

ADVANCED MEASURES FOR ACCELERATING REFORM TOWARD INNOVATION 2007 PLAN IN PATENT EXAMINATION

I. Background and Concept of the AMARI Plan

1. Formulation of the Action Plan for Expeditious and Efficient Patent Examination

To enhance the international competitiveness of Japanese industry amidst rapid economic globalization, it is a critical task to develop an environment enabling early acquisition of intellectual property rights. Acknowledging this, on December 22, 2005, the Ministry of Economy, Trade and Industry (METI) established the Headquarters for Expeditious and Efficient Patent Examination (“Headquarters”), headed by the Minister of Economy, Trade and Industry. Following a Cabinet Decision of December 24 to adopt the Important Policy of Administrative Reform¹, the Headquarters formulated the Action Plan for Expeditious and Efficient Patent Examination (“Action Plan”) on January 17, 2006, regarding the measures to be taken through public-private cooperation. Based on this Action Plan, the METI has been promoting various measures according to the plan.

2. Formulation of the Advanced Measures for Accelerating Reform toward Innovation (AMARI) Plan in Patent Examination

Following the inauguration of the Abe Cabinet (September 26, 2006), the METI held the second meeting of the Headquarters on October 19, 2006. Reviewing the progress of the Action Plan and taking into consideration the new Cabinet’s basic policy as well as the Economic Growth Policy Outline (adopted by the Council for Comprehensive Financial and Economic Reform on July 6, 2006), the Headquarters formulated the Advanced Measures for Accelerating Reform toward Innovation Plan in Patent Examination (“AMARI Plan”) as a new basic IP policy.

3. Status and Concept of the AMARI Plan 2007

¹ Regarding the Patent Special Account, the Important Policy states as follows: “in light of the characteristics and policy aspects of the budget and for the purpose of achieving further expeditious and efficient patent examination, mid-term quantitative goals shall be set with respect to the number of patent applications to be examined and the costs required therefor as well as the number of prior art searches to be outsourced, with the aim of achieving operational efficiency and the increased use of outsourcing.”

(Developments since the release of the AMARI Plan)

As the Patent Special Account budget for FY2007 (adopted by the Cabinet on December 24, 2006), the METI secured ¥119.0 billion (FY2006: ¥118.6 billion), with the principal aims to promote the prompt and global-scale acquisition of IPR, strengthening the protection of IP, and supporting local regions and SMEs in the utilization of IP. With regard to staff number, the METI was permitted to recruit 131 new examiners, including 98 fixed-term examiners. As the result of secured budget and staff recruitment, the outline of the JPO's operational framework for FY2007 and thereafter has been clarified.

Some significant progresses have been achieved in the priority measures described in the AMARI Plan. A consensus was made on the standard format of patent application at the Trilateral (JPO-USPTO-EPO) Conference held on November 17, 2006. At the bilateral conference held on November 27, 2006, the JPO and the KIPO reached an agreement to launch the Patent Prosecution Highway (PPH) in April 2007.

(Upgrading of the AMARI Plan)

Following these changes of situation, the METI convened a meeting of the Headquarters to review and revise the numerical goals for expeditious and efficient patent examination set by the Action Plan, and added new priority measures to the plan (26 measures in 4 areas in total). By including the revised goals and new measures, the Headquarters released an upgraded version of the AMARI Plan, entitled Advanced Measures for Accelerating Reform toward Innovation (AMARI) Plan 2007 in Patent Examination (AMARI Plan 2007).²

Following the AMARI Plan 2007 and seeking cooperation from industry, the METI will make further efforts to achieve expeditious and efficient patent examination and focus on enhancement and strengthening of IP policy measures.

The METI will revise the AMARI Plan annually in principle.

