Outline of Patent Attorney Act and Its History of Revisions for Further Improving the Quality of Patent Attorneys in Japan

October 27, 2014
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Japan Patent Office
1. Overview of Japan Patent Office
3. Recent Amendments to Further Improve the Quality of Patent Attorney Services
1. Overview of Japan Patent Office
Responsibility of JPO

1. Granting industrial property (IP) rights
2. Drafting laws & regulations on IP
3. Promoting international harmonization and assistance to developing countries
4. Reviewing the IP rights system
5. Supporting SMEs and universities
6. Improving information services on IP
1. Overview of Japan Patent Office
- Budget & Personnel

**FY 2014 expenditure budget**
126 billion yen (US$ 1.26 billion)

*1 dollar ≒ 100 yen

**Personnel**
Total: 2,837 employees (FY2014)

- **Information systems**: 26%
- **Personnel**: 26%
- **Examination, appeal/trial**: 33%
- **Others**: 20%

**Patent examiners**: 1,702; 60%
- Administrative judges: 387; 14%
- Trademark examiners: 142; 5%
- Design examiners: 49; 2%
- Incl. 492 fixed-term examiners

**Clerks**: 557; 19%

**Source**: Japan Patent Office
   - Overview - Japanese Legal Services

- In Japan, legal service is one of the strictly regulated areas of business
- Lawyers, as well as patent attorneys, can work as agents for conducting procedures before the JPO

**Lawyers = Legal Service***
E.g.: Litigation in general, consultation on domestic/foreign laws

- Tax Accountants
  Conducting taxation procedures

- Judicial Scriveners
  Registering companies, land, etc.

- Patent Attorneys
  Conducting procedures before the JPO

*Note: No person other than an attorney may, for the purpose of obtaining compensation, engage in the business of providing legal advice or representation, ..., or providing other legal services in connection with any lawsuits, non-contentious cases, or objections, ... etc., or other general legal services, or acting as an intermediary in such matters; provided, however, that the foregoing shall not apply if otherwise specified in this Act or other laws. (Attorney Act, § 72)
- Overview - Scope of Business

- The primary business of the patent attorney as a representative is to conduct procedures before the Japanese Patent Office, for patents, utility models, designs & trademarks.

- **Representation**

- **JPO**
  - Filing IP applications
  - Responding to Office Actions
  - Trials/Appeals
  - Oppositions

- **Patent Attorney**

- **Representation for ...**

| 1 | Applications for suspensions of releases | Customs |
| 2 | Arbitration & mediation | ADR |
| 3 | Lawsuits | Courts |
| 4 | Contracts/Licensing | Third Parties |
| 5 | Document preparation | Foreign IP Offices |

- **Suits against appeals/trial decisions by JPO**
- **Infringement lawsuits on industrial property (additional qualification required; to be jointly represented with lawyers)**

**Note:** In the above chart, 1, 2 & 3 may only be dealt with by either qualified lawyers and/or patent attorneys.
   - Overview - Scope of Business

- Patent attorneys’ scope of business has gradually been expanded

<table>
<thead>
<tr>
<th>Year</th>
<th>Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>1899</td>
<td>Procedures before the JPO (Patents, Industrial Designs, Trademarks etc.)</td>
</tr>
<tr>
<td>1948</td>
<td>Lawsuits against appeals/trial decisions by JPO</td>
</tr>
</tbody>
</table>
| 1998 | ADR
     Procedures before customs on goods infringing IP |
| 1998 | | |
| 2002 | Infringement lawsuits on industrial property* |
| 2002 | | |
| 2007 | Contracts**
     Preparing documents for submission to foreign IP Offices** |
| 2014 | Consultation on the Protection of Invention** |

Note: * Additional qualification necessary; to be represented jointly with lawyer (attorney at law).
** Anybody can conduct these services; patent attorneys can do so under their professional responsibilities.
Japanese patent attorneys can be certified in several ways:

1. Any of the following enables persons to be certified as patent attorneys:
   - (1) Pass the National Examination for Patent Attorney
   - (2) Certified as Lawyer (Attorney at Law)
   - (3) 7 years experience as examiner/appeal examiner at JPO

2. Practical Training (conducted by JPAA) - added under the 2007 amendment

3. Registration on Japan Patent Attorneys Association (JPAA)’s Register
The number of patent attorneys has been steadily increasing.
- International Comparison (as of 2012)

<table>
<thead>
<tr>
<th></th>
<th>US</th>
<th>UK</th>
<th>Germany</th>
<th>France</th>
<th>EPO</th>
<th>China</th>
<th>ROK</th>
<th>Japan</th>
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<tbody>
<tr>
<td>Number of Patent</td>
<td>42,033(2)</td>
<td>1,956</td>
<td>3,200</td>
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<td>10,427</td>
<td>14,679</td>
<td>7,369</td>
<td>9,657</td>
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<td>Attorneys/Agents(1)</td>
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<tr>
<td>Number of Patents Filed</td>
<td>542,815</td>
<td>23,235</td>
<td>61,340</td>
<td>16,632</td>
<td>148,560</td>
<td>652,777</td>
<td>188,915</td>
<td>342,796</td>
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<td>Approx. No. of</td>
<td>12.9</td>
<td>11.9</td>
<td>19.2</td>
<td>18.3</td>
<td>14.2</td>
<td>44.5</td>
<td>25.6</td>
<td>35.5</td>
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<tr>
<td>patent applications</td>
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<td>per attorney/agent</td>
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</table>

(1) As of March 2012 for EPO; April 2012 for US; October 2012 for China & France; November 2012 for UK; End 2011 for Republic of Korea
(2) includes patent attorneys & patent agents

Source: Institute of Intellectual Property, Tokyo

Note: The scope of patent attorneys' businesses differs from country to country. For example, in the US, patent agents can only practice before the USPTO on patents, whereas the scope of a Japanese patent attorney's business includes not only patents but other fields of intellectual property.
- Patent Attorney Examination

- Administered by the Council on Industrial Property (Secretariat: Japan Patent Office)
- Since around the end of 1990s, the number of successful candidates has generally been increasing
The National Patent Attorney Examination is conducted to determine whether or not persons have the knowledge and ability needed to become patent attorneys.”

