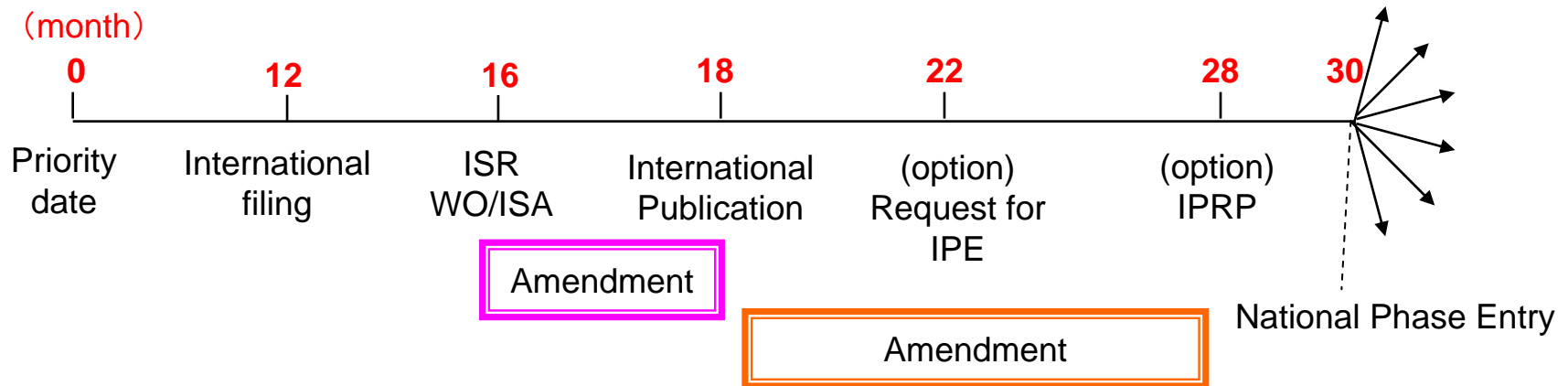
Basic demand of Japanese Users for foreign application

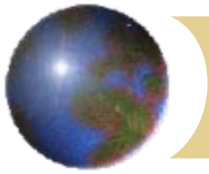




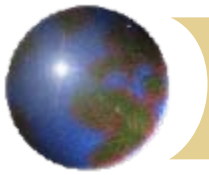
Special Features of PCT system in the view of Users

1. Term for entering National Phase (30 months)
2. International Search (and IPE)
3. Amendment in International Phase
4. Simplification of Filing Procedure





4. Advantages of PCT system



- **Ascertaining the value of invention**

- ✓ **Patentability**

- Users ascertain it based on ISR (WO/ISA) & IPRP(II)

- ✓ **Business strategy and R&D strategy**

- Users ascertain their change in International Phase

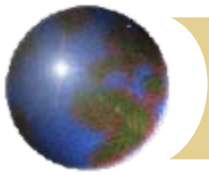
Ex. 1) Standardization of technology

Is the invention included in it?