II. Short-Term and Mid-Term Numerical Goals for Expeditious and Efficient Patent Examination

1. Changes in the Environment for Patent Examination

(Requests for examination)

The time limit for request of examination after the filing date of a patent application was shortened from 7 to 3 years with respect to applications filed in October 2001 and thereafter. As a result, the number of requests for examination has increased significantly since FY2004 (229,000 in FY2003; 383,000 in FY2004; 391,000 in FY2005), but it then took a downward turn in FY2006. More specifically,

² The JPO has formulated and released Implementation Plans to Achieve Mid-Term and Long-Term Goals for Expeditious and Efficient Patent Examination based on the Intellectual Property Strategic Programs. For FY2007, the JPO will adopt the AMARI Plan 2007 as the replacement of an Implementation Plan, and will basically apply the same approach for FY2008 and thereafter.

the number of requests for examination in FY2006 decreased by 3.6% over the previous year to approx. 380,000.³ This downward trend is expected to continue in FY2007 and thereafter.

(Applications awaiting the first action)

The number of first actions issued by the JPO in FY2005 increased by 3.7% over the previous year to 245,000. In FY2006, the JPO promoted the necessary measures according to the Action Plan and the AMARI Plan, with the goal of increasing the number of actions by 18.4% to approx. 290,000. On a yearly basis, the number of requests for examination has been exceeding the number of first actions since FY2004. Because of this, the number of applications awaiting the first action has also been increasing every year, reaching approx. 860,000 at the end of FY2006, up by 8.6% over the previous year⁴. This upward trend is expected to continue for some years.

(Status of patent examination)

Under these circumstances, the average first action pendency was 25.7 months as of October 2006, remaining at almost the same level as FY2005. However, considering that the applications to be examined in FY2007 include considerable number of applications for which examination was requested in FY2004 when the number of requests for examination increased significantly, it would be still difficult to reduce the first action pendency even if earnest efforts are made to increase the number of first actions. It should also be noted that the environment involving patent examination at the JPO is becoming increasingly severe due to: (i) the increase in examination workload along with the subject matter of patent applications becoming more complex and advanced and the number of inventions (claims) per application increasing (the number of claims increased by 17.3% to 9.5 claims during the five-year period up to 2005); (ii) the surge in the number of international search reports that are required to be prepared within a certain time limit for PCT applications (the number increased to 25,000 in FY2005, up 33.9% over the previous year, and is expected to reach 28,000 in FY2006, up 11.9% over the previous year⁵).

2. Review and Revision of the Numerical Goals for Expeditious and Efficient Patent Examination

(Status of the numerical goals)

Based on the Important Policy of Administrative Reform, which provides that quantitative goals should be set in terms of the number of patent applications examined and the costs for patent examination, the METI has set numerical goals for expeditious and efficient patent examination in the Action Plan, and endeavored to achieve these goals through the joint efforts of the public and private sectors. Its ultimate goal of achieving patent examination to the highest global standard (reducing the average first action pendency to 11 months by 2013) is regarded as being one of the critical policy issues of the

³ Estimated based on the rate of increase/decrease in the period from April to November 2006 over the same period of the previous fiscal year.

⁴ Estimated based on the estimated number of requests for examination shown above.

⁵ Estimated based on the rate of increase/decrease in the period from April to November 2006 over the same period of the previous fiscal year.

Japanese government as a whole in the Economic Growth Policy Outline (adopted by the Council for Comprehensive Financial and Economic Reform on July 6, 2006) and the Basic Policies for Economic and Fiscal Management and Structural Reform 2006 (adopted by the Cabinet as of July 7, 2006).

(Revision of the numerical goals)

In FY2007, while taking into consideration the trends in the filing of requests for examination and other changes in the environment involving patent examination, the METI will continue actively to implement measures to enhance the examination capacity by recruiting a large number of new examiners including fixed-term examiners and to achieve a greater degree of efficiency in examination by outsourcing prior art searches. Assuming that these policy measures are properly implemented, the METI has revised the numerical goals for expeditious and efficient patent examination as shown below. In particular, the METI aims to increase the number of first actions to 310,000, and maintain the first action pendency below 29 months.

