PACIFIC

INDUSTRIAL PROPERTY ASSOCIATION

PROGRAM

FIRST ORGANIZATION & WORKING MEETING

TOKYO 1970

PROGRAM

PACIFIC INDUSTRIAL PROPERTY ASSOCIATION

First Day
Wednesday, March 25, 1970

at "BOTAN" room - 2nd Floor

	REF		
9:00-10:10		Welcome from Japanese Group	S. Saotome
		Adoption of Constitution	J. R. Shipman
		Naming of Officers	R. Bennett
		Opening Remarks	M. Kalikow
		Introduction of Honorary Chairman	S. Yoshida
		Address by Honorary Chairman	S. Haruki
		Introduction Director General of Japanese Patent Office	H. Ono
		Address by Director General of Japanese Patent Office	Y. Aratama
10:10-10:30		COFFEE BREAK	
10:30-12:00	I-1	NEW PATENT LAWS-JAPAN	
		Introduction of Chairman-Japan	Y. Sawaura
		1st Reporter-Japan	M. Suzuki
		2nd Reporter-Japan	T. Fukazawa
		Discussion	
12:00-13:30		LUNCH at Rainbow room - 17th floor	

First Day
March25-(continued)

13:30-14:50	NEW PATENT LAWS-USA	
	1st Reporter-USA	T. L. Bowes
	2nd Reporter-USA	I. L. Wolk
	Discussion	
14:50-15:00	ANNOUNCEMENT OF COMMITTEES ON PATENT LAW & TRADEMARK LAW AND ADJOURNMENT	M. Kalikow
15:00 *	INFORMAL DISCUSSIONS	

* "BOTAN" room available until 19:00

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at "RAN" room-2nd Floor

19:00-21:00

Speech	M. Kalikow S. Yoshida S. Matsui	
Guest Speech	N. Oshima	Secretary General of Japanese Group of AIPPI
Attraction	"KOTO" Performance	

* Dress Optional

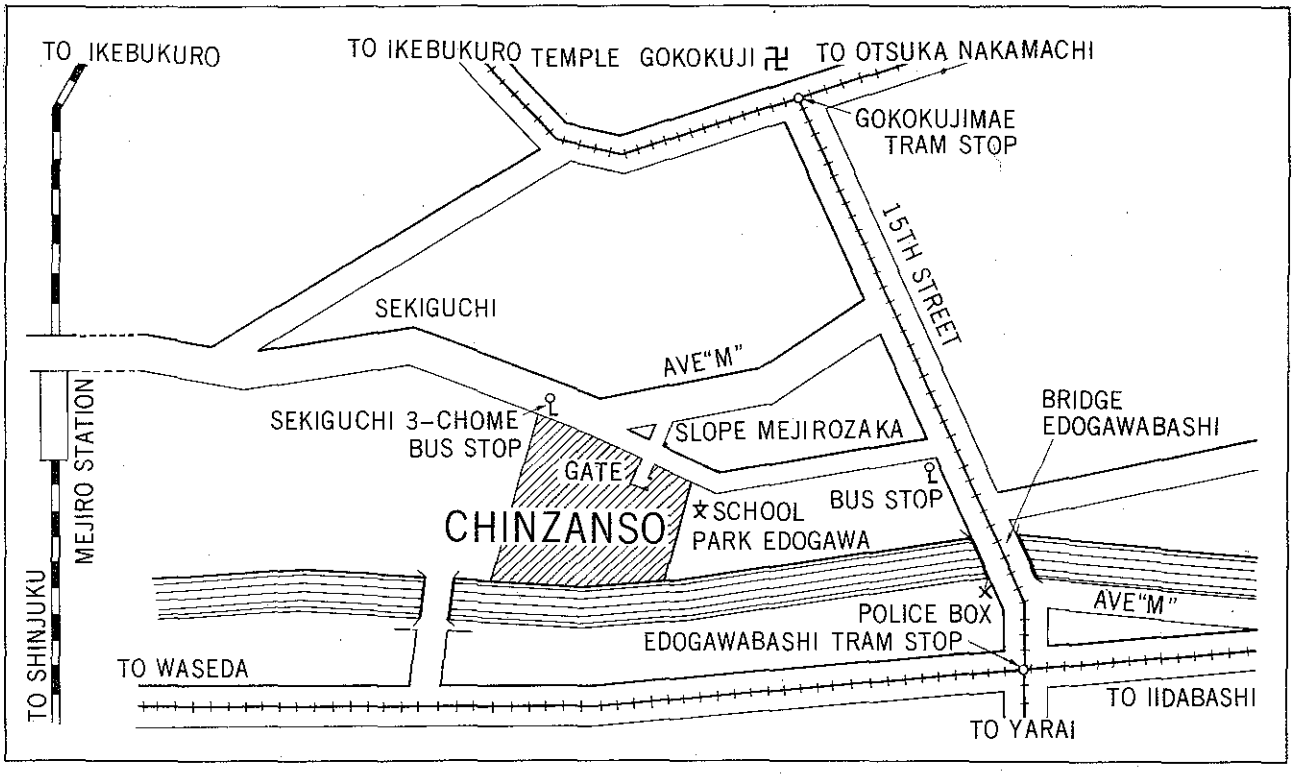
Second Day
Thursday, March 26, 1970

at "KOTOBUKI" room-3rd Floor

	REF		
9:00-11:45	II-1	PANEL DISCUSSION - PATENT COOPERATION TREATY	
		Introduction of Chairman-USA	J. R. Shipman
		1st Commentator-Japan	H. Ono
		2nd Commentator-Japan	S. Yoshida
		COFFEE BREAK	
		1st Commentator-USA	R. B. Benson
		2nd Commentator-USA	D. W. Banner
		Discussion among Panel	
		General Discussion	
11:45-12:00		ANNOUNCEMENT OF COMMITTEES ON CONVENTIONS & TREATIES	M. Kalikow
12:00-13:30		LUNCH at Rainbow room	
13:30-14:50	II-2	PANEL DISCUSSION - PROBLEMS IN PATENT LICENSING	
		Introduction of Chairman-Japan	S. Saotome
		1st Commentator-Japan	M. Akaoka
		2nd Commentator-Japan	K. Nakamura
		1st Commentator-USA	T. J. Plante
		2nd Commentator-USA	J. A. Buchanan
		Discussion among Panel	
		General Discussion	

Second Day
March 26 - (continued)

14:50-15:00	ANNOUNCEMENT OF COMMITTEES ON LICENSING AND ADJOURNMENT	M. Kalikow
15:00- *	INFORMAL DISCUSSION	
	* "KOTOBUKI" room not available after 15:00	
18:00	Chartered bus ("HATO" Bus) will start for CHINZAN-SO. Please wait at "ENKAIJYO IRIGUCHI" (Banquet Entrance) by the time.	
	Before the reception, you may enjoy the Garden of CHINZAN-SO.	



CHINZAN-SO

10-8 SEKIGUCHI 2-CHOME BUNKYO KU TOKYO

Second Day
Thursday Night, March 26

< RECEPTION * >

at TOHNOMA, CHINZAN-SO

19:00-21:00

Address S. Saotome

Attraction Electronic Organ Performance

21:00 Chartered bus available

* Dress Optional

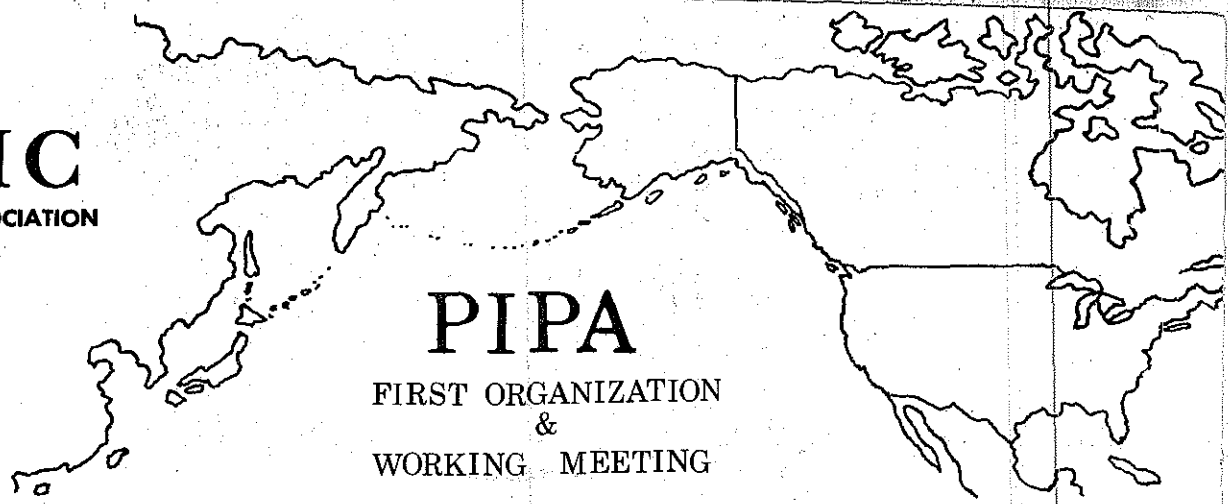
Third Day
Friday, March 27, 1970

at "KOTOBUKI" room - 3rd Floor

	REF		
9:00-10:15	III-1	EUROPEAN PATENT CONVENTIONS	
		Introduction of Chairman - USA	H. Levine
		Reporter - USA	F. O. Hess
		Commentator - Japan	S. Yoshida
		General Discussion	
10:15-10:30		COFFEE BREAK	
10:30-11:30	III-2	PANEL DISCUSSION - PATENT PROSECUTION PROBLEMS IN OTHER GROUP'S COUNTRY	
		Introduction of Chairman - Japan	S. Yoshida
		1st Commentator - USA	R. Spencer
		2nd Commentator - USA	R. W. Lacher
		1st Commentator - Japan	I. Hayashi
		2nd Commentator - Japan	T. Uchisaka
		General Discussion	
11:30-12:00		CLOSING ACTIVITIES & ADJOURNMENT	
		Closing Remarks - Japan	S. Saotome
		Closing Remarks - USA	M. Kalikow
12:00-13:30		LUNCH at Rainbow room	

