IP Support for SMEs in Japan

2020
Japan Patent Office
1. Significance of IP Support for SMEs
2. Present State of IP Utilization by SMEs
3. Introduction of JPO’s IP support policies for SMEs
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2. Present State of IP Utilization by SMEs

3. Introduction of JPO’s IP support policies for SMEs
1-1. Significance of IP Support for SMEs

- Economic Development of the Country
- Development of SMEs to Revitalize Local Economies
- Broadening the Base for IP
1-2. Significance of IP Support for SMEs

Q. What kind of effects were obtained as a result of IP activities?

- Beneficial for pricing: 10.7%
- Dominate the market: 11.6%
- Eliminate counterfeit goods: 36.2%
- Improve the reliability: 28.9%
- Develop new customers: 18.7%
- Enhance PR: 25.6%
- Strengthen brands of companies: 23.4%
- More chances to obtain funding: 5.6%
- Expand business by alliances: 10.2%
- Others: 2.2%

SOURCE: Research by the JPO
# 1-3. Significance of IP Support for SMEs

**Best Practices by Utilizing IP**

**Direct effects**
- Companies were able to take prominent position in terms of competitions with others
- Companies were able to protect position in terms of competitions with others

**Indirect effects**
- Companies were highly evaluated for their technological strengths to further develop sales channels
- Companies formed a business tie-up with other companies
- Companies have actively been having PR opportunities

<table>
<thead>
<tr>
<th>Number of employees</th>
<th>30 or less</th>
<th>31~100</th>
<th>101 or more</th>
</tr>
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<tbody>
<tr>
<td>Direct effects</td>
<td>67%</td>
<td>76%</td>
<td>81%</td>
</tr>
<tr>
<td>Indirect effects</td>
<td>49%</td>
<td>59%</td>
<td>71%</td>
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<td></td>
<td>65%</td>
<td>58%</td>
<td>56%</td>
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<td></td>
<td>33%</td>
<td>23%</td>
<td>18%</td>
</tr>
<tr>
<td></td>
<td>54%</td>
<td>46%</td>
<td>42%</td>
</tr>
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</table>

Source: To Get along with Intellectual Property (March 2012)
- Companies with brilliant future have something special. The Collection of Hints in KANSAI
1. Significance of IP Support for SMEs

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3. Introduction of JPO’s IP support policies for SMEs
2-1. Relationship between SMEs and IP in Japan

Ratio of SMEs to All Companies (2016)
- Large companies: 0.3%
- SMEs: 99.7%

Total number of Japanese companies: About 3.59 million

Percentage of Applicants (2018)
- SMEs: 14.9%
- Large companies, etc.: 85.1%

Total number of patent applications filed at the JPO by Japanese users: About 0.25 million
2-2. Harsh Reality of Japan’s SMEs

✓ Enterprises lack information about intellectual property, persons in charge, and funds

Prepared based on the FY 2018 Project to Examine and Analyze Support Measures for SMEs' intellectual property, "Basic Survey on SMEs’ Intellectual Property-related Activities" report (Patent Office)
1. Significance of IP Support for SMEs

2. Present State of IP Utilization by SMEs

3. Introduction of JPO’s IP support policies for SMEs
3-1. Three Viewpoints to Support SMEs

- Human Resources
- Capital
- Information
3-2. Overview of IP Support for SMEs Provided by the JPO

Human Resources
- Intellectual Property Comprehensive Help Desk
- Individual Visits to SMEs by IPRs Specialists

Information
- Providing Information on IP (through J-PlatPat)
- IP Seminars
- Circuit Japan Patent Office

Capital
- Promoting IP-backed Financing
- Insurance Program for Overseas IP Litigation costs
3-3. IP Comprehensive Help Desk

Activities in FY2018
- The number of consultations at IP Comprehensive Help Desk across Japan was...
  103,000
- Consultation services by specialists, such as lawyers and patent attorneys

Giving advice about IP issues at every stage of development:

- Ideas
- R&D
- IP protection; Acquisition of IPRs
- Commercialization
- Overseas development
3-4. Individual Visits to SMEs by IPR Specialists

Sending IPR Specialists for SMEs

IPR Specialists (JPO officials)

Results in FY 2018

- Seminars: 99 times
- No. of companies visited: 278
3-5. Providing Information on IP to SMEs

SMEs need an Easy-to-use, Simplified Portal

- Top page of J-PlatPat

https://www.j-platpat.inpit.go.jp/web/all/top/BTmTopEnglishPage
3-6 Providing Information on IP to SMEs

Publishing Compilation of Best Practices of SMEs Utilizing IP

- Uploaded on JPO website
- Free distribution at Helpdesk
3-7. IP Seminars

Activities in 2018

(1) Introductory Level Seminars
   59 times
   Held nationwide
   7,476 people attended

(2) Advanced Level Seminars
   57 times
   Held in 21 cities
   8,249 people attended

- **IP seminars**
- **Intensive interview examinations**

**Regions**

- IP seminar
- On-site interview examination
- Held concurrently

- Patent examiners visiting regional cities
  - Conduct face-to-face interviews with applicants throughout Japan
  - Better understand companies by visiting their factories and/or directly checking articles embodying their inventions

Held in 10 cities in FY2018
3-9. Program to Reduce Fees for Patents, etc.

- The JPO revised its fee schedule to reduce patent and examination fees 50% for all SMEs (Before the revision, only limited SMEs were eligible for 50% fee reduction); and
- Procedures needed to apply for fee reductions were also simplified.

**Before the Revision**

Scope of SMEs eligible for fee reduction:
- Limited to certain SMEs, such as deficit companies and R&D oriented companies

Procedures for applying for fee reductions:
- Complicated
  (Need to create and submit documents certifying that they are eligible for having their fees reduced)

Fees:
- Examination fees
- Patent fees (to maintain rights for up to 10 years)

**After the Revision**

All SMEs

Simplified
 (No need to submit any certificates)

- Fees for SMEs were reduced to 1/2
- Fees for start-ups were reduced to 1/3
3-10. Promoting IP-backed Financing

**IP business valuation reports**

- Evaluate how SMEs’ IPRs contribute to the growth of their business activities;
- Made by research companies specialized in evaluating IP
- Provided to financial institutions at no cost through JPO subsidies
3-11. Insurance Program for Overseas IP Litigation costs

Financial Support: Granting subsidies to pay insurance premiums for enrolling in the JPO’s insurance system that covers the costs of overseas IP litigations.

- SMEs (insured)
  - Pay subsidized premiums
  - Grant subsidies

- Associations of SMEs
  - Pay premiums

- Insurance companies
Thank you for your attention!