



April 27, 2007

Mr. Joseph L. Ebersole
Counsel
Coalition for Patent and Trademark Information Dissemination

Mr. Willem Geert Lagemaat
President
PatCom

Dear Sirs:

First please accept my apology for not being able to attend this Trilateral meeting in Costa Mesa. It is my pleasure to have this opportunity to briefly commend on current Japan intellectual property market.

Overview of Japan Intellectual Property Business

In this global business world, intellectual property is drawing more and more attention. Popular topic in Japan IP information industry is that the JPO has revised the plan for Optimization of JPO Operation and Systems in July 2005. The key points can be summarized as the following:

- Accepting Internet applications around the clock and throughout the year
- Publication of Gazettes via the Internet
- Establishing the One-Stop Portal website to provide the latest JPO information on applications for free of charge
- Expanding the Trilateral cooperation among the JPO, EPO and USPTO
- Providing same search system as examiners to the public as a part of expansion of the JPO Internet service

In addition to the above, a new examination system is expected to be implemented in January 2011.

In January 2006, the Headquarters of Expeditious and Efficient Patent Examinations have been established. The headquarters have soon formulated many specific action plans aiming to solve Japan's currently confronting problems. Expeditious and efficient patent examinations is the first priority. The JPO is making tremendous effort to achieve world's shortest pendency period for requesting examination. Following the inauguration of the Abe Cabinet last October,

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the government is continuously focusing on making Japan an intellectual property-based nation. In addition to the original Intellectual Property Policy Outline, a new intellectual property basic policy called AMARI(Advanced Measures for Accelerating Reform for Innovation) Plan in patent examination has been formulated in January 2007. The plan incorporates action plan into concrete numbers in four different fields with twenty-six articles. Due to the limited space here, I will have to spare the details, if anyone is interested in its contents, here is the link for you.

<http://www.meti.go.jp/english/report/downloadfiles/AMARIPlan2007.pdf>

Adopting trends of the government, various industries also realize the significance of intellectual property. In order to survive through the severe national and international competitions, intellectual property plays more and more important role in strategic corporate planning. The IPDL utility shows an obvious increase. Online searches is no doubt the mainstream, but the tendency of seeking for less expensive method or even free tool is also quite noticeable. Moreover, the plan for Optimization of JPO Operation and Systems has guided users' demand toward value-added information services. It is our challenge to "add" value to the JPO provided raw data.

Users' demand has driven the intellectual property information providers to create two different business models. One is to provide the first hand information from the JPO with very limited cost. The other is to focus on providing sophisticated retrieval ASP services which frees corporate users from the system maintenance, at the same time enjoy the flat-rate access to specific information provider's database. Comparing to the IPDL, the former is only to obtain information with more flexible search features, and the later is aiming to become a possible analyzing tool to end users.

Despite of effort of information providers making to distinguish themselves from the IPDL, the free database still have the increase on utility. Yet, the JPO is promoting prior art searches in order to reduce the backlog of examination. Free of charge and the government campaign is driving more and more end users shift to IPDL.

Relationship with the JPO

There are couple meetings to exchange of opinions are held a year between the Patent Information Online Service Council and the JPO. Especially concerning the progress on optimization plan and enhancement on IPDL are the hottest topics for the industry. It is great to have the opportunity to directly exchange opinions with the JPO, the Council is also a good



channel for the JPO to understand the industry.

We have many times confirmed that the JPO is to publish the raw data, as opposed to our information providers will be concentrating on refining the raw data and provide value-added services. As one pillar of the Trilateral representative, the Patent Information Online Service Council will continuously express our best interests and maintain the good relationship with the JPO.

Lastly, my best wish to everyone for a fruitful meeting.

Sincerely,

A handwritten signature in black ink that reads "Sumio Kanero". The signature is written in a cursive style with a large, sweeping initial "S".

Sumio Kanero

President

PATOLIS Corporation