

(Publicity)

# INTELLECTUAL PROPERTY

## Patent attorneys association branches out, expands local legal safety net protection

Due to mounting interests and issues involved with intellectual property rights, fiscal 2005 became a very busy year for the Japan Patent Attorneys Association (JPAA). Tatsuhiko Sato, president of the JPAA, recently reviewed the association's activities for 2005, many of which have been well-received by the government and business sector.

One of the most notable movements, according to Sato, was the organization of patent attorney branches for Hokkaido, Northern Honshu, the China region, Shikoku, Kinki, Tokai and the Kanto area. The association also consolidated its infrastructure, positioning Akihabara as its foothold in Tokyo.

"The local areas generally tend to have a sparse number of patent attorneys," he said explaining the JPAA's role. "In order to support them, we dispatched 'IP caravans' of attorneys. These caravans help the local areas exploit, register and protect local brands there."

Sato said that local industries, especially those in agriculture, commercial fishing and tourism, found the caravans' seminars eye-opening. This warm welcome encouraged the JPAA in their work.

From Nov. 1 the association started NAVI, an online searchable database system featuring all the patent attorneys, in response to a growing demand from those industries looking to find that perfect match. "We are receiving positive feedback on this new service for its highlighting the profile of each patent attorney registered by JPAA," Sato said.

And that's not all. According to him, another important action taken by the association was making the organization's structure transparent. He said that such a move



Tatsuhiko Sato

was vital in maintaining discipline among its member patent attorneys, as recent deregulation has led to corrupt practices among some.

"JPAA firmly believes that good work should be coupled with reliability," the president said. "We stress that clients should never be betrayed, told lies or deceived." As such, the JPAA announces the names of all attorneys it dismisses.

2005 also saw the JPAA reinforce its work with outside professionals, including accountants, lawyers and real estate appraisers.

Sato sees mutual cooperation becoming more relevant as the scope of business of the patent attorneys widens, and cross-profession study sessions have already been held among such professionals. These study activities will help protect and utilize IP rights from various angles, he said.

As for the future, the most pressing issue at hand, according to Sato, is the review of the patent attorney examination system as the JPAA finds it increasingly necessary to give compulsory training to all those who have passed the examination. "Owing

to the national policy to facilitate the testing system, the number of people who pass the exam today has suddenly jumped in recent years," he said.

Although this is not an unwellcome condition, said Sato, the JPAA is finding that an increasing number of newcomer patent attorneys, roughly 200 people or about 30 percent of the total, have no practical experience in IP matters.

He feels that clients generally cannot evaluate whether their newly assigned patent attorney is capable or not and, thus, thinks some tutoring and care should be provided to fresh attorneys through an interactive, 24-hour e-learning system. He sees this coupled with some on-the-job training every two weeks. "To this end, we are currently negotiating with the respective government departments and others to seek their approval and support," the president said. (M.Y.)

### INSIDER'S VIEW

## Many patents may feed technology exodus

By MICHIRU YOSHINO

Contributing writer

Kenji Hidaka, a patent attorney and president of Hidaka East Asia Patent Office in Tokyo, is seriously worried by the recent intellectual property rights movement of Japanese industry.

He explained to The Japan Times the prevailing worrisome situation and suggested measures to take.

The most alarming point, according to him, is that Japanese corporations today seem to be only after figures, instead of seriously considering the content and quality of what they are registering for patents. In other words, they only seek to increase their number of patent registrations.

"For example, if there are three top companies, A, B and C, in a certain industry," he went on, "the president of company B would order his employees to acquire 800 registered patents, if the top company, A, had 1,000. Then, the president of company C would order his workers to acquire 600, and so on.

"I have observed so much



Kenji Hidaka

meaningless competition like that going on over the years," he added.

Consequently, Japan has come to have an annual patent submission of around 400,000 cases, as compared to the United States, which currently has around 180,000 cases. The fig-

ures for Japan are abnormally large, said Hidaka, when considering the annual GDP proportion of Japan versus the U.S., which currently stands at \$4 trillion for Japan and \$10 trillion for the U.S.

"Innovative ideas and inventions do not come in leaps and bounds, but in baby steps," he said. "If a corporation seeks to be the forerunner and lead the others, a patent should not be acquired each time they make a little progress in their research or development activities."

According to him, companies should wait until certain phenomenal progress has been made because once applying for a patent, they must release their new technology, and when released, the technology can be used by anybody.

Hidaka sees Japan's craze to apply for patents creating a massive technology exodus, despite the fact that serious problems didn't occur in the past, when Japanese corporations were mainly competing with each other.

"This is because Japanese



THE JAPAN INTELLECTUAL PROPERTY Association holds an annual Tokyo symposium, the fourth of its kind, on intellectual property last year. JIPC PHOTO

companies were more like peers, tolerating each other's massive amount of patents, and supporting each other via cross licensing whenever the need arose," he explained. "But times have changed. Japan is now being chased by Korea, Taiwan and China.

"Especially when considering the overwhelming power and population of China, Japanese corporations should be more alarmed and harbor a pressing sense of emergency: They do not have proper IP rights in China and are allowing a massive outflow of precious technology as well as talented, senior-aged technicians," he said.

In terms of the senior-aged, Hidaka feels that an ever increasing wealth of technology and information are apt to flow into China in years to come, as the baby-boomer generation starts retiring. Chinese enterprises are already recruiting talented senior-aged retirees from Japanese corporations, he said, and these people would willingly train the Chinese who offer them work.

"All Japanese companies know that these very serious IP-related problems exist," he continued. "But due greatly to the 'group' mentality of the Japanese people to act as one, nobody wants to take the lead in changing the situation.