(1) Goals for expeditious patent examination

(i) Number of first actions

- The number of first actions in FY2005 was approx. 245,000.
- The goal for FY2006 was approx. 290,000 (up 18.4% over the previous year). The number was 205,000 as of November 2006 (up 26.3% over the previous year).
- The goal for FY2007 is 310,000 (up 6.9% over the previous year).

(ii) Average first action pendency

- The average first action pendency was 25.7 months at the end of FY2005.
- The goal for FY2006 was approx. 28 months. The first action pendency was 25.7 months as of November 2006.⁶
- In FY2007, since the applications that are going to be examined in FY2007 include considerable number of applications for which examination was requested in FY2004 when the number of requests for examination increased significantly, the first action pendency will be prolonged unless special measures are taken. Nevertheless, the METI aims to maintain the first action pendency below 29 months by increasing the number of first actions.

(2) Goals for efficient patent examination

(i) Annual number of applications examined per examiner (based on the number of patent claims)

- The actual number of patent claims examined per examiner in FY2005 was 1,137.

⁶ In FY2006, the JPO primarily examined applications for which examination was requested in FY2003 when the number of requests for examination temporarily decreased. Since the JPO have handled more applications than initially expected, the immediate first action pendency may become shorter temporarily.

- A goal has been set to increase the number to approx. 1,400 by FY2010 (an increase of approx. 30% over five years). The number was expected to reach approx. 1,300 in FY2006 (a 14.3% increase over the previous year). The short-term goal for FY2007 is set to maintain 1,300 or more.

(ii) Increase in outsourcing of prior art searches to the private sectors

- The actual number of prior art searches outsourced in FY2005 was 187,000.
- A mid-term goal has been set to increase the number to approx. 240,000 by FY2010 (an increase of approx. 25% over five years). The number is expected to reach 192,000 in FY2006 (a 2.6% increase over the previous year). The short-term goal for FY2007 is set to increase the number to 226,000 (an 18.0% increase over the previous year)⁷.

(iii) Direct costs for examination

- The amount of direct costs for examination per claim was ¥27,000 in FY2005.
- A mid-term goal has been set to reduce the amount to approx. ¥22,000 by FY2010. The amount was expected to decline to approx. ¥23,000 in FY2006. The short-term goal for FY2007 is set to reduce the amount to below 23,000 yen.⁸

III. Priority Measures (4 Areas; 26 Measures)
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1. Promotion of Global-Scale Acquisition of IPR and Higher Level of IP Protection

(1) Cooperation with other IP offices

(i) Further development of the Patent Prosecution Highway

At a conference held on December 27, 2006, the JPO and the KIPO agreed upon the launch of the PPH in April 2007.

At a meeting held between Minister of Economy, Trade and Industry Akira Amari and Secretary of the U.S. Department of Commerce Carlos M. Gutierrez in January 8, 2007, the JPO and USPTO agreed the full implementation of the PPH to start from July 2007, as appropriate, based on the result of the PPH pilot program which has been carried out since July 2006. The JPO and USPTO will encourage other countries' participation, aiming to establish a PPH Network centered around the JPO and USPTO based on the "Joint DOC-METI Initiative for Enhanced U.S.-Japan Cooperation on IPR Protection and Enforcement and other Global Issues" agreed upon between the two ministers on January 8, 2007, .

Regarding the implementation of the PPH between the JPO and other IP offices, such as Europe (EPO), UK, Germany, Canada and Australia, the JPO will try to draw a conclusion as soon as possible.

In order to contribute to expeditious and efficient examination procedures, the JPO will formulate and publish the "Guidelines Concerning the Use of Prior Art Search/Examination Outcomes of Foreign

⁷ Based on the draft budget for FY2007

⁸ Estimated based on the initial budget for FY2006; estimated based on the draft budget for FY2007

Patent Offices”, and promote the exploitation of prior art search/examination outcomes of other patent offices.