ACIFIC

STRIAL PROPERTY ASSOCIATION

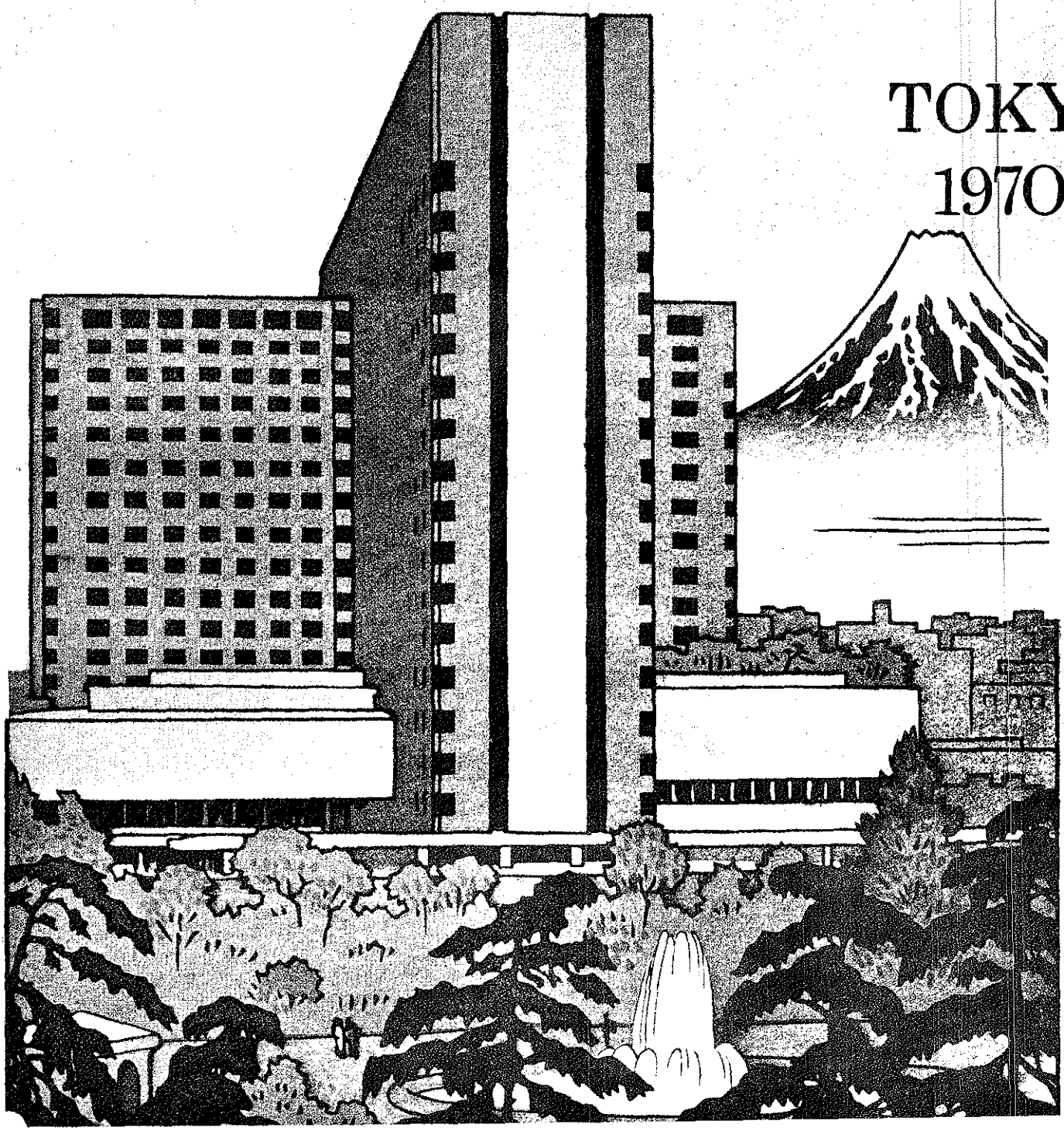


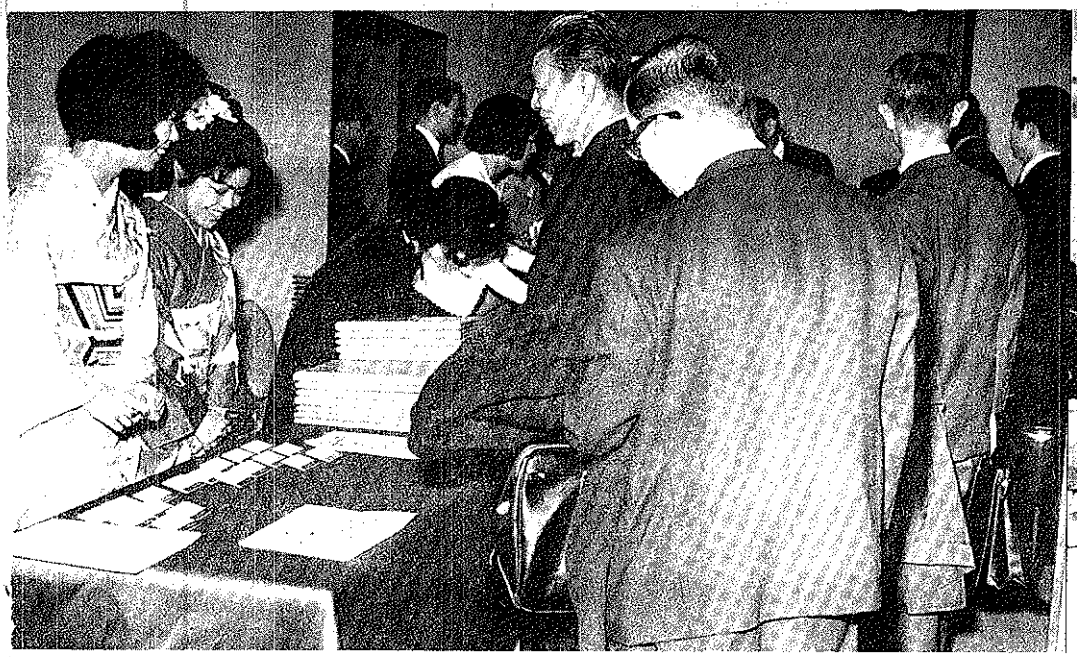
PIPA

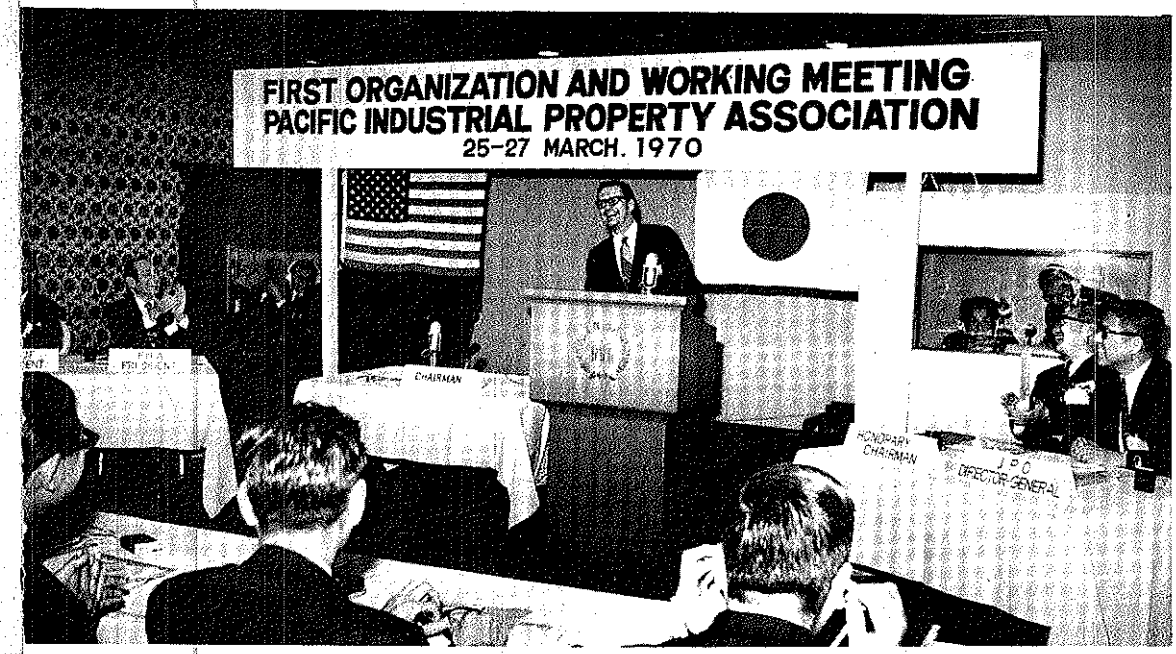
FIRST ORGANIZATION
&
WORKING MEETING

SUMMARY OF PROCEEDINGS

TOKYO
1970







帝国ホテル

IMPERIAL HO

PACIFIC Industrial Property Association

First Organization & Working Meeting

(Tokyo, March 25-27, Imperial Hotel)

- Summary of Proceedings - *

Nearly 100 persons including 30 individuals who travelled from the United States attended the sessions at which the PACIFIC Industrial Property Association ("PIPA") was formed.

On Wednesday morning, March 25, 1970, Mr. Shozo Saotome welcomed the attendants who had gathered at the Imperial Hotel in Tokyo to proceed with the establishment of a working intellectual industrial property organization.

Mr. John R. Shipman was elected temporary chairman and presided during the unanimous adoption of a constitution for the PACIFIC Industrial Property Association. Mr. Reynold Bennett was then called upon to submit the names of the proposed officers of PIPA under the constitution and these were unanimously approved by the gathered members. (See page 2.)

