
Intellectual Property Strategy in Japan

Hisamitsu Arai

Intellectual Property Strategy Headquarters, Cabinet Secretariat

1. Introduction

To this day, Japan has eagerly been taking in advanced technologies of the United States and Europe, to which it has integrated¹² its₁₂ unique creativeness and industrious labor force to successfully establish the world's finest manufacturing system for tangible goods. "Japan as Number One" is what it was called in the 1980s, when it enjoyed worldwide acclaim.

However, after 1990, the so-called bubble economy collapsed and Japan fell into a prolonged recession period, now referred to as the "lost decade," in which the real GDP growth was only 0.1% in 2002, and the unemployment rate was, and still is, well over 5%. Fortunately, since the real DGP growth seems to be 2.0% in 2003 (Cabinet decision in Jun. 19th, 2004) and quantity of export is increasing, it appears that business condition in Japan is in the recovery process. The employment capacity, however, is still in severe condition, and Japan cannot necessarily overcome the serious deflation.

In the 1980s, the United States also suffered from a long-term stagnation similar to that of the current Japanese situation, but the US government implemented its pro-patent policies and inaugurated the Court of Appeals for the Federal Circuit (CAFC) and promoted industry-academia collaborations that led the country to its current economic boom. Japan also needs to follow this example and change its "labor-integrated" industrial structure to a more "knowledge-integrated" one.

With the surge of Asian developing countries trying to catch up with the front running nations, international competition between each company is getting more intense in the global market. We now live in an era where the company, in search of a more attractive market environment, chooses the country in which to operate, and among the major countries the race to con-

struct a superior intellectual property system has begun.

It is vital for Japan to realize an intellectual property-based nation as quickly as possible by exploiting its reservoir of intellectual properties: patents, know-how, and digital content such as movies and animations.

2. Background Information

In his political address of February 2002, Prime Minister Junichiro Koizumi, for the first time as a Japanese Premier, declared that, "in order to enhance the international competitiveness of its industries, Japan needs to strategically protect and utilize the intellectual properties that are derived from its research and creative activities." Accordingly, the Strategic Council on Intellectual Property was founded the next month at the Office of the Prime Minister, and by July of the same year, the Intellectual Property Policy Outlines was drawn up to pave the way for Japan to become an intellectual property-based nation.

In the Policy Outlines, the Intellectual Property Strategic Headquarters and the Basic Law on Intellectual Property was proposed, and immediately after the approval of the Principles in early July, the law making process was set in motion and the Basic Law passed the Diet on November 27, 2002.

After the law was enacted in March 2003, the Intellectual Property Strategy Headquarters was set up in the Cabinet to act as an intermediary between the various government ministries and to play the central role in facilitating relevant policies. With the Prime Minister at its helm, the Policy Headquarters consists of all cabinet ministers and ten intellectual property policy experts from the private sector.

This IP Strategy Headquarters was put in charge of the planning, the annual follow-up, and the revision of the Intellectual Property Strategic Program. The IP

Strategic Headquarters decided Intellectual Property Strategic Programs in July 2003. Important policies are normally subjected to vote after discussion, and since 2003, in accordance with the By-rules of Headquarters Procedure, three task forces—the Task Force for Enhancing the Rights Protection Infrastructure, the Task Force for Patent Protection in Medical Treatments, and the Task Force for Media Content Business—have been installed, and, as mentioned in detail later, they summarized political proposals such as “The Foundation of IP High Court” and “The Policies to Encourage Media Content Business.”

Further, in May 27th, 2004, IP Strategic Headquarters decided the IP Strategic Programs for 2004 as a revision of the IP Strategic Programs mentioned above.

In the following chapters, I will describe the actions taken by GOJ based on the IP Strategic Program decided by the IP Strategy Headquarters in July 2003, and the issues to be done drawn in the IP Strategic Program for 2004 approved in May 2004.