(ii) Request and cooperation for development of IP systems in other Asian countries

At the Japan-Korea Patent Office Commissioners Meeting held in November 2006, the JPO and KIPO agreed to hold a Japan-Korea Patent Examiners Meeting, in order to promote the further mutual exploitation of search/examination outcomes.

At the Japan-China Patent Office Commissioners Meeting in November 2006, the JPO requested, with regard to the draft of the revised Patent Law of China, that the criteria for infringement be clarified. The JPO and SIPO (State Intellectual Property Office of China) agreed to initiate the discussion among experts on data exchange of priority documents.

At the Japan-China-Korea Patent Office Commissioners Meeting in December 2006, the JPO, SIPO and KIPO agreed that the mid-term target for the trilateral cooperation roadmap shall be the mutual exploitation of search/examination outcomes and that they will hold a SME support symposium.

For the launch of accelerated examinations in the DIP (Department of Intellectual Property of Thailand) by accepting the JPO’s examination outcomes, the JPO announced the guidelines that had been clarified through the exchange of official letters between both commissioners.

Through EPA (Economic Partnership Agreement) negotiations with Indonesia (November 2006) and Brunei (December 2006), they largely agreed to conclude the EPA including the enhanced protection of intellectual property. The METI will continue to make efforts to put it into effect.

Through EPA negotiations, the METI will continue to support the partner countries to establish their IP systems and guidelines. While going into the ongoing negotiation with ASEAN, through an EPA with India and Vietnam which have planned to enter into EPA negotiations with Japan in January 2007, will appeal to secure the following points: 1) the establishment of a sufficient IP protection system, 2) enhanced enforcement, and 3) simplified procedures and harmonization.

The METI will also continue to enhance cooperation regarding patent examinations, human resource development and computerization.

(iii) Promotion of “APEC Cooperative Initiative on Patent Acquisition Procedures” (tentative name)

At the APEC-SOM (Senior Officials Meeting) held from January 15 to 18, 2007, the METI proposed the “APEC Cooperative Initiative on Patent Acquisition Procedure” (tentative name) that focuses on simplified patent procedure, examination cooperation, development of human resources to improve examination capability, and mechanization/computerization. the METI aims to reach an agreement at a ministerial-level meeting during 2007.

(2) Promotion of international patent harmonization

(i) Standard Format of patent application in the Trilateral Offices

The Standard Format of patent application was agreed upon at the Trilateral (JPO-USPTO-EPO) Conference held in November 2006. The trilateral offices will conduct a pilot program from a practical perspective with the cooperation of users during FY2007, and take necessary measures including the revision of PCT⁹ regulations and national regulations in FY2008, with the aim of the coming into use of the Standard Format in April 2009.

(ii) Early accession to the Patent Law Treaty

To achieve early accession to the Patent Law Treaty that makes the patent system more accessible to users by harmonizing patent procedures in each country, and by adopting a simplified procedure and relief for any mistakes in the application process, the JPO will review the necessary laws and systems, so as to draw a conclusion of accession during 2007.

(iii) Substantive patent harmonization

At the meeting of developed countries on patent law harmonization (Group B+ meeting) hosted by Japan in November 2006, it started that creation of a draft text based on the compromised package of the Substantive Patent Law Treaty which includes the integration to “First-to-File” principle proposed by the Chair in September 2006. The Commissioners’ meeting to be held in May or June 2007 will discuss the draft treaty, aiming to reach an agreement during 2007.

By making these efforts, the JPO will promote the international harmonization of patent law, and ultimately aim to realize a “global patent system” that enables “one application, one search, one examination and one patent.”

(3) Enhancement of measures to combat counterfeiting in Asia

(i) Early adoption of the international legal framework on preventing proliferation of counterfeits and pirated goods

In addition to encouraging possible treaty participants in cooperation with the US, the METI has also carried out information exchange at the G8 IPR Experts Group Meeting held in November 2006. The METI will continue its efforts to achieve early adoption of an international legal framework on preventing proliferation of counterfeits and pirated goods.