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*A tape recording was made and retained of all presentations including the discussions. Copies of various speeches may be obtained on request.

The following officers were designated for the initial period, March 25, 1970 to March 31, 1971:

PIPA Officers

Honorary Chairman
Mr. Sakae Haruki
Chairman of the Board
Fuji Photo Film Co., Ltd.

President
Mr. Martin Kalikow
Manager and Patent Counsel
International Patent Operation
General Electric Company

Staff Director
Mr. Reynold Bennett
Vice President
National Association of Manufacturers

American Group Officers

President
Mr. Martin Kalikow
(as above)

1st Representative - Board of Governors
Mr. John R. Shipman
Director of International Patent Operations
International Business Machines Corp.

2nd Representative - Board of Governors
Mr. Frederic O. Hess
Chairman of the Board
Selas Corporation of America

Japanese Group Officers

President
Mr. Shozo Saotome
General Manager, Patent Department
Mitsubishi Chemical Industries, Ltd.

1st Representative - Board of Governors
Mr. Shigeru Yoshida
Manager, Legal Department
Sankyo Co., Ltd.

2nd Representative - Board of Governors
Mr. Hiroshi Ono
Manager, Patent Operation
IBM Japan, Ltd.

Staff Director
Mr. Seisuke Shinohara
Senior Managing Director
Japan Patent Association

Introduction - Mr. M. Kalikow, President

Mr. Kalikow took the chair and presided throughout the Conference. He first introduced the Board of Governors (American and Japanese group officers) who ratified the actions taken at their first meeting the preceding day. In his opening remarks, Mr. Kalikow outlined the objectives of PIPA and the need for such an international organization at this time. In his address, he noted:

> "The very foundations of our patent, trademark and licensing laws and practices have come under increasing attack in recent years... Several leading industrial nations...have already made major revisions in their patent laws and the United States and Japan are currently also proposing such major revisions. Recent court decisions in the United States have attacked time-honored principles of interpreting patent claims and patent licensing contracts; while both in the United States and Japan, the fundamental relationships between the various antitrust, unfair competition, patent and trademark laws are being constantly challenged and changed.
>
> "Internationally, we are now faced with the prospects of a new World Industrial Property Organization, a new Patent Cooperation Treaty, two new European Patent Conventions, several other new regional patent conventions, and a new or fundamentally revised trademark convention.
>
> "All of these recent developments in the fields of industrial property rights, both in the United States and Japan as well as internationally, can tremendously affect the rate of development and exchange of invention and technology in our respective countries and throughout the world."

Keynote Address - Mr. S. Haruki, Honorary Chairman

Mr. Yoshida, First Board of Governors Representative, Japanese Group, then introduced the Honorary Chairman of PIPA, Mr. S. Haruki, who gave the keynote address. Mr. Haruki pointed out the importance of intellectual property rights to the rehabilitation of the Japanese economy after World War II. He noted:

> "We continuously made efforts to introduce various kinds of technology which Japan did not possess to rehabilitate industries. As a result, during the past twenty years, payments amounting to several billion dollars in foreign currencies were made for the technology introduced, while acquiring several times that amount of foreign currencies by exporting the new products in excess of her domestic needs.
>
> Industries in Japan today have improved the techniques and applications which they have learned from foreign countries. In some fields, the quality of the acquired technology has been further improved upon as to export in reverse to foreign countries the new technology."

Speaking of the future, he said "The diversification and scaling-up of production elements will internationalize the process of economic integration. ...With (such) internationalization of organizations and systems, the industrial property system will also be affected in a matter of time..." In welcoming the Conference, he stated, "It is of profound significance from the standpoint of not only bringing about deeper understanding concerning technical problems of the two countries, but also affording an opportunity to discuss together... with respect to the international system of industrial property rights and on patent problems between the United States and Japan."

Special Address - Mr. Y. Aratama, Director General, Japan Patent Office

Mr. Ono, 2nd Board of Governors Representative, Japanese Group, then introduced Mr. Y. Aratama, Director General of the Japanese Patent Office. Mr. Aratama outlined the ways in which the Japanese Patent Office was attempting to cope with the ever-increasing volume of patent applications from Japan and from other countries, in face of the increasing volume of patents and literature to be searched. He indicated his support for the deferred examination patent law currently being proposed for Japan.

The Proposed Japanese Patent Law Modifications

After the coffee break, Mr. Y. Sawaura, Manager, Patent Department, Sumitomo Chemical, Ltd., led a report and discussion of the proposed new Japanese patent law. Mr. Sawaura first introduced Mr. M. Suzuki, General Manager, Patent Department, Toyota Central Research & Development Laboratories, Inc., who outlined the main features of the proposed law. These may be summarized as follows:

1. After examination as to certain formalities and after 18 months from the priority date, the patent or utility model application is laid open to public inspection. If a patent application, the entire specification is published; and if a utility model application, the title, claim, drawings and brief explanation of drawings are published.

2. After the application is laid open, the applicant has a right, upon notice to an infringer, to damages for the infringement, such right being enforceable after the application has been examined and published for opposition. The prosecution of such application can be accelerated by a petition to "make special."

3. A request for examination must be filed by the applicant or a third party

(a) in the case of a patent within seven years from filing date;

(b) in the case of a Utility Model within four years from filing date;

Otherwise, the application is considered withdrawn.

4. If, in case of appeal to the Patent Office Appeal Board, an amendment is made within 30 days of appeal, the Examiner will reconsider or re-examine the case.

5. When the application is laid open (early compulsory publication), not only the claimed invention but also any other inventions described therein have the right of a prior application (become prior art).

6. The fee for the request for examination is Y 7000 per case plus Y 1000 per claim in a patent application and Y 4500 per case for a Utility Model application. (Note, Y 360 = $1.) No such examination request fee will be charged for presently pending cases.

7. If passed by the present Diet (as expected) the law will be effective.

Mr. Sawaura then introduced Mr. T. Fukazawa, Deputy Manager, Patent Department of the Fuji Film Company, who explained the procedures and effects of the proposed new patent law in greater detail.

During the discussion period, the question was raised by Mr. Kalikow concerning the possibility of further amendment of the Japanese Patent Law to change the present essentially "single-claim" practice to conform to the multiple claim practice of USA and other countries. The consensus of the Japanese panellists was that no such change would be made by the proposed new law as of January 1, 1971 but that such further amendment would be made when and if the Patent Cooperation Treaty was agreed upon and ratified.

The Proposed American Patent Law Modifications

After lunch, Mr. Sawaura introduced Mr. T. L. Bowes, General Patent Counsel of Westinghouse Electric Co. and Mr. I. L. Wolk, Director of Patents, Merck & Co., who reported on the Proposed New Patent Law (S. 2756) in the USA as well as certain recently proposed amendments to this bill.

Mr. Bowes called attention to and discussed the following changes which would be effected if S. 2756 passed:

1. The term of the patent would be 20 years from the filing date rather than 17 years from the date of issue.

2. The applicant could be required to cite a reasonable number of patents and publications which he considered in preparing the application together with an explanation (patentability brief) as to why the claims are patentable thereover.

3. An applicant could avoid the question of double patenting by disclaiming the period of his later patent which extended beyond the expiration of his earlier patent.

4. It would be an infringement to import into the USA a product made in another country by a process patented in the USA.

5. Once a patent has been declared invalid, a defendant in a subsequent suit can recover the costs of his defense if the patent is again declared invalid on the same grounds.

6. Under proposed amendments to S. 2756, the right to contract with respect to trade secrets, know-how and pending patent applications, despite the recent "Lear vs. Adkins" decision, would be preserved. Non-pre-emption and certain licensing practices are identified as not constituting misuse.

Mr. Wolk called attention to and discussed the following proposed changes:

1. The applicant could be any person who owns the application, not only the inventor.

2. Utility in research would satisfy the "useful" requirement for patentability.

3. Provision would be made for the deposit of microorganisms in certain designated public depositories in the United States not later than the application filing date.

4. Within 6 months after issuance, anyone could call the attention of the U.S. Patent Office to additional prior art and a re-examination would take place.

5. Interference proceedings would continue to be held whenever there was a conflict concerning priority of invention, but patents would be issued to both the senior and junior parties (regardless of whether patents or applications were involved) whenever the cases were in allowable form. Appeals to the CCPA would be permitted on such interference proceedings.

He also noted that Section 104 concerning proof of inventions made abroad before the priority date was not yet proposed to be changed despite considerable pressure from various sources to do so.

During the discussion of this subject, Messrs. M. Isobe and H. Kataoka of the Japanese Group commented upon the several provisions of the proposed U.S. patent law from the viewpoint of Japanese industry. They welcomed the greater freedom for the assignee to file an application and for joint inventors to be named even where they do not jointly invent every claim. They also favored the calculation of the patent term from the date of filing and the re-examination after issue by the patent office. However, they felt it unnecessary that the patent office keep secret the identity of the opposer. The early issuance of the patent on the basis of allowed claims even where the application is involved in an interference or under appeal was also welcomed. However, they indicated that they would hope that Section 104 would be amended to permit a foreign applicant to establish a date of invention in his own country; and that deposit of microorganisms would be permitted in suitable public depositories outside of the USA. They also expressed some concern that a product made abroad by a process patented in the USA might be interpreted too broadly thereby causing unwarranted allegations of infringement.

Establishment of Standing Committees on 1) Harmonization of Patent Procurement Law & Practice, 2) Harmonization of Trademark Law & Practice

At the conclusion of the first day, Mr. Kalikow announced the formation of a Standing Committee #1 on "Harmonization of Patent Procurement Law and Practice" and appointed Mr. Paul M. Enlow of Xerox Company as USA chairman and PIPA coordinator; and Mr. Y. Sawaura of Sumitomo Chemical Ltd. as the Japanese Group chairman. He also announced a Standing Committee #2 on "Harmonization of Trademark Law and Practice" and appointed Mr. M. Akaoka of Tanabe-Seiyuku Co. as Japanese Group chairman and PIPA coordinator and Mr. C.R. Patty as USA Group chairman.