3. The Intellectual Property Strategic Program

The Strategic Program starts with an introduction reviewing the current situation in Japan and a reflection on the Japanese government’s failure to react to the change in market environment. Identifying the increased significance of innovations and information for economic growth in the developed world, the Program emphasizes Japan’s determination to concentrate its resources to promote creation of intangible assets. The key term, “intellectual creation cycle,” previously adopted by the 1997 IP Commission for the 21st Century, was again emphasized. To activate the cycle, a strong incentive is necessary to promote creation of intellectual property in the R&D sector and the media contents business. In the intellectual creation cycle, intellectual property must be promptly protected to result in maximum value in goods and services in industry, which will enrich the wealth of the nation.

The Strategic Program comprises five chapters listing related measures. The five chapters are (1) creation, (2) protection, (3) exploitation, (4) media contents protection, and (5) human resources. Major measures which relate to the activation of the intellectual creation cycle are explained below:

3.1. Promoting the Creation of Intellectual Property

Although there were recently three consecutive

Japanese Nobel Prize winners in the area of basic research, it can hardly be said that Japan has produced an equivalently epoch-making basic invention that was successfully commercialized. During the so-called catch-up period there was no special need for Japanese industries to rely on domestic research institutions, e.g., universities and public research institutions. To enhance their economic strength, they had only to import notable basic inventions from the United States and Europe, make new applications and improvements, and then provide the market with better products than those made by the original inventors.

However, after this catch-up period ended, Japan assumed the role of a frontrunner, which is expected to take the lead in global economic growth by implementing effective and efficient high-level R&D activities.

3.1.1. Developing university intellectual property headquarters and TLOs

Universities, which have a lot of resources on research activity, should play an extremely important role in IP creation, and should arrange systems to ensure the creation, obtainment, management and exploitation regarding IP. To facilitate the dissemination of the above uniform management principle, the Strategic Program assists the establishment of Intellectual Property Headquarters at universities, which strategically engages in creating, acquiring, managing, and exploiting the intellectual properties under their charge. So far, there are 43 cases that have been approved for the University Intellectual Property Headquarters Development Project.

On the other hand, to return intellectual properties to society, 37 institutions were recognized as Technology Licensing Organizations (TLOs) under the TLO law that was enacted in 1998 (as of June 2004). The number of patent applications filed by Japanese universities in 2003 was 1,679 (increase of 344 cases as compared with that of last year), and the gross licensing revenue of all TLOs was ¥554million (increase of ¥144million as compared with that of last year). This means that “the intellectual creation cycle” began to work from the creation of IP to the exploitation of it.

In near future, since the number of patent applications by universities will be increasing drastically, universities should ensure and expand their expenses related to Intellectual Property. In this context, the Strategic Program for 2004 says that as soon as possible in FY 2004, the GOJ will clarify and inform that for competitive research grants, part of indirect expenses can be appropriated to patent-related expenses.

es, in order to encourage active use of such system, and will also improve the system.

3.1.2. Exploitation of Japanese bayh dole system

Based on the system of Japanese Bayh Dole System, all ministries of Japan prepared relevant rules to apply their entrusted researches to the universities. This rule was applied to almost all of the entrusted researches to the universities (approx. 90%) in FY 2003, and this means that IP has been stocked to the universities.

In the Strategic Program for 2004, GOJ promote the movement mentioned above and also, for the attribution of intellectual property not only at universities and public research institutions but also in industry, the Content Business Promotion Law described below ensure that intellectual property rights for products that are created in content development projects for government use (content within the scope of culture or entertainment) belong to the persons who actually carried out the projects under contract. Taking this into consideration, in FY 2004 and beyond, the GOJ will carry out necessary consideration to ensure that intellectual property rights also belong to persons who actually carried out projects under contract regarding software development projects for government use.

3.1.3. Improving the researcher's working conditions

In April 2003, the Supreme Court ruled that, as an explanation to Article 35 of the Patent Law, an employee is entitled to receiving remuneration for the deficiency in compensation if the amount calculated in the employment regulation is less than the reasonable price defined by the Law. On January 30, 2004, the District Court went on to set the reasonable price at a greatly controversial 60 billion yen (three times the charged amount) for the blue-color light-emitting diode invention, which they called "an extremely rare case of a service invention."