(ii) Advanced measures against counterfeiting in EPAs with developed countries

The METI will cooperate with Australia and Switzerland, which agreed to enter into EPA negotiations with Japan in December 2006 and January 2007 respectively, and with developed countries, with which Japan is considering entering into EPA negotiations, to incorporate high-level standard of provisions for anti-counterfeiting policies in the agreements.

⁹ Patent Cooperation Treaty that enables simplified and efficient procedures when filing an application with more than one patent office

(iii) Expansion of government-private sector joint missions for IPR protection

From FY2007, the METI will dispatch a government-private sector joint mission for IPR protection to other Asian countries, in addition to China, in which counterfeit products cause damage to the sales of Japanese companies. The METI will also encourage the authorities to develop legal systems and strengthen regulatory measures, and provide support to the authorities for the improvement of legislative and enforcement capacities to protect IPR.

(iv) Activities to raise public awareness of counterfeiting and piracy problem, and strengthening support for companies to carry out anti-counterfeiting measures

The METI and JPO, in cooperation with relevant ministries, conducted a “Campaign to Combat Counterfeits and Piracy” in December 2006, using various advertising tools, such as TV commercials and posters. The METI will conduct the next campaign in 2007 in order to keep on cultivating public awareness on IPR.

In 2007, as well as reinforcing the efforts of Japan and France toward the eradication of counterfeiting and piracy by holding a French-Japan Joint IP Forum in March, the METI will strengthen its program to provide advice for companies abroad suffering from counterfeiting in Asian countries. The METI will ask former company employees who have worked abroad and have experience in this field to join this program.

2. Further Efforts toward Expeditious and Efficient Patent Examination

(1) Further efforts toward expeditious and efficient patent examination

(i) Securing the necessary number of examiners through employing new fixed-term examiners

In FY2007, the JPO aims to secure an increase of 128 patent examiners including 98 fixed term examiners. The JPO will continue to make efforts to secure necessary examiners and fixed-term examiners for FY2008, aiming to secure approximately 500 fixed-term examiners from FY2004 to FY2008.

(ii) Increasing the outsourcing of prior art searches to the private sectors

By increasing the number of registered search organizations as well as the number of prior art searches outsourced to such organizations, the JPO will increase the number of prior art searches outsourced, including those through “dialog-type outsourcing” which is effective for achieving efficient examination. Specifically, the JPO aims to increase the number of outsourced searches to 226,000 (including 185,000 through dialog-type outsourcing)¹⁰ in FY2007. The JPO will continue to encourage the entry of new registered search organizations, aiming to have one or more new entrant in FY2007 (it aims to achieve at least one new entrant during the first half of FY2007).

¹⁰ Based on the government budget draft for FY2007

(2) Maintenance and improvement of the quality of patent examination

(i) Strengthening the quality management system for patent examination

By April 2007, the JPO will strengthen its quality management system by establishing a “Quality Management Office” (tentative name) in the Administrative Affairs Division, First Patent Examination Department of the JPO, which will develop a quality management method applicable to all technical fields and provide examiners with feedback on quality analysis. At a meeting of the World Intellectual Property Organization (WIPO) scheduled for February 2007 as well as on other occasions, the JPO will discuss quality management methods for patent examination with other major IP offices, and utilize the results for its quality management.

(ii) Increasing the accuracy of prior art searches

By the end of FY2007, the JPO will build an academic non-patent literature database focusing on four fields of important technology where the number of patent applications has been increasing, such as optical disks and flat panel displays, thereby further increasing the accuracy of prior art searches in these technical fields.