In the evening of the first day, a reception was held at the Imperial Hotel at which welcoming remarks were made by Mr. S. Yoshida of Sankyo Co. and Mr. S. Matsui of Takeda Chemical Industries, Ltd., and a guest speech by Mr. N. Ashima, Secretary General of the Japanese Group of AIPPI. The attendees were also entertained by a KOTO performance and vocal renditions.

The Proposed Patent Cooperation Treaty

The morning of the second day (Thursday, March 26, 1970) was devoted to a discussion of the Patent Cooperation Treaty. Mr. J.R. Shipman of IBM was the panel chairman and introduced the subject and the speakers.

Japanese Viewpoint. Messrs. H. Ono of IBM-Japan and S. Yoshida of Sankyo first commented on the PCT from the Japanese viewpoint and raised many interesting points. They first noted that the Japanese Patent Office has a backlog of several hundred thousands of patent applications and that the new bill for revising the Japanese patent law in order to help the Patent Office reduce this tremendous backlog must first be passed. Then there will need to be a still further revision of the Japanese law before Japan can consider ratifying the PCT.

They mentioned several problems, including:

1. The difficulty which the Japanese Searching Authority will have in searching patents in other languages and which other searching authorities will have in searching Japanese patents.

2. The great problems which the PCT multiple claim practice will create for Japanese applicants. The Japanese law would have to be further amended

a) to modify the rules concerning unity of invention, and

b) to permit several dependent claims of narrowing scope in connection with a single inventive concept.

3. The problems of incorrect translation and whether the priority document will control.

4. The applicability of the Treaty to Utility Models as well as to Patents.

5. The possibility that the assembly will allow non-Paris-Union countries to file international applications.

6. The question of when and how an abandonment of the International Application will take effect in Japan.

7. Who should pay for early transmission of copies to a Searching Authority at their request.

8. The problem of the reservation in the last paragraph of Article 27.5 with respect to the prior art effect of the international filing date. The Japanese feel this reservation should not be necessary.

American Viewpoint. Messrs. R.B. Benson of Allis-Chalmers Manufacturing Company and D.W. Banner of Borg-Warner Corp. then commented on PCT from the USA viewpoint.

Among the matters they discussed were:

1. The effect of the international filing date with respect to prior art against US applications - explaining "in re Hilmer" and the need for Article 27.5 to avoid changing the US substantive law by Treaty.

2. The timing of the international search to be sure that the international search report is received during the international phase.

3. The need for flexibility in the early transmittal of the International Application to the national offices by the applicant at his option.

4. The problems involved in keeping costs and fees low.

5. The need to avoid multiply dependent claims based upon multiply dependent claims.

6. The desire to minimize legalization requirements and costs.

7. The need for hiring people trained in several languages at the various Searching Authorities and for coordinating the translation of documents.

8. The need to prevent possibility of easily amending certain rules which are deemed very important to the Search Authorities.

9. The problems in making PCT compatible with regional patent conventions such as the proposed European Patent Conventions.

At the end of the discussion, Mr. Kalikow announced the establishment of a Standing Committee No. 4 - Regional and International Patent Treaties and Conventions; and appointed Mr. John R. Shipman as USA Group chairman and PIPA coordinator, and Mr. S. Yoshida as Japanese Group chairman.

Mr. Kalikow also read the invitation which he had received from BIRPI to have representatives of PIPA attend the forthcoming diplomatic conference on PCT in Washington from May 24 to June 19, 1970. Arrangements for such attendance as well as the positions which PIPA would foster at the conference were turned over to Mr. Shipman's Committee No. 4.

American Chamber of Commerce in Japan - Liaison

After lunch, Mr. Kalikow introduced Dr. Richard H. Nagel - Manager, Technical Liaison for Esso Research who was appointed to act as PIPA's liaison representative with the American Chamber of Commerce in Japan. Mr. Nagel gave a brief talk on the objectives of the ACCJ and the nature of several publications pertaining to patents which they have available.

Patent Licensing Problems

During the afternoon, a panel discussion was held of "Problems in Patent Licensing" with Mr. S. Saotome of Mitsubishi Chemical Co. as the Chairman. Mr. Saotome introduced the panelists who were Mr. M. Akaoka of Tanabe Seiyaku Co., Ltd., Mr. K. Nakamura of Oki Electric Industries Co., Ltd., Mr. T.J. Plante of The Bendix Corp., and Mr. J.A. Buchanan of Chevron Research Company.

In Japan. Mr. Akaoka opened the discussion with a review of the law and procedures necessary to obtain Japanese Government approval of a license agreement with a foreign company. He described the principal provisions of the Foreign Exchange Law and the Foreign Investment Law. He also traced the liberalization of the Investment Law over the years. He noted that, at the present time, technical assistance agreements are subject to approval in seven industries or where the compensation is over $50,000. He also predicted that further liberalization will occur in non-military related industries such as computers and petrochemicals.

Mr. Akaoka also described the Japanese "Anti-Monopoly Law" as well as the "Guidelines" published by the Fair Trade Commission in 1968 as to activities which might be considered "unreasonable restraints of trade" or "unfair business practices." Under this law, parties concluding a technical assistance agreement must file a report with the Fair Trade Commission within 30 days of such agreement. Among the matters covered by the "Guidelines" are territorial restrictions, price and quantity restrictions, dealing in competing products, tie-in arrangements, exclusive dealing arrangements, resale price restrictions and grant backs. However, restrictions and arrangements of these types may sometimes be permitted if they are reasonable and/or fall within the rights reasonably granted under the patent laws.

In the USA Mr. Plante then discussed the problems of Japanese companies in licensing in the USA. He noted the differences in attempting to license technology or to license patents only. He pointed out that technology

licensing is very rare since most U.S. companies are willing to invest in developing their own technology. He outlined some special considerations in attempting to license patents in the USA, including possible misuse and antitrust issues and counterclaims, frequent challenges to patent validity, and the broad range of royalty rates and royalty basis. He then reviewed the problems arising out of recent court decisions on package licensing, on the right of a licensee to contest validity and on the right to license unpatented technology.

Mr. Buchanan then discussed the problems of U.S. companies in licensing in Japan. He noted that the U.S. company must first be assured that the product licensed will not violate U.S. law, particularly the Export Control Regulations. He then summarized the provisions of the U.S. Control Regulations of June 1, 1969 and pointed out that this new Act was based upon balance of trade principles rather than upon the Cold War.

As for the problems of obtaining government approval in Japan, he noted that since liberalization, in his experience, there have been very few problems in obtaining approval. The agreements are discussed with MITI by the prospective Japanese licensee prior to execution and any difficulties generally worked out very quickly and equitably. He also expressed the opinion that since the Japanese petrochemical industry is now number 2 in the world, license agreements between Japanese companies and foreigners should be liberalized so that they are put on the same basis as license agreements with other Japanese companies.

At the conclusion of the panel, Mr. Kalikow announced the establishment of a Standing Committee #3 on "Harmonization of Patent Licensing Law and Practice" and appointed Mr. S. Saotome as Japanese Group chairman and PIPA coordinator, and Mr. C. Cornell Remsen, Jr., as U.S.A. chairman.

On Thursday evening, March 26, the PIPA members were invited to a reception by the Japan Patent Association at the Chinzan-So garden. This was particularly appreciated by the American representatives who partook of the hospitality and special Japanese delicacies, lovely organ music, as well as extemporaneous folk songs by both the Japanese and American representatives.

European Patent Conventions

On Friday morning, March 27, the meeting opened with a discussion of the proposed European Patent Conventions. Mr. H. Levine of Texas Instruments acted as chairman of the discussion and outlined the background of these European Conventions. Mr. F.O. Hess of the Selas Corporation then gave a very detailed report on the two proposed Conventions, one for a "European System for the Grant of Patents" and the other for a "European Patent for the Common Market."

The first proposes the issuance of a European patent by a new continental patent office for a large circle of countries. This protection would only have the effect of a national patent of the member states. The second convention contemplates a single patent restricted to the common market countries. Mr. Hess outlined matters such as patentability and appellate procedures including judicial review under the proposed conventions. He also covered the relationship of alleged discrimination under American interference practice in connection with accessiblity by U.S. applicants to the European patent.

Mr. Hess also discussed the European patent developments as related to the U.S. "Hilmer decision," the "PCT," deferred examinations, and "belated opposition" proceedings. (Because of the potential importance of the 2 European Conventions to U.S. and Japanese applicants, the comprehensive and detailed review by Mr. Hess will be included in a forthcoming PIPA mailing.)

Mr. S. Yoshida of Sankyo Co. then commented upon the proposed convention for a "European System for the Grant of Patents" from the Japanese viewpoint. He discussed the questions of:

1. the persons entitled to apply for a European patent
2. the substantive patent law involved
3. prior art purposes vs. the priority date
4. the need for an abstract
5. publication
6. relations between PCT and EPC

Patent Prosecution Problems

After the coffee break, the final panel of the conference discussed the Patent Prosecution Problems in the other Group's country. Mr. S. Yoshida of Sankyo was the chairman and he introduced the panellists, Mr. R. Spencer of Western Electric, Mr. R.W. Lacher of Universal Oil Products, Mr. I. Hayashi of Ajinomoto Co., Ltd., and Mr. T. Uchisaka of Tokyo Shibaura Co., Ltd.

In Japan. Mr. Spencer spoke of the problems which U.S. applicants have in the electrical fields in dealing with the essentially single claim practice of Japan and in understanding the office actions of the Japanese Patent Office. He also noted the considerable delays in examination due to the tremendous backlog of work. He was most appreciative of the great efforts being made by the Patent Office to improve the situation and looked forward to greater harmonization of law and speedier prosecution under the proposed new Japanese law.