At GOJ level there was a heated discussion on the following agendas: providing incentive to the R&D activities of the inventors; reducing patent management costs and company risks; and enhancing the nation's industrial competitiveness. This resulted in the submission of an amendment bill for Article 35 of the Patent Law (Provision on Service Inventions) to the current Diet session. The bill was designed to strengthen the employees' influence on deciding the amount of compensation, and to make courts consider not only the firm's related profits but also the inventor's working conditions and the firm's efforts in its production and sales, when defining the reasonable pricing of a certain invention. The bill passed the Diet on May

28th 2004.

With respect to the exceptions to the lack of novelty of invention that are designed to prevent inventions from lacking novelty due to disclosure in presentation, paper, or meetings, the GOJ will examine the extension of the grace period for the exceptions and promptly consider relaxing or abolishing the requirement of inventions being made public in a written form at a workshop held by an academic society designated by the Commissioner of the Japan Patent Office to widely recognize inventions made public at workshops before filing of patent applications as subject of the exceptions to the lack of novelty of invention, while taking into account the trend in discussions on the international harmonization of patent systems. The GOJ will draw a conclusion by the end of FY 2004 in the Strategic Program for 2004.

3.1.4. Promotion of universities' Start-Ups

GOJ presented "The Plan for creation of 1,000 Start-Ups from Universities" in 2001, and have been supporting Universities' start-ups. Generally speaking, the financial situation of start-ups tend to be vulnerable so that GOJ will allow national university corporations to acquire stocks in compensation of licensing in order to promote the transfer of technology possessed by national university corporations.

3.2. Strengthening the Protection of Intellectual Property

For more incentive to create and effectively utilize intellectual properties, we must protect the intellectual properties appropriately, and to this extent, the relative systems and organizations should be reinforced. In providing this adequate protection for newly invented intellectual properties we must take into account the system's international harmony and the technology's ever-changing nature, and at the same time make organizational improvements to speed up the patenting process and other legal actions, including lawsuits.

3.2.1. Expediting the patent examination process

In today's fierce competition in which firms need to make quick business decisions, expeditious patent examinations are essential for commercializing the promising inventions that may invigorate the economy. The first action period in a patent examination is 26months in Japan, and in order to accelerate the examination process, we must reduce the number of unexamined cases (the so-called back-logs) that currently exceed 500 thousand, and prepare ourselves for the rapidly increasing requests for examinations that

are projected to be around 300 thousand. For this purpose, during the five subsequent years after 2003, one hundred fixed-term examiners with ten-year tenures (98 examiners for next year) will be recruited, and furthermore, to the current Diet session, a comprehensive bill has been submitted to accelerate the patent examination process and to amend other related laws. The Revised Law passed the Diet on May 28th 2004.

In the Strategic Program for 2004, GOJ will set the following five-year interim goal and ten-year long-term goal regarding the waiting period for patent examination in order to steadily achieve an expeditious patent examination. Holding the waiting period for patent examinations at less than 30 months in 2008 (interim goal) when the number of applications waiting to be examined expand to 800,000 and the waiting period for patent examinations reaches a peak, and achieving a reduction of the waiting period to 11 month, which is the highest global standard, in 2013 (long-term goal), and final goal would be real time examination. In order to achieve the interim and long-term goal, GOJ will promote integrated activities based on the Revised Patent Law including ensuring the sufficient examiners with fixed-term contract. METI will make an annual action plan for the goal and present the achievement annually.

3.2.2. Upgrading the dispute settlement functions

In Japan, the Tokyo High Court has had the exclusive jurisdiction over administrative litigation for intellectual property matters, e.g. for revocation suits against Patent Office decisions. According to the revised Code of Civil Procedure of 2003, the courts having jurisdiction over civil suits that are related to patents, utility models, IC layout designs, or computer program copyrights are for the first instance the Tokyo and Osaka District Courts and for the second instance the Tokyo High Court. The special divisions of each court were, in fact, functioning as patent courts, and the Tokyo High Court, because of its scale and degree of concentration of both administrative and civil litigation, was deemed to be the most advanced court in the world for intellectual property matters.