3. Promotion of Strategic IP Management by Companies

(1) Encouragement and support for companies in implementing strategic IP management

(i) Constant high-level opinion exchanges

The JPO Commissioner and Deputy-Commissioner are holding meetings for opinion exchanges with top executives of companies (centered on the major applicants) in order to promote their efforts to implement strategic management of intellectual property and develop necessary systems (discussions with 29 companies and 13 organizations have been conducted as of January 9, 2007). The target has been set to hold discussions with a total of 50 companies and industry organizations by March 2007. In FY2007, in addition to continuing the opinion exchange between the JPO Commissioners and top executives or industry organizations (also centered on the major applicants), the JPO will constantly conduct opinion exchanges between the JPO top officials and persons in charge of intellectual property from companies (the JPO aims to conduct talks and opinion exchanges with a total of 80 companies and industry organizations during FY2007).

(ii) Formulation and publication of the “Case Examples for Strategic Invention Management” (tentative name)

By the end of March 2007, the Institute of Intellectual Property will study the methods and systems for the management of IP at individual stages of the process to acquire patent rights, by hearing the practices of companies (to be conducted with 102 companies as of January 5, 2007). Based on the

results of this study and the opinion of the Intellectual Property Policy Committee of the Industrial Structure Council, the “Case Examples for Strategic Invention Management” (tentative name) will have been formulated and publicized by the end of FY2006 or early FY2007.

(iii) The Patent Strategy Conference

METI will hold a meeting of the Patent Strategy Conference in the first half of FY2007 as an opportunity for the Minister of Economy, Trade and Industry and experts in the private sector to exchange opinions based on the results of the high-level opinion exchanges with company executives and the discussions on the “Case Examples for Strategic Invention Management” (tentative name) at a meeting of the Intellectual Property Policy Committee of the Industrial Structure Council.

(iv) Awards to companies conducting outstanding intellectual property management activities

As part of the Intellectual Property Merit Award given on the Invention Day(April 18th), the JPO gives an award to companies that conduct outstanding intellectual property management activities in terms of the percentage of applications abroad and the rate of patent grants. In addition, the JPO will collect a wide range of case examples of companies utilizing intellectual property, in order to formulate and publish the “The Collection of Innovative Enterprises with Intellectual Property in 2007” (tentative name), which will be publicized in April 2007.

(v) Enhanced information provision contributing for intellectual property strategy establishment at companies

In the “Japan Patent Office Annual Report 2007” to be made public in June or July 2007, the JPO will provide information on the percentage of applications abroad and the rate of patent grants for top companies that utilize the patent system. In addition, the JPO will launch a trial of “Portal Site for Patent Strategy” (tentative name) during 2007, where applicants will acquire their own data, such as the number of applications and examination results by year.

(vi) Structural Reform of patent application/request for examination

Aiming to achieve the reform of applications/requests for examination structure, the JPO will hold meetings for opinion exchanges with companies at every opportunity, focusing on the following points: 1) promotion of patent strategy establishment from a global viewpoint, 2) thorough checks on applications before filing/request for examination, and 3) effective allocation of responsibility within each company. The JPO and Manufacturing Industries Bureau of METI will cooperate by conducting follow-up activities.

1) Promotion of Patent Strategy Establishment from a Global Viewpoint

From the perspective of an enhanced strategy to expand overseas business, and the prevention of unintended leakage of technology, the JPO will encourage companies to select carefully the applications they file with the JPO and increase the number of applications they file with foreign patent

offices. The JPO aims to support increase in the percentage of applications abroad to 30% in total.

2) Thorough Checks on Applications before Filing

From the perspective of enhancing R&D efficiency and reducing business risk, the JPO will encourage companies to conduct an appropriate prior art search before filing an application, request for examination, and the start of examination, so as to increase the rate of patent grants to examination requests, thereby aiming to increase the JPO's patent granting ratio (49% in 2005) to be as high as the ratio for national applications filed with foreign patent offices and ratios in Europe and the US (55-60% in 2005) (increase the rate of patent grants by 20%).

3) Effective Allocation of Responsibility within Company

From the perspective of concurrently enhancing intellectual property strategies, business strategies and R&D strategies, the JPO will encourage companies to improve their intellectual property management systems, such as appointing a Chief Patent Officer or Chief Intellectual Property Officer who has an integrated responsibility for intellectual property strategy (integrated management systems).