Mr. Lacher spoke of prosecution problems in Japan from the viewpoint of a U.S. chemical company. He first gave a brief statistical analysis of his company's prosecution experience in Japan. He called attention to problems in communication between the U.S. applicant and his Japanese associate as well as with the Japanese Patent Office and in dealing with rejections for obviousness and with requirements for restricting the claims to illustrated examples. He also noted the need for U.S. applicants to file divisional applications and the frequency of appeal trials and oppositions which tend to increase the time and expense necessary to obtain a Japanese patent. In general, he concluded that patent prosecution in Japan was quite satisfactory although sometimes quite difficult and that the applicant is treated most fairly by the Patent Office and appeal judges.

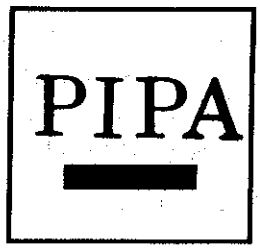
In the U.S. Mr. Hiyashi spoke of prosecution problems in the U.S. from the viewpoint of a Japanese chemical company. He noted in particular the problem of meeting the requirement for utility - particularly in pharmaceutical inventions. He pointed out that the disclosure of utility in the Japanese application may not be sufficient and the Japanese applicant may not be able to obtain the benefit of his priority date. He also called attention to the problem which a Japanese applicant has in making a deposit of a new microorganism in the U.S. at the time of filing the application. He expressed the hope that depositories in Japan and other countries might also be established.

Mr. Uchisaka spoke on patent prosecution problems in the U.S. from the viewpoint of a Japanese electrical company. He particularly discussed the disadvantages to Japanese applicants resulting from the first-to-invent system in the U.S. He noted that the U.S. applicant may obtain the benefit of an invention date prior to his filing date by proof of earlier conception and reduction-to-practice in the U.S., but that proof of such inventive acts by a Japanese company in Japan is not admissible. He hoped that the U.S. will either adopt the first-to-file system or permit proof of conception and reduction-to-practice in countries outside the U.S.

Conclusion

During the closing ceremonies, Mr. S. Saotome again expressed the great pleasure of the Japanese group that they had an opportunity to meet and get to know so many of the leading patent and licensing people from United States industry. He expressed the opinion that the panel discussions had been most interesting and informative and that the Association had got off to a flying start and would become one of the most valuable industrial property associations of the world.

Mr. Kalikow outlined some of the plans of the coming year and some of the subjects which would be studied by the standing committees. He noted that for the next few months the Association would be quite busy preparing for its representation at the forthcoming diplomatic conference in Washington on the PCT. He also tentatively set the time and place for the next annual Association meeting as sometime in May or June, 1971, perhaps in Washington, D.C. In closing he expressed the profound thanks and appreciation of all of the American participants to their Japanese hosts, and to the arrangements committee and the simultaneous translators for all their help during this first organization and working meeting.


PIPA

PIPA

ACIFIC INDUSTRIAL PROPERTY ASSOCIATION

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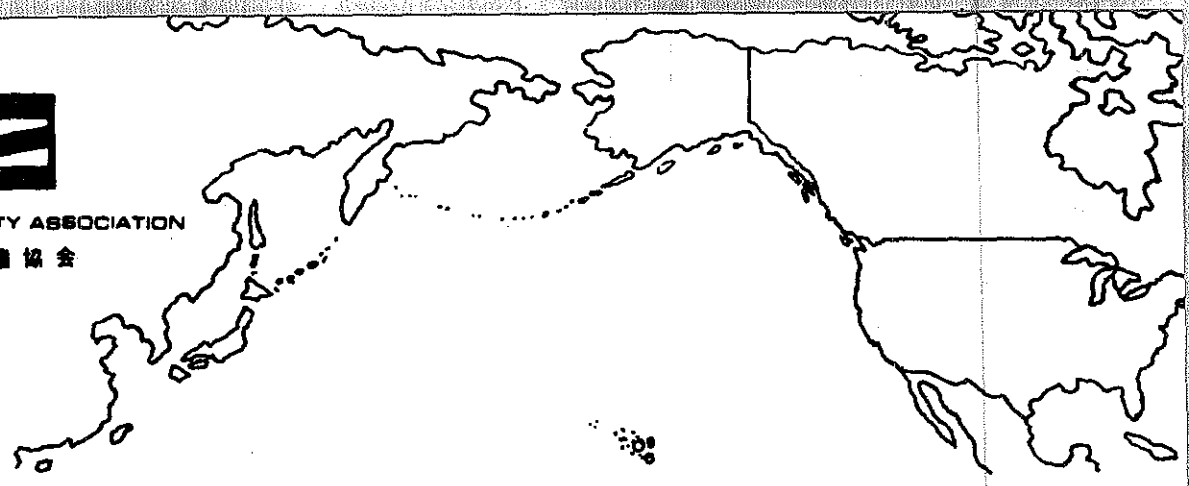
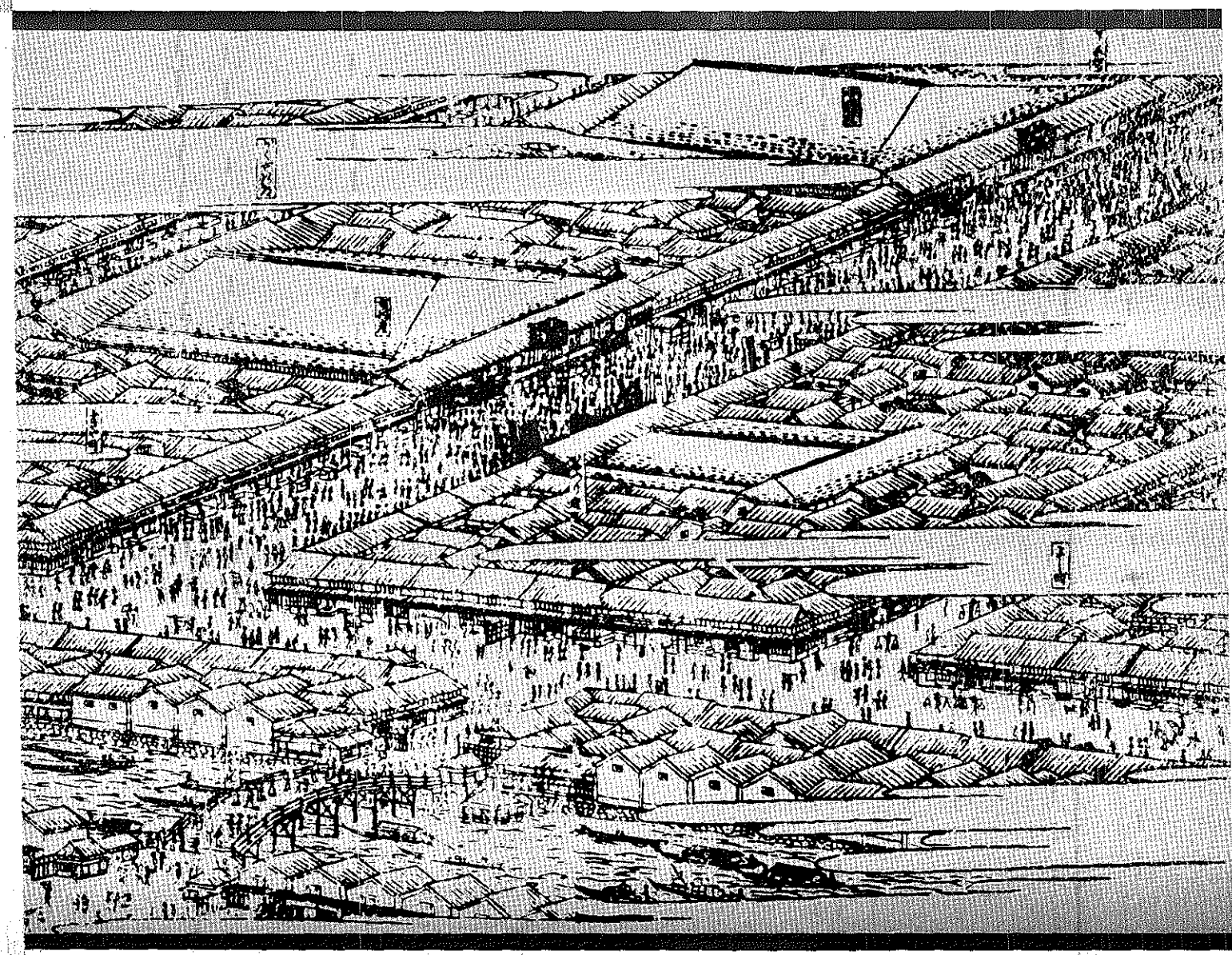
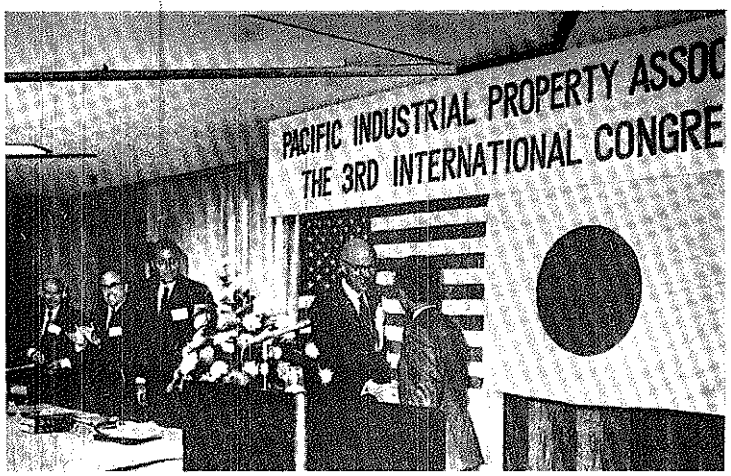