Taking full advantage of this concentration, the Strategic Program aims to establish an Intellectual Property High Court, which will make the national pro-intellectual property policy plain to parties both at home and abroad. After the Task Force for Enhancing the Rights Protection Infrastructure held intensive discussions, a bill was submitted to the current Diet session to integrate the Tokyo High Court's four divisions, which are in charge of intellectual property liti-

gation, into an Intellectual Property High Court.

Also in an intellectual property lawsuit, the plaintiff should be allowed to impose documentary submission obligations to the adverse or third party to verify the infringement or the amount of damage incurred. And to accommodate this problem, a bill will be submitted to the current Diet session to amend the Court Organization Law to allow closed-door court sessions for the protection of trade secrets and to improve the procedures for collecting evidence.

Both bills mentioned above passed the Diet on June 11th 2004, and the IP High Court will be founded in April 2005.

3.2.3. Promoting the international protection and cooperation for intellectual property

It is also necessary to reduce the burdens that are endured by the patent applicant and the patent offices when a patent is filed in several countries. To achieve this goal, examiners exchange programs and projects that enable mutual usage of prior art investigations and patent examinations should be carried out between the trilateral countries-Japan, United States, and the EU- and also between the other advanced countries. In the Strategic Program for 2004, for early realization of mutual recognition among the trilateral patent offices of Japan, the United States, and Europe, which have 80% of applications filed in the world in total, in the initial phase of establishing the global patent system, Japan will, from FY 2004, take the initiative in the working group of the trilateral patent offices and hold discussions with the United States and Europe to prepare the specific schedules for harmonizing systems and operations and establishing infrastructures that are necessary for such mutual recognition.

3.2.4. Protection of local brand

In Japan, many local brands fostered by regional features and traditions are existing, and it is important to protect these local brands in order to encourage regional development. GOJ will consider a desirable system to protect local brands for agricultural, forestry and fishery products and other products from the viewpoint of increasing competitiveness of goods and products, revitalizing the local area and protecting consumers, while giving due consideration to effects on goods and products of which the name has been generalized or has been firmly used for another area.

3.2.5. Measures to offset counterfeits and pirated copies

In China and other Asian countries, there are many

counterfeit goods, from motorcycles to cosmetics, and some surveys show that up to 90 percent of the world's counterfeits are, in fact, produced and distributed in Asia. The types of rights that are infringed by these counterfeits include trademarks, copyrights, designs, and patents, which cover nearly every type of intellectual property.

Although it is difficult to figure out how much the market is contaminated with counterfeits and pirated copies or to calculate the actual damages incurred, ICC (International Chamber of Commerce) reports that five to seven percent of the world's total trade is made up of such illegal products. It is also estimated by IFPI (International Federation of the Phonographic Industry) that one out of every three CDs sold in the world is a pirated copy. The Chinese government announced that the total market value of counterfeits was in 2001 somewhere between 2.2 and 2.8 trillion yen.

Counterfeit and piracy are no longer "a price to pay for fame," but are big issues that need to be overcome if Japan wanted to become an intellectual property-based nation. This issue has been under discussion at the Task Force for Enhancing the Rights Protection Infrastructure since February 2004.

(1) Sturdy Measures for Overseas Markets

Whether bilateral or multilateral, it is through various channels that we must implore the countries, which have frequent occurrences of counterfeit or piracy against our nation, to rectify the situation immediately. In the US-Singapore Free Trade Agreement (FTA) there is a provision that is meant to facilitate the establishment of an effective enforcement plan for intellectual properties. The Japan-Singapore FTA has a similar provision in effect, and as for the unsettled Japan-Korean FTA the inclusion of an intellectual property provision equal to that of the US-Singapore FTA is currently being negotiated.

