The Japanese Experience

INTRODUCTION

The differences between the legal systems of Canada and Japan can cause difficulties for Canada-Japan collaborations. The areas discussed here — early publication of patent applications, delays in patent examination, and "patenting around" or "patent flooding" — have been the subject of comment and concern by many countries in connection with their dealings with Japan.

Japan has recently begun to make efforts to reduce concerns over its patent system. As a result of the U.S.-Japan trade negotiations, for example, Japan has undertaken the Structural Impediment Initiative, which is dealing with fundamental issues affecting the trade relationship. It is too early to tell whether the changes that result will improve the protection for foreign intellectual property within Japan.

While the laws of Canada and Japan may be similar on paper, in application they are strikingly different. Canadian researchers and entrepreneurs do not have the same protection in Japan that they would have under similar regulations in Canada. It is important for Canadian researchers and Canadian organizations to look at the Japanese patent system not only at face value, but also in its realistic application.

Anyone who requires protection of intellectual property rights in Japan, from researchers getting together and signing a confidentiality agreement to more structured business negotiations where profit and loss motives are strong, should have on their side a lawyer licensed to practice in Japan, who understands both the Japanese and Western systems.

Throughout this guide, it has been pointed out that intellectual property issues are best addressed in contracts negotiated at the outset. Written contracts are particularly appropriate in the international context, and even more so in the case of Canada and Japan because of the differences in the law — and more important, in the application of the law — in the two countries.

This brief introduction to the Japanese legal system will highlight aspects that can lead to misunderstanding and conflict if not dealt with at the earliest stage of collaboration. The key is to take stock of your situation before you enter into collaboration — in other words, to understand the Japanese system and then use it to your best advantage.

PATENTS

While the Canadian and Japanese patent systems are growing closer together, as indicated by Canada's adoption of a first-to-file system and full disclosure of patent application information 18 months after filing, there is a fundamental difference in the underlying objectives of the two systems.

The Japanese patent system continues to have as its primary objective the rapid and efficient dissemination and diffusion of technology, with protection of individual intellectual property rights secondary.

Early Publication of Patent Applications

As in many countries, including Canada since changes to the *Patent Act* came into effect in October 1989, Japanese patent law requires public disclosure of all patent applications within 18 months of filing, which gives competitors access to the subject matter of the patent. However, while a patent application is also open to public disclosure in Canada 18 months after the date of filing (or after any foreign priority date under the Paris