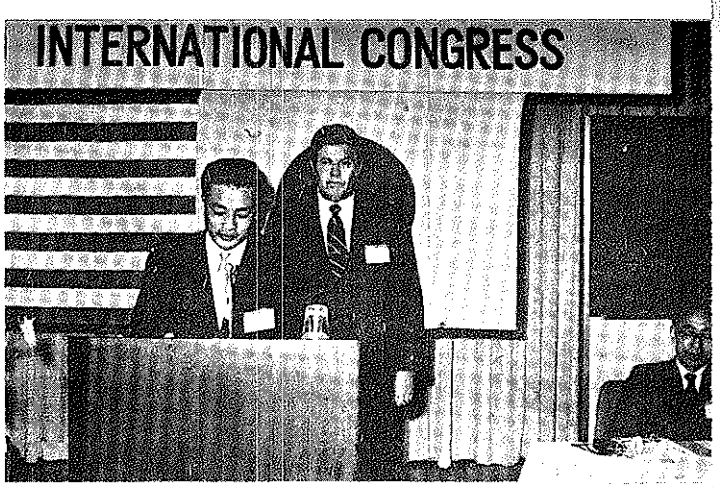


International Congress
Tokyo
May 9, 10, 11, 1972

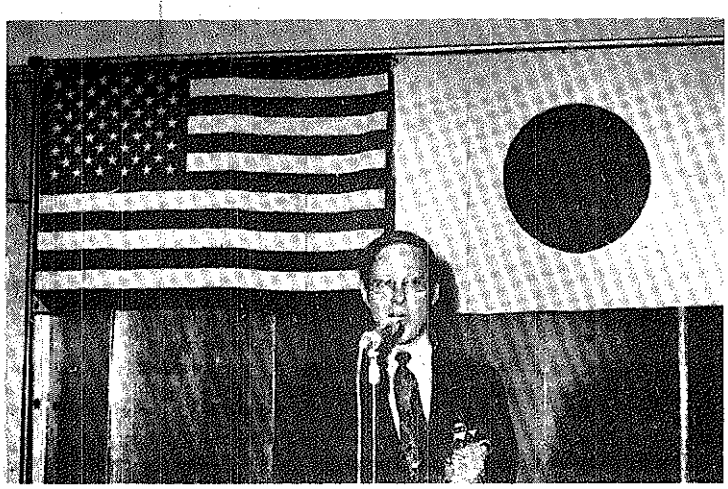
At The Meetings...



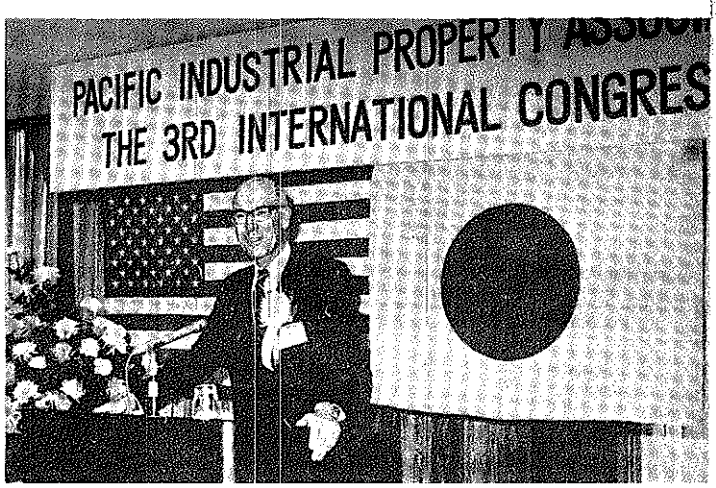
S. Matsui, President of PIPA's Japanese Group, greets U.S. Ambassador R.S. Ingersoll.



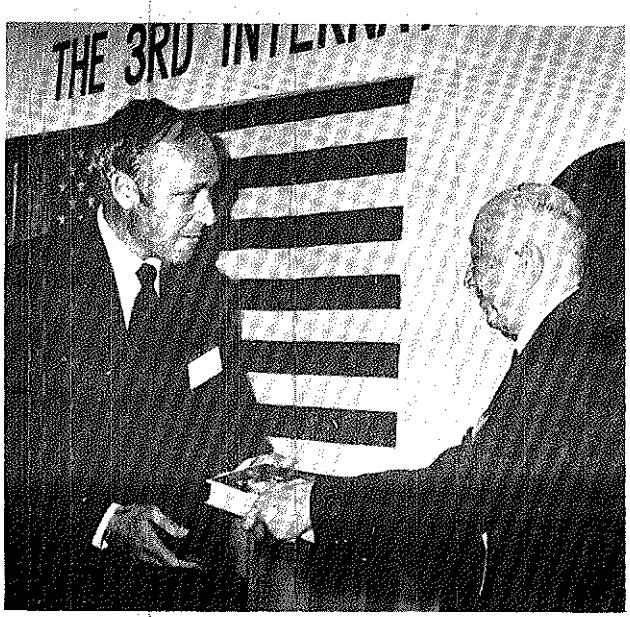
K. Ono and R.J. Anderson, Jr., jointly review litigation experience.



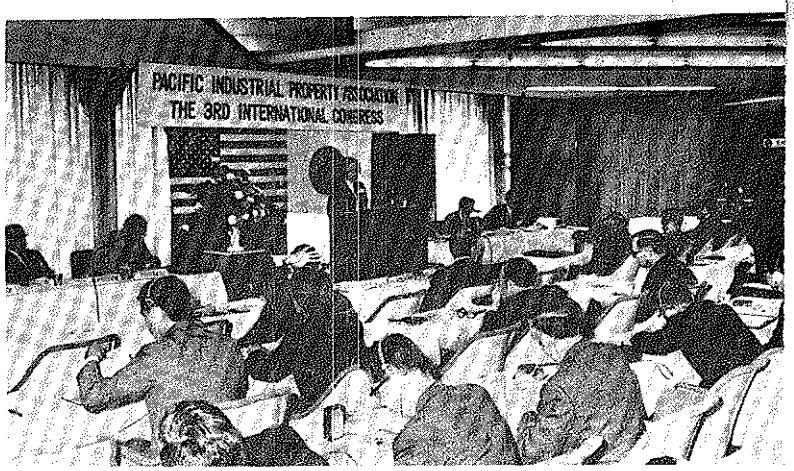
Dr. E.E. David, Jr., Science Advisor to President Nixon, discusses technology cooperation by U.S. and Japan.



Ambassador Ingersoll advocates lowering of barriers t trade and licensing.



J.B. Clark, President of PIPA, exchanges gifts with K. Uemura, Chairman of the Keidanren.



Dr. P. Newman proposes international industrial property mec ation procedures.

PACIFIC INDUSTRIAL PROPERTY ASSOCIATION

C O N G R E S S '7 2 - T O K Y O

May 9, 10, 11, 1972

The Keidanren Kaikan

- Summary of Proceedings - *

PIPA member companies were represented by more than 100 corporate officials, approximately a third of whom travelled from the United States to attend Congress '72 in Tokyo.

On May 9, 1972, Mr. S. Matsui, President of PIPA's Japanese Group, opened the 3-day conference that was to feature important discussions concerning industrial intellectual property matters in Japan, the U.S., and worldwide. Special program events included talks by the American Ambassador to Japan, Robert S. Ingersoll, and President Nixon's Science Adviser, E. E. David, Jr., who both called for increased technological exchanges on a fair trade basis between the U.S. and Japan.

In addition, the assemblage was honored to be addressed by the Director General of the Japanese Patent Office, T. Izuchi, and also K. Uemura, Chairman of the Keidanren which is recognized as the principal industrial organization of Japan.

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*A tape recording was made and retained of all presentations including the discussions. Copies of various speeches may be obtained on request.

The following officers were designated for the 1972 period:

Chairman & President of PIPA
John B. Clark
Director, Patent Department
Monsanto Company

President of PIPA, Japanese Group
Syoji Matsui
Manager, Patent & Licensing Department
Takeda Chemical Industries, Ltd.

Honorary Chairman
Benzaburo Kato
Chairman of the Board
Kyowa Hakko Kogyo Kabushiki Kaisha

PIPA Board of Governors

Edgar W. Adams, Jr.
Patent Attorney, Director
Bell Telephone Laboratories, Inc.

I. Louis Wolk
Director of Patents
Merck & Co., Inc.

Hiroshi Ono
Manager, Patent Operations
IBM Japan, Ltd.

Masaaki Suzuki
Manager, Patent Department
Toyota Central Research & Development Laboratories, Inc.

John R. Shipman, ex-officio
Director, International Patent Operations
IBM Corporation

Martin Kalikow, ex-officio
Manager and Counsel, International Patent Operation
General Electric Company

Shozo Saotome, ex-officio
General Manager
Patent Department
Mitsubishi Chemical Industries, Ltd.

Staff Director
Reynold Bennett
Vice President
National Association of Manufacturers

Opening Ceremonies - Review of 1971 Activities

Mr. S. Matsui, President of PIPA's Japanese Group, opened the Congress and welcomed the member representatives and honored guests to this 3rd annual international meeting of the Association. This marked the second convening in Tokyo; the organizational proceedings during the previous year were held in Washington, D.C.

Mr. S. Saotome, PIPA's President through 1971, discussed activities of the Association during a year of great international economic changes. Close liaison of the U.S. and Japanese groups via personal representation and continuous communication, particularly between committee spokesmen in the respective countries, was considered to be noteworthy.

The increasing number of questions relating to burgeoning and shifting trade and technological transfers between the two nations called for even more rapid exchange of news and detailed information. PIPA was undoubtedly fulfilling a unique role not only in behalf of industry, but to the public interest.

Because of the desire to consider issues thoroughly, the increasing practice of utilizing long lead time for decision-making was commended. It was found that constant meetings in Japan on Association interests to be most valuable.