Examples of multilateral efforts are seen in the World Trade Organization's usage of its Law Reviews and the active involvement of WIPO (World Intellectual Property Organization) and APEC (Asia-Pacific Economic Cooperation). At the APEC Ministerial Conference held in October 2003, the protection of intellectual property was mentioned in both the State Leaders' Declaration and the Ministerial Declaration, in response to Japan's suggestion. Also in August 2003, during the reviewing process of the General Framework of ODA (Official Development Assistance), the protection of intellectual property was adopted as an important policy by the Japanese government. So, in the future, the developing countries

will be using ODA money to improve their intellectual property systems to curb the number of infringement cases in their country, which in turn will support their sustainable growth.

(2) Strengthening Border and Domestic Regulations

The amendment bill for the Customs Tariff Law was submitted to the current Diet session and was enacted on March 31st 2004, which makes it possible for customs to disclose the names of the manufacturer and the importer of counterfeits or pirated copies that are interdicted by customs. Such information will enable the rights holder to prepare for judicial rulings without delay. Furthermore, from FY 2004, Customs and Police will hold information-sharing meetings to implement more effective interdictions.

Under the current legal system, the imports of counterfeits and pirated copies are not targets of control, if they are intended for personal use. This, however, is said to have encouraged the counterfeits and piracies within the border, and a new system that will appropriately and quickly interdict the smuggling is being sought for, following the examples of the courts of Europe and ITC (International Trade Commission) of the United States.

Regarding measures in overseas markets and border and domestic regulations, the GOJ will make METI serve as an integrated section for consultation services so that the ministries and agencies concerned can work on the following measures in a united effort. In addition, the GOJ will establish a directors' meeting of the ministries and agencies concerned (tentative name) as soon as possible in FY 2004, in order to establish comprehensive cooperation in taking measures against counterfeits and pirated copies.

3.3. *Exploitation of Intellectual Property*

The intellectual creation cycle would be incomplete without the adequate usage of intellectual properties. In other words, the cycle will start from creating the intellectual property, and then go on to registering the rights, but will finish with its exploitation, which produces earnings that will be used for further technology development. It is with such mechanism that Japan will be able to revitalize its economy and enhance its international competitiveness.

So far there has been a substantial amount of R&D investments in the Japanese private sector, but the usage of intellectual properties are inadequate and in numerous instances the patents are either unused or dead stock. For companies in the "selection and concentration" stages, it is vital to strategically exploit their patents and other intellectual properties.

Taking these matters in account, the Japanese government, through its Strategic Program, will implement the policies stated below.

3.3.1. Support for the strategic exploitation of intellectual properties

In order to support the pro-intellectual property management strategies of Japanese companies, the Strategic Program has been designed to carrying out the following activities.

From the viewpoint of promoting the disclosure of intellectual property information and to clarify the relationship between intellectual properties and the main business of each company, especially in the securities market, the Guideline for Intellectual Property Information Disclosure was formulated in January 2004. At the same time, the Strategic Index for Intellectual Property was also compiled to enhance the global competitiveness of Japanese firms.

To utilize the trust system for the purpose of managing and mobilizing intellectual property, it is necessary to make it possible for trust businesses to handle intellectual properties and to admit TLOs and other general businesses to enter the trust market. A bill to amend the Trust Business Law has been submitted to the current Diet session to make this happen but it could not pass the Diet due to time constraint. The bill will be examine in the next Diet session, it is desired that the bill be enacted as soon as possible.

3.3.2. Improving the environment for intellectual property exploitation

In view of stabilizing and reinforcing the license agreements of intellectual properties, a bill adding new provisions to the Bankruptcy Law was submitted to the current Diet session, and passed the Diet on May 25th 2004, which intentions are to allow more diverse agreements, to limit the trustee's right of rescission in case the licensor goes bankrupt, and to give more protection to the licensee.

In March 2004, the new Japan-US Tax Treaty has come into force. The new treaty is intended to grant immunity from taxation for royalties for intangible asset including intellectual property at a source country. The new treaty would support intensively the companies which have intension to develop overseas business.

3.3.3. Supporting SMEs/Start-Ups and local areas

Compared with large companies, SMEs and Start-ups have yet to fully understand the importance of intellectual property strategies and they do not have sufficient

financial and human resources to be invested in intellectual property strategies. GOJ should promote support measures for such SMEs and start-ups as expected to create new technologies in various fields relating to the creation, protection, and exploitation of intellectual property as well as the development of human resources.