- The Exam consists of the following 3 parts:

1. **Multiple Choice**
   
   (1) to check if applicants have the **basic knowledge** required to perform a patent attorney’s business, and (2) to **narrow down the number of applicants eligible to take** the essay & interview examination

2. **Essay**
   
   to check the applicants’ **comprehensive abilities** in terms of legal interpretation, comprehension, judgment, logical thinking, written communication, etc.

3. **Interview**
   
   to check the applicants’ abilities in terms of **oral communication**, based on their ability tested in the Essay part
Examination includes both legal and technological subjects. Knowledge on **industrial property** laws is mandatory in all parts of the exam, but technological subjects are elective.

1. **Multiple Choice**
   - Industrial Property* Laws
   - Treaties on Industrial Property
   - Copyright & Unfair Competition Laws

2. **Essay**
   - Industrial Property Laws
   - Legal or Technological Subjects (elective)

3. **Interview**
   - Industrial Property Laws

**Note:** *Industrial Property: Patents, Utility Models, Designs & Trademarks*
The successful completion of “Practical Training” is a precondition to being registered as a patent attorney.

Patent attorneys not fulfilling the duty to enroll in continuing education are subject to disciplinary action by JPAA and Minister of Economy, Trade and Industry.

- Training and Continuing Education

- [Mandatory] Practical Training
  - 72 hours
  - Professional Responsibility
  - Basics on:
    - IP Laws and Regulations
    - Treaties & other practices

- [Registration]

- [Optional] Beginner Training

- [Mandatory] Continuing Education
  - [at least 70 credit hrs. in 5 years]
    - Professional Responsibility [mandatory, 10 hrs.]
    - Subjects on PA service, on subjects such as
      - IP Management in the SME
      - Global issues

- [NEW] [Optional] OJT on Specification Drafting
  - [100 hrs.]
3. Recent Amendments to Further Improve the Quality of Patent Attorney Services
- As a part of the Judicial System Reform, the scope of a patent attorney’s services was expanded based on the 2002 amendment to include the representation of clients in infringement lawsuits involving industrial property. Also, quality assurance measures were added.

E.g.: 3-Year Deregulation Program (Cabinet Decision, March 2001)
“In order to appropriately meet the growing demand for legal service, necessary measures are to be taken, including, opening the door for non-lawyer professionals to represent clients in limited areas/lawsuits”

Expanded Scope of Business: Representation* in infringement lawsuits involving industrial property

Quality Assurance Measures
- Training on civil procedure practices (45 hrs.)
- Final evaluation exam

Note: * to be jointly represented with lawyers, except decided otherwise by the Court
In response to the growing need to strengthen the professional ability and responsibility of qualified professionals, new measures on quality assurance were implemented based on the 2007 amendment.

A scandal involving some architects forging documents on earthquake resistance standards (November 2005 - )


“Taking into consideration the diversified needs for patent attorney services, as well as greater responsibilities of qualified professionals, training that ensures the ability of patent attorneys should be made obligatory”

Quality Assurance Measures
- Practical Training

Precondition for Registering

Non-Compliance Subject to Disciplinary Action

Quality Assurance Measures
- Continuing Education (Training)
3. Recent Amendment to Further Improve the Quality of Patent Attorney Services
2014 Amendment - Background

PCT Applications from Japan

<table>
<thead>
<tr>
<th>Year</th>
<th>Filed by Patent Attorneys</th>
<th>Filed by NON-Patent Attorneys</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>29,291</td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td>31,524</td>
<td></td>
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<tr>
<td>2011</td>
<td>37,974</td>
<td></td>
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<tr>
<td>2012</td>
<td>42,787</td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td>43,075</td>
<td></td>
</tr>
</tbody>
</table>

Number of SME Consultations

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<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>3,100</td>
<td>3,300</td>
<td>3,500</td>
<td>4,200</td>
<td>5,300</td>
</tr>
</tbody>
</table>

Source: JPO

Source: Tokyo Metropolitan SME Support Center
The main points of the 2014 review are to leverage and enhance the capacity of PAs in assisting:
1. Japanese companies’ IP activities worldwide
2. SMEs in managing their IP

**Main Revisions**

- Consultation services on how to protect inventions
- Send PAs overseas (JETRO Office) to assist Japanese business*
- Relaxed rule on conflict of interest
- Continuing education
- Enhanced IP management in SMEs
- JPAA’s Guideline on client-attorney privilege (ongoing)
- Revision of JPAA’s Guideline on blocking the flow of information in offices

*not revision of the act
3. Recent Amendment to Further Improve the Quality of Patent Attorney Services
2014 Amendment - purpose of revision

- Expand scope of patent attorneys’ activities
- Deregulation
- JPAA’s Autonomous Activities for Quality Assurance
- Revision of JPAA’s Internal Guideline
The activities & responsibilities of patent attorneys, the principal experts in assisting industries and businesses in the IP field, have been steadily expanding over the years. In the meantime, the level of their professional ability has been raised based on the Patent Attorney Examination and the JPAA’s activities, such as training, in order to guarantee quality assurance.
Thank you

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