(2) Enhanced provision of information contributing to efficient R&D at companies and expeditious patent examination

(i) Establishment of advanced and diverse searching environment

The JPO will improve the capability of the Intellectual Property Digital Library (IPDL) by adding the function that will enable users to search Japanese abstracts of foreign patent publications in March 2007 as well as introducing full-text search function that will quadruple the average searchable pages within FY2007.

In January 2007, the National Center for Industrial Property Information and Training installed the same search terminals (16 units) as those used by examiners. The center will increase the number of search terminals depending on demand.

At the end of January 2007, the JPO will start the operation of a direct retrieval system for patent gazette data on a fixed address basis, so as to enable researchers at universities to search both patent and literature information in an integrated manner (Integrated Search System for Patent and Scholarly Literature Information).

(ii) Strengthen search expert development

In FY2007, based on requests from industry, the National Center for Industrial Property Information and Training will increase the fixed number of participants for the training (from approximately 180 in FY2006 to 330 in FY2007) and newly start the training according to some technical fields, which is being given using the same search terminals as those used by examiners, in order to enhance their abilities to search prior arts and to predict examination results.

4. Support for Local Regions and SMEs in IP Utilization

(1) Enhance activities of the Regional IP Strategy Headquarters

While designating the period from FY2007 to FY2009 as the “Period of Diffusion and Development” of the projects of the Regional Intellectual Property Strategy Headquarters (established in nine regions), the METI will raise the actual level of activities carried out by these headquarters, in line with other measures relating to SMEs and R&D.

Each Regional Bureau of Economy, Trade and Industry is currently creating an activities plan including goals for activities (output) and goals for results (outcome), on which they will make a report at a meeting by Director-Generals of Regional Bureaus of Economy, Trade and Industry.

(2) Support for SMEs in utilization of IP

(i) Further enhancement of the prior art search support program for SMEs

The METI is establishing a scheme whereby experts support SMEs in conducting prior art searches so as to enable them to make decisions when requesting patent examinations or filing foreign applications. With regard to this system, the METI is conducting promotional activities including individual approaches to a targeted 600¹¹ companies. The system was used with respect to 2,009 applications as of the end of November 2006, up 91.2% from the same period in the previous year (the numerical goal for FY2006 was 7,000). The METI aims to expand the use of the system to more than 9,000 cases in FY2007, by extending its support to include SMEs that file a joint application with universities, and by the further enhancement of promotional activities through brochure distribution and dissemination at seminars and explanatory meetings.

(ii) Improvement and strengthening of “Regional IP Advisory Counters”

The METI will dispatch experts such as patent attorneys to Regional IP Advisory Counters, established in July 2006 and located in about 3,000 Societies of Commerce and Industry and Chambers of Commerce and Industry nationwide. These experts will hold seminars for business advisers (aimed to increase from 100 seminars in FY2006 to over 5,000 seminars in FY2007), so that Regional IP Advisory Counters will be improved and widely recognized as being the most convenient and helpful contacts in local areas.

(iii) Strengthen measures to diffuse support programs (e.g. addition of the function for supporting SMEs and venture companies to the online filing software)

In December 2006, striving to diffuse the support measures for SMEs and venture companies, the

¹¹ Out of SME applicants (that filed ten or more applications in FY2004 or after), those that have not used the Prior Art Search Support Program

METI added a new function, to the online filing software, to remind applicants of useful systems, such as the accelerated examination system and the fee reduction program, and distributed 1.2 million copies of brochures (70,000 copies in FY2005). In FY2007, based on the evaluation of the support measures conducted previously (the evaluation carried out in FY2006), utilizing the results of the user questionnaire survey for SMEs (currently being conducted), the METI will provide more detailed support, such as distributing brochures directly to all the patent attorneys (on the basis of 7,061 at the end of 2006) and all the SME applicants (on the basis of 11,000 in FY2005).