Fist of all, GOJ will start to take measures to reduce annual patent fees, etc. by simplifying the procedures, reinforcing public relations, and improving consultation services for local SMEs. Secondary, since it is necessary to obtain rights and take measures against counterfeits/pirated copies overseas, which would require a large amount in costs, GOJ will drastically reinforce systems to provide SMEs and venture companies that have excellent technologies with support and advice for filing applications and taking measures against counterfeits/pirated copies, while being careful to avoid moral hazard.

As for the IP-related activities in local governments, some of them have started efforts to achieve regional development with the use of intellectual property. GOJ continues to encourage their activities.

3.4. Advancing Content Businesses

The world's content industry is projected to continue its growth at a higher rate than the world's real GDP. The Japanese content business amounts to 11 trillion yen for the enertainment indushg alone, and because the related industries are very much spread out, much is expected from the vitalization of the content business, which may be the key to our country's economic revival.

To dramatically advance the content business, it is necessary to create attractive content, to provide appropriate protection, and to promote wide distribution at home and abroad. Invigorating the above creative cycle of content, which can be called "cultural re-production," is indeed a pressing issue. However, in the present state of affairs-the lack of response towards the rapidly digitizing and networking society, the presence of feudalistic business practices, the shortage of staff, and the piracy problems-it is obvious that no suitable measures have been taken to advance content businesses.

3.4.1. Creating attractive contents

Through the Strategic Program the Japanese government will help humanities universities to design educational programs for content producers in the fields of business expertise and legal knowledge to deal with matters related to contracts and fund-raising. It will

also establish advanced educational institutions for the development of creators' skills, collaborate with human resource institutions overseas, and support advanced education such as internship systems that focus on individual ingenuity.

In order to ensure smooth financing for the production of movies and other content, the establishment of "movie funds" will be facilitated under the Commodity Fund Law. Also from the viewpoint of supporting the liquidity of copyrights, an amendment bill of the Trust Business Law has been submitted to the current Diet session to enable intellectual properties to be handled in trusts and to allow general companies to enter the business.

Other actions include: supporting the Tokyo International Film Festival; conducting overseas public relations through international trade fairs and other events; supporting activities of film commissions (non-profit organizations established by local governments to promote location shooting); improving the functions of the film center of the National Museum of Modern Art, Tokyo to store, disseminate, and show film contents.

3.4.2. Protecting contents while being aware of the "intellectual creation cycle"

In order to provide substantial technical protection for content, it is important to promote the application and diffusion of low-cost technical means, such as digital watermarking and digital rights management (DRM), which utilizes safe and trustworthy charging systems. To standardize such technologies, the Ministry of Public Management, Home Affairs, Posts and Telecommunications is currently conducting various empirical experiments.

As for legal protection reinforcement, a bill to amend the Copyright Law was submitted to the current Diet session and passed the Diet on June 3rd 2004, in which there will be included the granting of the right of lending books and the inhibition of re-imported music CDs.

3.4.3. Promoting distribution

As Japanese animated cartoons and game software are highly competitive in overseas markets, it is essential for content creators to participate in these markets to maintain and enhance such competitiveness. To work towards this end, the Japanese government is actively supporting the overseas operations of Japanese content businesses.

Other measures will also be taken to formulate content distribution markets, such as conducting research

on advanced overseas examples or performing R&D for a new "distribution system," which will make it possible for content creators to select appropriate distribution channels for their content and to make on-line contracts.

Furthermore, GOJ will work toward the complete compliance of the "self-imposed regulations" set down by broadcasting companies and ensure proper transactions between the creator and distributor by introducing simple POS systems for ticketing services.

In addition, in the Strategic Program for 2004, while strengthening the protection of contents, it is also necessary to give consideration to the balance between benefits of right holders and benefits of the public. For the purpose of promoting fair use of contents, which seems necessary for the whole of society, the GOJ will consider ideal forms of "provisions to restrict rights" under the Copyright Law in FY 2004. In the view to use existed contents properly, GOJ will review the arbitration procedures and will develop and publish the manual for using the arbitration system in Copyright Law.