2) Early stage in R&D

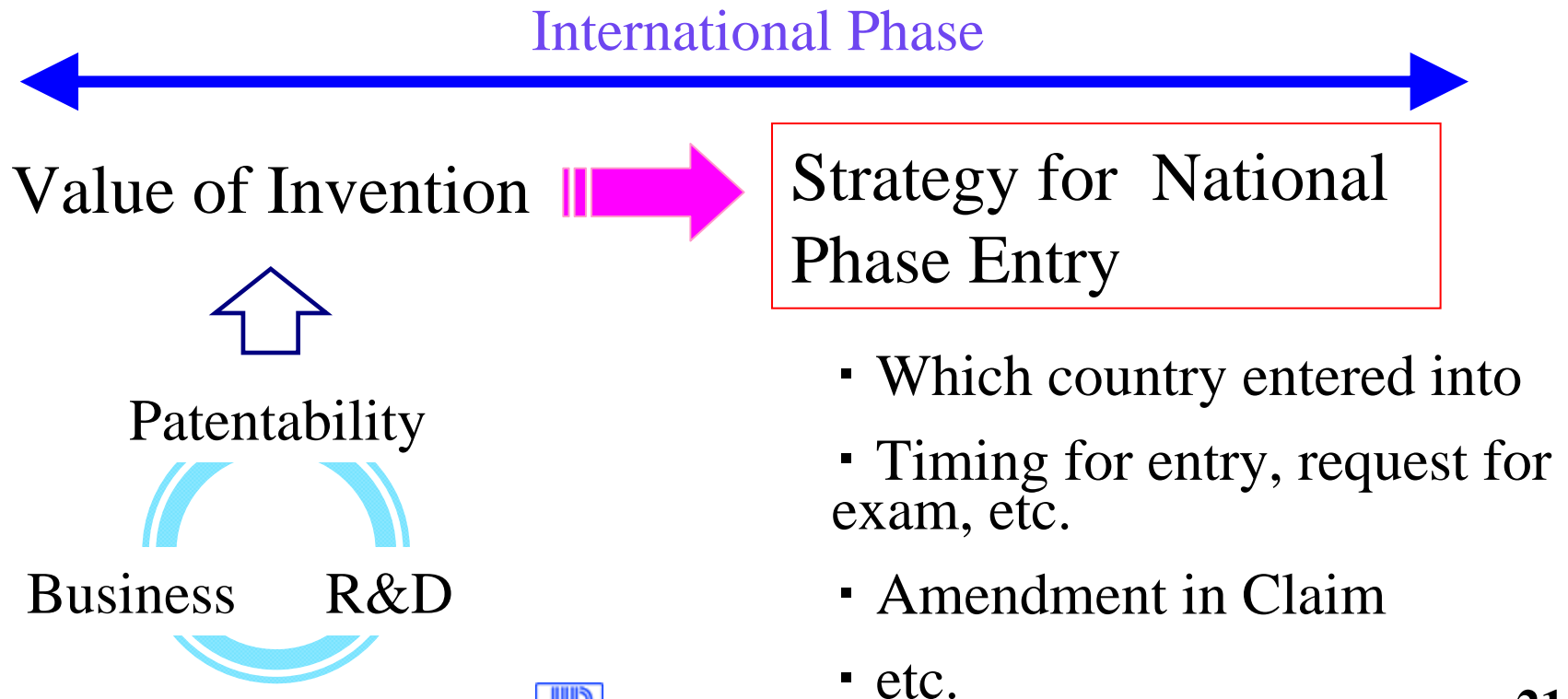
Is the invention available?

Is there any preferable alternative invention?

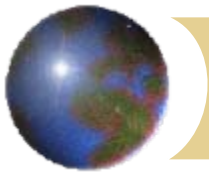


- Ascertaining the value of invention

- ✓ Users can thoroughly think over the strategy of National Phase Entry



- Which country entered into
- Timing for entry, request for exam, etc.
- Amendment in Claim
- etc.



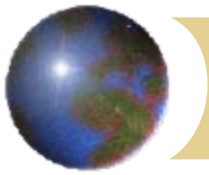
- **Stability of Patent**

- ✓ Quality of examination by DOs is higher, because DOs can examine referring to ISR or IPRP(II) in National Phase

- **Preparation for Translation**

- ✓ Users have enough time to translate from Japanese to Third Language (through English) in International Phase

- ✓ Users can save cost for Translation, because they can select countries entered into based on the value of invention



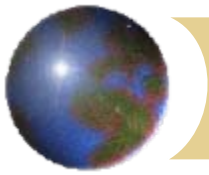
- Saving Cost and Reducing Workload for corresponding OA in National Phase

- ✓ Amendments in International Phase (§ 19, § 34)
- ✓ MSE referring to Product of ISA and IPEA

MSE (Modified Substantive Examination): The examination system that the national patent office examines using practically the result of search or examination by a foreign patent office for the national patent application corresponding to the foreign patent application granted by the foreign patent office

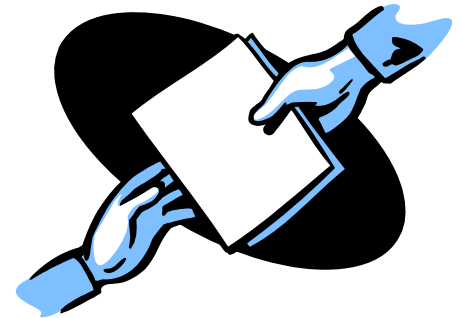
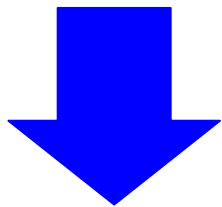
- Rectification for Mistranslation in National Phase

ex. In China

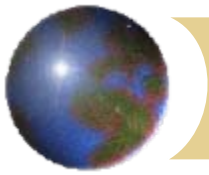


● Easy to file PCT Application

- ✓ Simplification of filing procedure
 - One set of documents
 - One Receiving Office, One Formality Examination
 - One Language : Japanese

