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IP Challenges in Japan

Introduction

The challenges in Japan of protecting IP emanating from Australia are now less difficult than protecting it in any other non-English speaking country.

Many of the challenges facing Australian and other overseas businesses seeking to exploit and protect IP rights in Japan have largely evaporated due to high level political determination in Japan to upgrade and reform its IP systems, legal jurisdictions and IP specialist education at all levels.

Cost

The cost of protecting IP relative to other overseas countries and the degree of difficulty in commercially accessing many Japanese markets has been an issue in the past. As encouragement to potential users, the JPO plans to substantially reduce official fees for trade marks in 2008 by an average of 43%, putting them at a similar level to the fees charged in Australia.

Language differences

It is critical to gain professional representation in Japan with sufficient fluency in English to understand your instructions. To achieve this, start with an Australian professional (i.e. patent and trade marks attorney or specialist lawyer) that has developed relationships with Japanese counterparts, to avoid language-based misunderstandings.

Translation from English to Japanese of all IP specifications submitted to the Japanese Patent Office (JPO) is typically charged per hundred words. Long patent specifications or long statements of goods or services in trade mark applications, intended to support comprehensively broad rights in Australia or other countries, can therefore prove expensive if translated verbatim to Japanese. This can be important for trade marks where a need or preference to retain an Australian priority date (under the Paris Convention) may oblige the applicant to use an identical statement of goods or services in Japan to that submitted in Australia. The challenge is therefore to balance these conflicting necessities. A trend towards long statements in trade mark applications may need rewording if Japanese translation costs are to be kept to a minimum.

Counterfeiting

Japan's efforts in the IP area and its culture of adherence to law and order and border enforcement are evident when comparing available statistics and estimates of counterfeiting. While other strong manufacturing countries feature prominently in statistics collected showing the sources of counterfeit goods, Japan is an extremely minor contributor. Similarly, strong and effective two-way border controls and rigorous internal enforcement means that, despite its population of 127 million and high per capita wealth, imports or exports of counterfeit goods is relatively low. Thus counterfeiting of goods can be seen as a reduced challenge to Australian businesses seeking to increase their profile in Japan, particularly if they support their involvement in the market by an appropriate IP



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protection strategy.

Employee inventions

Australian businesses need to be aware that if you employ an individual in Japan paid to invent or who may in the course of employment invent something that the business seeks to patent, Japanese law makes definite provision for the inventor's compensation entitlement. This entitlement may extend beyond the period of employment.

Over recent years legal proceedings claiming the payment of reasonable compensation for employee inventions have been brought in Japanese courts by ex-employee inventors against their former employers.

In 2005, the relevant provisions in the Japanese Patent Act were amended to allow for the determination of the amount of compensation under a contract or an agreement between the employer and the employee, but the processes in setting up the agreement must be fair and the amount of remuneration reasonable. The amendments enable an employee to seek redress from a court if the agreement does not comply.

Conclusion

Protection of IP in Japan is strongly advised, and for Australian businesses, it need be no more difficult than protecting it in any other overseas, non-English speaking country. It is essential to obtain good, early professional advice in both Australia and Japan to achieve the desired outcomes effectively.

Contacts/Links

Separate fact sheets in this series give more detail in the various protection regimes and each sheet contains sources of further general information.

Disclaimer:

This information is intended to help the reader gain a basic understanding of some IP concepts. It is not designed to provide legal, business or other relevant professional advice. IP Australia recommends that you seek independent legal, business or other relevant specialist advice as necessary. This fact sheet has been developed in conjunction with Hodgkinson McInnes Patents.

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