Mr. J. R. Shipman, who served as President of the American Group until the Spring of 1972 was pleased to be able to describe a series of successful activities by the Association during the year of his tenure. The PIPA Washington Congress in May, 1971, was highlighted by the attendance of leading U.S. officials as a supplement to the working sessions. The large contingent of attendants from Japan was hosted in additional briefings at San Francisco, Cape Kennedy, and at the Bell Laboratories.

Toward the end of 1971, a large Chemical Product Patent Study Group came to New York and was briefed under PIPA sponsorship at an all-day meeting in the recently-completed Japan House. Similarly, individual representatives from both U.S. and Japanese companies travelled across the Pacific and helped expedite work of the Association's Committees and PIPA generally. Special mention was made of a study group from Japan that convened in the U.S. under PIPA auspices to consider changes to the Japanese system of "multiple claims."

The annual meeting of PIPA's American Group in early 1972 featured a Special Presentation as had been arranged at the 1971 meeting. Herman Kahn, author of "The Emerging Japanese Superstate," and Prof. H. Munsterberg, a leading writer and authority on the culture of Japan, had been the Group's principal guest speakers on those two occasions.

Mr. R. Bennett, PIPA's Staff Director, noted that the Association's membership amounted to over 150 companies. The collection of dues and self-liquidating meeting charges continued to be sufficient to meet costs.

The elected incoming officers and board of governors were announced. /See page 2./

Authorized special citation scrolls were awarded to the following individuals:

F.O. Hess, Chairman of the Board, Selas Corp.
"A Founder of PIPA"

S. Haruki, Chairman of the Board, Fuji Photo Film
"Honorary Chairman, PIPA, 1970"

M. Kalikow, Manager and Patent Counsel, International Patent Operation, General Electric Co.
"First President of PIPA"

S. Saotome, General Manager, Patent Dept., Mitsubishi Chemical Industries, Ltd.
"Former President of PIPA"

J.R. Shipman, Director, International Patent Operations, IBM Corp.
"Former President of PIPA, American Group"

E.J. Dwyer, Chairman of the Board, ESB Corp.
"Honorary Chairman of PIPA, 1971"

B. Kato, Chairman of the Board, Kyowa Hakko Kogyo Kabushiki Kaisha
"Honorary Chairman of PIPA, 1972"

Keynote Address by PIPA President, J.B. Clark

President Clark noted in his keynote address that it was about 5 years ago experts around the world alluded to America's tremendous research and development leadership - and complaints began to be heard about "the technology gap." The "gap" has suddenly turned to a "gasp" for Americans. The situation now finds that the Japanese are the most inventive people in the world today. According to statistics, the latest annual number of Tokyo Patent Office applications by Japanese nationals is set at more than 100,000; American applicants to the U.S. Patent Office remain below that mark.

Moreover, the exchange of technology data is well along to becoming an equal two-way sea-lane across the Pacific. It is no wonder that the Pacific Industrial Property Association has doubled in membership number during two years of existence.

For those not entirely familiar with "PIPA," its successful launching has resulted from two main purposive advantages:

- It conveys the obvious plus of allowing companies to become more intimately acquainted with the intellectual industrial property laws - and practices - of the other country, and the interface between the two.

- It gives U.S. and Japanese business an effective voice on the international level. Specifically, this has occurred at the recent diplomatic conference on the Patent Cooperation Treaty, also in official global negotiations concerning know-how, trademarks and related intellectual property matters. (By definition, only international organizations, but not national ones, qualify to send participating observers to governmental meetings of diplomatic nature.) Among other things, PIPA is presenting industrial viewpoints about patents, know-how, and the like at these conferences, as non-manufacturing companies (such as patent agent offices and law firms) are not eligible for Association membership.

Interesting to note, at the Patent Cooperation Treaty diplomatic conference held in Washington during June, 1970, the largest number of delegates and alternates among all the private, international organizations involved PIPA representation.

Herman Kahn, "think tank" director and author of "The Emerging Japanese Superstate," speaking before the PIPA American Group in 1971, predicted that by the year 2000 the Pacific Basin would have become a "new Mediterranean" - commercially and culturally. Technologically, the year of 1972 finds the two giants of private enterprise that border on the Pacific already sprouting a vast culture of industrial creativity the world has never known.

On a humanitarian note, it is the vision that the people of Japan and America will continue to remain properly venturesome and experimental - always with the hope of expanding the quality of a good life for all.

Special Addresses

Highlights to the program of events were talks by the American Ambassador to Japan, Robert S. Ingersoll, and President Nixon's Science Adviser, E. E. David, Jr., who joined in warning against protectionism and called for increased technological exchanges on a fair trade basis between the U.S. and Japan.

Mr. B. Kato, Honorary Chairman of PIPA and corporate executive, drew his remarks on personal experience as a leading figure involved with the developing Japan Patent Information Center. He alluded to the heightened life cycle of technology and the resultant considerations in Japan of an earlier publication system, deferred examinations, multiple claiming, and product claim protection for certain chemicals. PIPA is a natural outgrowth of economic realities relating to the Pacific Basin and will be able to occupy an increasingly important role in behalf of industry.

Mr. K. Uemura, Chairman of The Keidanren has also served ad Chairman of the Japan Patent Information Center. He noted that the world is becoming more like a single market and the formulation of the proposed international patent and trademark treaties has been a logical development. Free trade, particularly in the technological area, has contributed immeasurably to regional economic growth such as in the instance of Japan. Relaxed trade barriers will prove to be a vital element for the welfare of mankind generally.

Mr. T. Izuchi, Director General of the Japanese Patent Office, summarized some of the important administrative developments under his purview.* The logjam affecting patents, utility models, and trademarks will be loosening primarily because of changes in law (e.g., deferred examinations) and the increased number of employed examiners and trademark personnel. Also, a new earlier disclosure system now established will have various effects deemed to be valuable.

Vigorous moves are being made to conform the handling of Japanese industrial intellectual property matters in keeping with international developments. PIPA and its membership representatives are proving to be invaluable sources of related information.

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*In July, 1972, Mr. Yukio Miyake succeeded Mr. Izuchi to the post as Director General.

Patent Law Changes - The Outlook in Japan

Mr. M. Suzuki discussed two prospective fundamental changes to Japanese patent law, viz. 1) shift to a 'multiple claims' system, 2) broadened recognition of 'chemical product patents.' High level attention by private and governmental representatives has been accorded to these subject areas. PIPA study teams, of course, have travelled to the U.S. to consider the related American experience and submit their findings back in Tokyo.

An important question pertains to timing of any such changes in Japan to anticipate practical operations under the Patent Cooperation Treaty.

A recent authoritative poll in Japan carried the following results and opinion:

Multiple claims system

Overwhelming majority (89.2%) of the principal industrial companies supported the introduction of the system.

Chemical product patent system

Majority (59.6%) of the principal industrial companies supported the introduction of the system, but many contended that an absolute product claim should be interpreted to be limited in scope, for example, to the products of which the uses are disclosed in the specification.

English Abstracts of Japanese Patents. Mr. S. Yoshida reported that the Japanese Patent Office is now pursuing the preparation of English language abstracts covering patents in Japan.

Japan Patent Information Center. Mr. Ishii alluded to the recently instituted system in Japan of early publication and request for examination. In this regard, an important role will be played by the new "Japan Patent Information Center," an organization for rendering computer retrieval service of technical data relating to patent information. The Center will operate the expedited gathering of patent information both domestic and foreign.

Patent Law Changes - Outlook in U.S.

Mr. F.X. Murphy brought into focus the principal legislative proposals in the U.S. affecting patents. This included the sweeping changes embodied in the so-called McClellan Bill, the amendments introduced by Senator Scott that would lend interpretation to antitrust matters, approaches to compulsory licensing, and the Burke-Hartke measures. (The latter was also discussed in detail later in the program by Mr. Levine who touched on export/import restrictions.)

The McClellan Bill has a number of features considered by industry and the patent bar to be worthwhile. For example, more flexibility would be allowed in the filing of applications signed by agents or owners of an invention. The Bill raises a controversial point in the restrictions that would be placed on obtaining "use patents" (new uses for old products). Another argumentative issue involves 'Interferences' as to priority decisions relating to applications.

/Although current U.S. patent legislative activities have been of a limited nature, several important congressional hearings and votes are expected during 1973./

Patent Litigation

Mr. R.J. Anderson and Mr. K. Ono reported on matters that warrant consideration in litigating patent disputes. U.S. experiences were emphasized especially in relation to invalidation and infringement proceedings. Some of the factors considered were as follows:

- The advisability of a Japanese plaintiff litigating in the U.S. as a general matter and in view of cost factors

- Pre-suit activities, including choosing the situs of a suit and matters of transportation convenience

- The pre-trial activities, including the handling of language matters and the discovery proceedings

- The trial itself and subsequent appeals

/Later in the PIPA Congress proceedings, the value of arbitration and mediation as contrasted to litigation was discussed./

The Patent Cooperation Treaty
and European Patent Agreements

Mr. E.W. Adams, Jr., reviewed certain international patent agreements that are proposed to expedite the processing of patent applications in designated countries. Specifically discussed were the Patent Cooperation Treaty and the 1st and 2nd European Patent Conventions (i.e., the "Europatent" and the "Community" /EEC/ Patent).

These three agreements would, upon ratification, provide new systems giving applicants a great deal of flexibility in their foreign filing programs. Under the specifically mentioned treaty drafts, national substantive laws will have to be amended. Nevertheless, there is hope the several years effort that have gone into perfecting the respective treaties will stimulate the growth and utilization of technology everywhere.

/A/ 1973 diplomatic conference is scheduled on the European Patent Conventions.