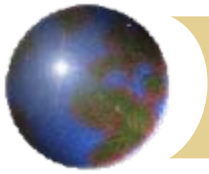


- ✓ PCT International Filing Date = National Filing Date
(§ 11(4))

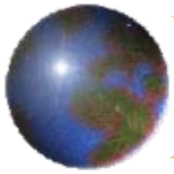


Special Features - Advantages

Special Features / Advantages	Term for Entering National Phase	International Search	Amendment in international Phase	others
Ascertaining the value of invention	✓	✓		
Stability of Patent		✓		
Preparation for Translation	✓			
Saving Cost and Workload		✓	✓	
others				✓

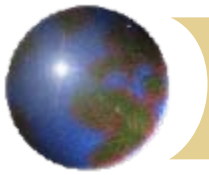


5. Limitations of PCT system



Limitations of PCT system

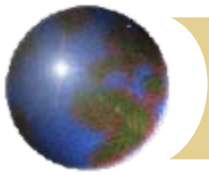
PCT is ideal for users and patent offices
in the view of system, but ...



- Cost

- ✓ More than 1,000 USD in Official Fee compared to “Paris Convention Route”
 - Although some DOs (CN, EP and JP) discount the examination fee for the national application via PCT
- ✓ Furthermore it costs Attorneys Fee in International Phase



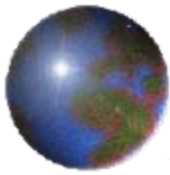


- Cost

- ✓ It is difficult to compute the cost merit of the advantages in PCT system clearly
- ✓ Non PCT users think

Cost demerit of PCT system > Advantages of PCT system





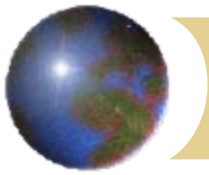
● Quality of IS or IPE

✓ Survey of Quality for ISR by JIPA

National Phase \ ISA	RATE : One of prior arts in OA by DO is involved in prior arts in ISR			RATE : examination by DO is severer than ISR or WO/ISA		
	JPO	USPTO	EPO	JPO	USPTO	EPO
JPO	—	52%	62%	21%	40%	44%
USPTO	41%	—	45%	24%	37%	38%
EPO	66%	53%	—	9%	38%	14%

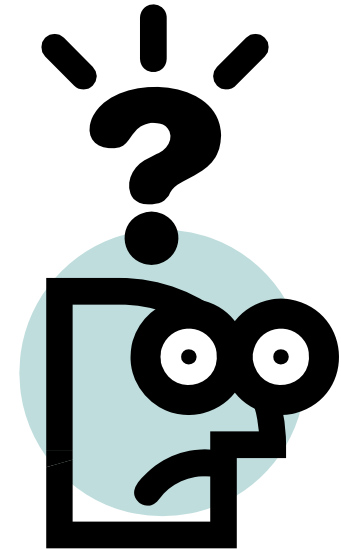
✗severe: 1) more related prior art is found in National Phase

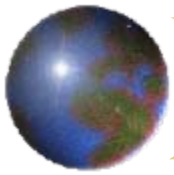
2) different from decision for patentability by ISA (ex. Change from Y to X)



- **Quality of IS or IPE**

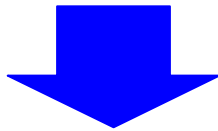
- ✓ Caused by the difference of Search and Examination among ISAs, DOs
- ✓ Some applicants think the product of ISA or IPEA is not always helpful for them



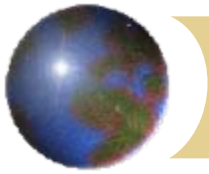


● Miscellanea

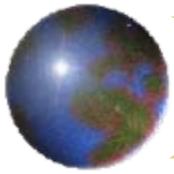
- ✓ Unity of Invention
- ✓ Application format
- ✓ etc.