"What must be done by Japanese corporations in order to survive in the future, this patent attorney says, is to acknowledge the need to manage the risks of releasing technology. They must seriously review what is really required and important for their company to grow and prosper from an IP viewpoint.

"As clearly stated in Clause 36 of the Patent Law, Japanese companies should take proper IP-related action whenever the need arises," Hidaka said.

"What is required is the humble action of going over the patent law, scrutinizing the contents, and understanding the situation in view of the related law. And each company should realize that such action can be taken by nobody else but the concerned, involved companies themselves."

## Protecting intellectual property rights is vital

By HIROYUKI YOSHINO

Chairman of The Japan Intellectual Property Association

Using intellectual property as a tool to strengthen Japanese industry has become a national project.

To promote this project, the Cabinet Office and the Ministry of Economy, Trade and Industry have been addressing IP issues in various ways and from various angles.

As I have served as a member of the Cabinet Office's Expert Research Committee on the Intellectual Creative Cycle and as a member of the Comprehensive Science and Technology Congress, and now as chairman of the Japan Intellectual Property

Association, I naturally have been committed to IP affairs and to what I can do for Japanese industry.

As a single world market has virtually been created, not only advanced countries but developing Asian countries have begun to participate in megacompetition. China has notably emerged as a strong contender, taking advantage of its stupendous economic growth in recent years. South Korea and Taiwan have been remarkable in this respect, too.

Japan has formidable and fundamental power to manufacture industrial products that deserve to be the envy of other countries, especially Asian nations. I believe that what is now becoming more

important is for Japanese companies to improve their brand values and protect them with IP rights. Today we are holding the fifth JI-PA symposium on the theme of an IP strategy compatible with globalized management — a very timely topic.

The JIPA is aware of the urgent need to nurture more IP specialists and utilize IP expertise for management, and is working toward these ends. The association, which has developed into the world's largest IP users' organization, will continue to endeavor to live up to the expectations of its members and society, in capacities dictated by social conditions.



Hiroyuki Yoshino

## JIPA to address Japanese brands and IP strategies

By NAOTO KUJI

President of The Japan Intellectual Property Association

The Japan Intellectual Property Association, founded in 1938, has grown to 1,084 members and is the world's largest organization for intellectual property users.

The JIPA's main purpose is to serve the interests of its members, mostly manufacturing companies, through upholding their IP rights. Article 1 of the association's bylaw stipulates that the JIPA will endeavor to appropriately use and upgrade systems concerning IP so that it can help the members improve their business administration, and thus contribute to technological and industrial progress.

Past JIPA symposiums have taken up timely IP issues such as combating counterfeit goods, rewarding employees for their workplace inventions, creating a high court dealing exclusively with IP issues and institutionalizing unified world patents. It has delivered information to people interested in IP through such symposiums, lectures and panel discussions.

At the fifth symposium, we will finally address "management and IP," and aim to explore how Japan should correlate its brand and IP strategies, and how IP strat-

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egy can be used to bring success to business development in China.

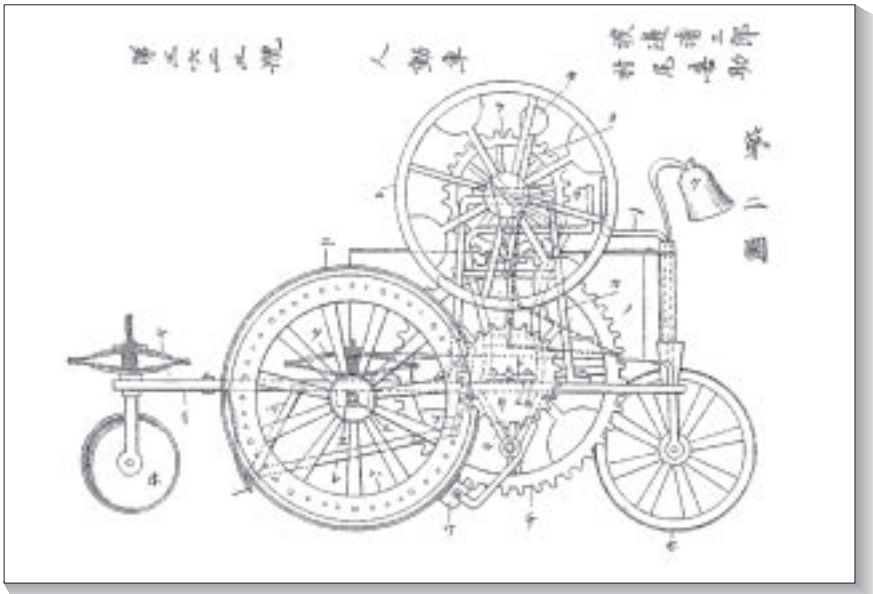
Japanese brands, particularly industrial brands, are highly regarded in the world. In developing business in China, which is becoming an increasingly important market in the globalized economy, Japanese companies will face many IP challenges:

acquisition and exercise of relevant rights; management of know-how; and partnerships with local enterprises. I hope that people in charge of corporate IP will learn a lot about how useful IP can be for corporate management strategy through the experienced specialists who will be leading this symposium.

As a guest speaker, French Foreign Trade Minister Christine Lagarde, who is also a lawyer, will deliver a lecture about French IP strategy, including measures to combat counterfeit products in France. I feel honored that the JIPA's annual symposium has come to be widely recognized and that its brand power is highly esteemed.

JIPA has created a venue where JIPA expert committee members can get together. The members are carrying out research on IP systems, exchanging information with related organizations and expressing views and proposals while conducting IP work for their employers.

## We assist in facilitating your intellectual property strategies



The patent for this "human-powered vehicle" was obtained by Seizaburo Watanabe and Kisuke Murao in 1899.

Patent attorneys are professionals who handle intellectual property.



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