3.4.4. Implementation of the above measures

To promptly carry out the above measures to develop content businesses, a Content Business Promotion Law was prepared by Diet members and passed the Diet on May 28th 2004.

In addition to the law, in order to accomplish the reform effectively in the next three years, the GOJ will immediately develop a roadmap for the reform and promote efforts by the ministries and agencies concerned. The GOJ will review the progress in accomplishing the goals every year.

3.5. Developing Human Resources

It is important, when aiming to become an "intellectual property-based nation," to improve the various systems in each field by promoting the creation, protection, and exploitation of intellectual properties, but whether or not we can use the system effectively or obtain significant results eventually depends on the human factor. Therefore, in our country, it will become more and more necessary to train experts in intellectual property matters, especially the outstanding personnel who are capable of surviving the international competition brought about by the globalization of business activities related to intellectual properties.

3.5.1. Dramatically enhancing the quantity and quality of lawyers and patent attorneys

In order to complete the intellectual property creation

cycle, there must be a supporting service for intellectual properties specializing in matters such as acquisition, utilization, and settlement of disputes.

The number of legal professionals working in the intellectual property field is very small in Japan. According to a report by the Judicial Reform Council (2001), an international comparison of the number of citizens per legal profession in 1997 showed that Japan at that point had a highly inadequate legal service compared to the United States and other European countries (the numbers were 6,300 for Japan, 290 for the US, and 710 for Great Britain). Increasing the total number of legal professionals is essential to making a legal community that has many intellectual property specialists. Based on this recognition, the Judicial Reform Promotion Plan, decided by Cabinet in March 2003, says that the number of the successful candidates in bar examination will be 1,500 in 2004 and taking into account the situation of the judicial education system including law-school, the number of that will be 3,000 in 2010. In the Strategic Program for 2004, GOJ will immediately consider including intellectual property laws as optional subjects for the new national bar examination that will start in FY 2006, drawing a conclusion as soon as possible in FY 2004.

As for patent attorneys, their number is bound to increase after the reform of the patent attorney examination. And from the viewpoints of enhancing the comprehensive measures for intellectual property disputes and utilizing the neighboring legal occupations, the 500 of the accessory registered patent attorneys, who will represent clients in specific patent infringement lawsuits, was registered by April 2004.

The Strategic Program for 2004 points out that it is important to increase the number of lawyers and patent attorneys and improve their quality.

3.5.2. Promoting the education/research/training in intellectual property

GOJ will promote intellectual property education at law schools, professional schools specializing in intel-

lectual property, and professional schools of MOT (Management of Technology). In all of the law schools opening in April 2004 (a total of 68 schools with 5,590 students), there are lectures on Intellectual Property Law, which is being considered for one of the optional subjects in the national bar examination. In addition, the GOJ will consider supporting postdoctoral fellows in acquiring knowledge and skills relating to intellectual property.

3.5.3. Raising the public awareness of intellectual property

Needless to say, the public awareness of intellectual property must be raised for Japan to become a true intellectual property-based nation. For this purpose, GOJ needs to take fine-tuned actions in every awareness activity. Until now, 91 orientation sessions have been held nationwide to advertise the Intellectual Property Strategic Program, which so far has turned out approximately 11,000 attendees.

4. Future Efforts

In the two years after Prime Minister Junichiro Koizumi made his political address in February 2002, Japan took its first large step towards becoming an intellectual property-based nation. The establishment of the Intellectual Property High Court, the comprehensive measures to achieve zero waiting time for patent examinations, and the advancement of content business-all made clear to the world that Japan was making a shift towards a knowledge-based nation. But this is just the beginning, and to become a truly intellectual property-based nation there has to be a smooth creation cycle of intellectual property, which will produce new wealth through the creation, protection, and exploitation of valuable intellectual properties. In order to realize IP-based nation, the all things listed in the Strategic Program for 2004 are to be done promptly and steadily. Japan will continue its journey toward becoming an intellectual property-based nation.