These are caused by the difference of Substantive Patent Law



6. Conclusion

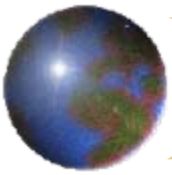


- Improvement of Quality of IS and IPE
 - ✓ Approaching “Same Search” , “Same Examination”
 - Including Harmonization of Substantive Patent Law
 - ✓ Making Quality of IS and IPE Visible



It leads

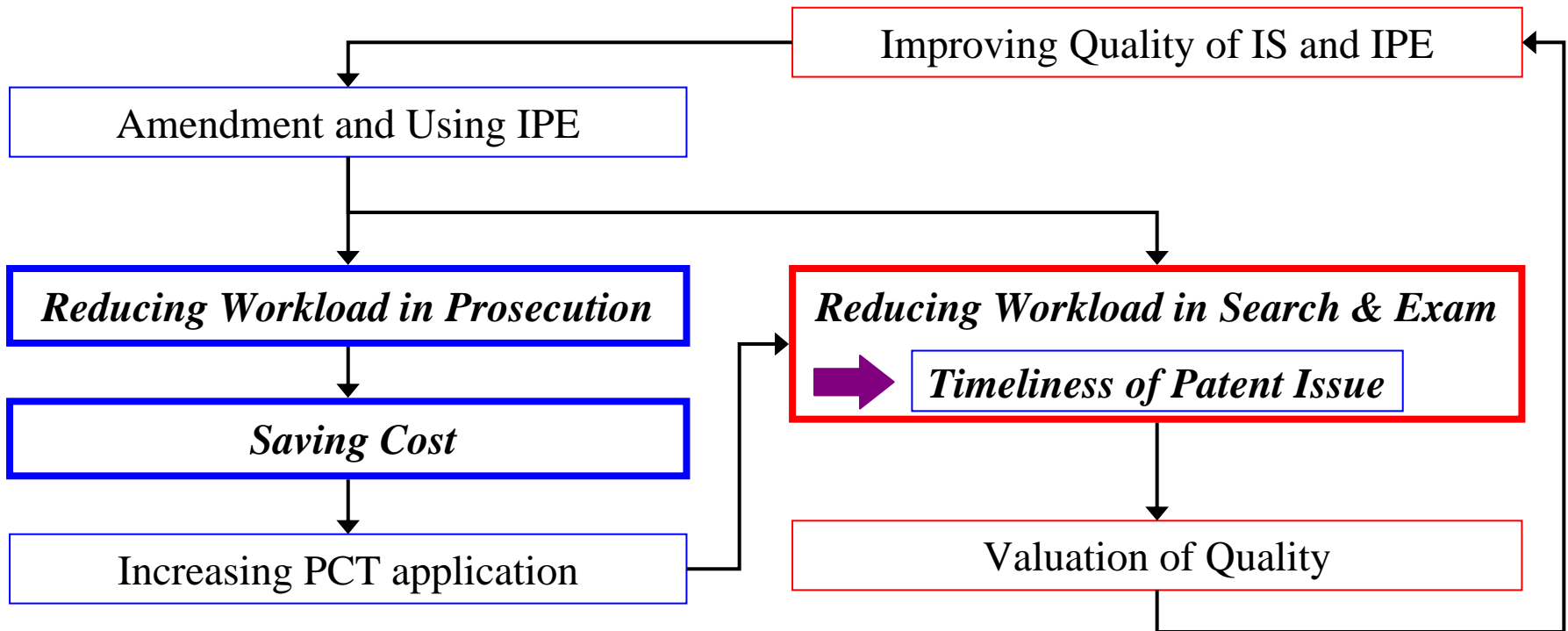
- Reduction of workload for Users
- Reduction of workload for Patent Offices ⇒ Timeliness of Patent Issue
- Saving cost



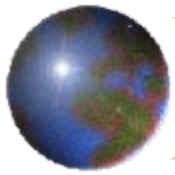
● Improvement of Quality of IS and IPE

USER

PO

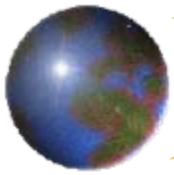


Win-Win



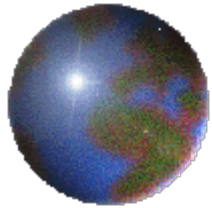
● Miscellanea

- ✓ Rectification for mistranslation
 - Permitting and Making it into a rule in the national patent law
 - Opportunity : After receiving Office Action
- ✓ Expanding the use of ISR and IPRP(II) in National Phase
 - MSE makes use of affirmative ISR (WO/ISA) as well as IPRP(II)
 - PCT-PPH



● Miscellanea

- ✓ Disclosing Information outside the country
 - Actual condition for use of ISR and IPRP(II) by DOs in National Phase
 - Statistics about the national application via PCT
 - National Patent Law, especially concerned with PCT application
- ✓ E-Filing (XML)
 - After PCT filing in International Phase
 - In National Phase



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Thank you for your attention !