Following the 1970 Diplomatic Conference, 37 Nations signed the "PCT." In the material sent to the U.S. Senate calling for PCT ratification, President Nixon indicated that "PIPA" was one of the endorsing organizations. The presidential request for ratification was made subject to the following important declarations:

> "The first declaration under Article 64(1)(a), is that the United States shall not be bound by the provisions of Chapter II of the Treaty. This declaration is necessary because present divergence of the examining systems of other potential member countries from that in the United States would make application of Chapter II, which deals with preliminary examination, impracticable for the United States at this time.
>
> "The second declaration, under Article 64(3)(a), is that, as far as this country is concerned, international publication of international applications is not required. Failure to make such a declaration would conflict with an underlying philosophy of our patent system which enables an applicant to keep his invention confidential until he obtains patent protection.
>
> "The third declaration, under Article 64(4)(a), is that the filing outside of the United States of an international application designating this country is not equated to an actual filing in the United States for prior art purposes. This declaration is necessary in order to avoid a conflict with United States patent law which accords to a United States patent the effect as a prior art reference only as of its filing date in the United States."/7

Reports on Export/Import Restrictions re. Technology

Mr. H. Levine summarized the so-called Burke-Hartke legislative proposal that, among other things, would restrict the export of U.S. technology and impose penalties for the usage of American patents abroad. The impracticalities of the drastic measure were enumerated. Also, the virtual invitation for retaliatory steps was mentioned. Answers to questions remain as to 1) effect of foreign competition on employment dislocation in the U.S., 2) overseas trade discrimination against U.S. interests. Generally, the question by American interests is: Will "Burke-Hartke" isolationist proposals be set aside by what are considered more balanced approaches to designated economic problems?

Mr. K. Yokoya outlined developments in Japan relating to the introduction of foreign technology and investment. Liberalization was undoubtedly moving ahead on a broad basis in various cited industrial areas. But case-by-case screening is the rule. Perhaps it is illustrative to mention that although liberalized treatment was about to be accorded the introduction of petrochemical technology, this was not the case regarding the electronic computer field.

Mr. S. Saotome discussed the "Guidelines for International Licensing Agreements" under the Japanese Anti-Monopoly Act. Cognizance was taken of restrictions (relating to patents, utility models, and know-how) on exportation, improvements, royalties, etc. Further discussion centered around requests for multi-licenses by the so-called "Gyosei Shidoo" of the Ministry of International Trade and Investment which differs from compulsory licensing under the Japanese patent law. Emphasis was placed on the "common sense" approach to anti-monopoly now being called for on an official level. The arbitration of disputes in Japan was also outlined. /Arbitration in the U.S. was covered by Dr. Newman later in the proceedings./

The Proposed Trademark Registration Treaty

Speakers at the PIPA Congress indicated what seemed to be widespread optimism and hope in Japanese and U.S. industrial circles for greater perfection of the proposed Trademark Registration Treaty ("TRT"). The draft is scheduled to be considered at a diplomatic conference at Vienna during May-June, 1973.

Following general observations on the Treaty by Mr. M. Akaoka, Mr. M. Takahashi pointed to five related issues that are likely to raise difficulties in Japan.

1) The Japanese Patent Office must reclassify the already registered marks under the International Classification.

2) Regarding an ex officio examination, the number of applications already exceeds the examination capacity, and the accumulation of pending applications is expected to exceed 500,000 by 1975. It is believed impossible to commence examination of an application within the prescribed period of 12 or 15 months.

3) The Trademark Act of Japan adopts a principle of one application per one class which does not conform to the Treaty at present.

4) Concerning the effect of registration in Japan, it starts on the date of registration, whereas under the Treaty as presently worded, a registration has a retroactive effect.

5) Concerning registration date, basing the effective date on date of actual receipt by the International Bureau is disadvantageous to nationals of countries far from the International Bureau situs. This will require due consideration.

Mr. C. Quinn noted some reluctance in the U.S. to see the register made easily and inexpensively open to the entry of registrations of marks as to which there may be no actual use or even intention to make bona fide use in the U.S. Only small comfort is felt in some quarters from the proposed provision that the international registrant could not sue in the United States until he had made actual use of the mark in the U.S. This so-called safeguard may seem to be small recompense for one who would have to wait a period of three years to determine whether a registrant who had preempted a mark had sincere intentions.

There is already widely supported sentiment in the U.S. for an amendment to the Lannam Act to provide for applications for registration based upon "intent to use." This would be necessary along with other changes in U.S. law to enable Treaty adherence.

An important matter that remains to be resolved under the Trademark Registration Treaty is the issue of 'central attack.' That is the proposed mechanism for opposing or cancelling the registration of a mark in a number of countries by a single action.

The New Japanese Patent Law - Transition Involving Examination, Streamlined Prosecution, Etc.

Mr. K. Otani, a Director in the Japanese Patent Office, primarily reviewed aspects of the processing situation in the Office noting the established new early publication and examination request systems. It will still take about 2-3 years to eliminate the backlog of applications under the old law.

The Tokyo Office has been receiving annually over 100,000 patent applications plus about 20,000 utility model petitions. Patent filings from abroad amount to about 20,000, half of which are from the U.S.; foreign applications on utility models number about 2,000, a third of which are American in origin.

The Office has been greatly increasing its number of examiners and their training along with new approaches to streamlined prosecution.

In expediting the processing of old applications the Office has been getting excellent cooperation from the private sector in such matters as withdrawals, submittal to the Office and publication of technological information,"bundling together" applications whenever there are sufficient relationships, personal and fruitful interviews with examiners. Another new approach that is helping to expedite matters is the establishment of a system for examining new cases on a preferential basis.

With regard to the time factor involving appeals, cases that were filed in 1964-65 are only now being decided by trial examiners.

A final matter to be carefully considered by the patent bar is the strictness practiced and barriers set up by the Office when attempts are made to revive abandoned applications in situations when, for example, amendments are not filed on time.

/There are published, and available at a reasonable price, some valuable volumes of past and current court decisions on patentability, infringements, trademarks, and unfair competition in Japan. Information and copies may be obtained by writing:

The American Chamber of Commerce in Japan
2-2 Marunouchi
3-Chome
Chiyoda-Ku
Tokyo, Japan /

The Usefulness of Arbitration and Mediation

Dr. P. Newman reviewed a PIPA Committee study on the usefulness of arbitration and mediation procedures in relation to controversies arising out of patent and know-how licensing activities. Mr. M. Kalikow supplemented Dr. Newman's remarks concentrating on approaches to mediation.

With regard to arbitration in the U.S. its advantages over litigation were enumerated. Except for public policy questions, patent and know-how license controversies are generally arbitrable. The "public policy" exceptions have arisen from case, or judge-made, law and relate to 1) patent validity and, 2) antitrust questions. In the U.S., the bar has continuously been pressing for legislation that would restore decision-making to arbitration of patent validity as well as infringement matters. In the list of arbitration awards that have been upheld are the determination of royalty rates and obligations to assign inventions.

Arbitration with regard to international licensing disputes might very well save time and money. However, in contractually providing for the possible use of arbitration on disputes, it is important to specify certain procedural and substantive references such as which jurisdiction's commercial (sales) code is applicable in various circumstances.

Mr. M. Kalikow supplemented Dr. Newman's presentation on arbitration with observations relating to mediation. As a generality, just as arbitration has advantages over ligation, mediation often can be of more utility than arbitration. It, of course, carries no imposition in approaching settlements.

Study by PIPA of aspects of mediating misunderstandings as to the meaning of clauses or obligations in U.S.-Japanese patent and know-how licensing agreements might lead to helpful considerations.

PIPA might, for example, be able to devise mediation rules (as to costs, engendered, etc.) available to all companies whether PIPA members or not. PIPA might identify suitable distinguished mediators (judges, professors, etc.) but representatives or associates of member companies should not be involved in such capacity.

It is anticipated that designated PIPA committees will study in detail mediation procedures which might be spelled out for use by any interested licensing parties involving U.S. and Japanese principals. This approach to arising questions might well be less expensive, helpfully informal and flexible, more confidential, and less upsetting to business relationships that have been established over a course of time. It was stressed that PIPA or its members and representatives should not be involved in the administrative aspects of mediations.

Closing Formalities

The President of the Japanese Group, Mr. S. Matsui, joined Mr. J.B. Clark, PIPA's International President, in commending particularly the work of staff, translators, and program participants for making Congress '72 a substantive and smoothly carried out undertaking.

On completing his summation of the activities during the 3-day conference, President Clark noted that PIPA's next international congress would be held at a designated locale during the autumn of 1973. In the ensuing months, it was anticipated that Association activities would increase reflecting the formation of new working groups and heightened communications between Japan and the U.S. The coming year would also be noteworthy by the representation of PIPA observers at the Trademark Registration Treaty and European Patent Conventions diplomatic conferences.

PACIFIC INDUSTRIAL PROPERTY ASSOCIATION

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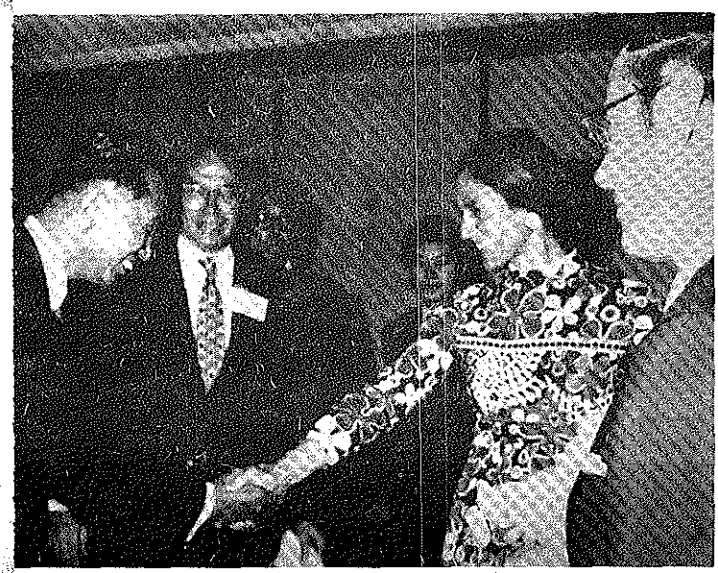
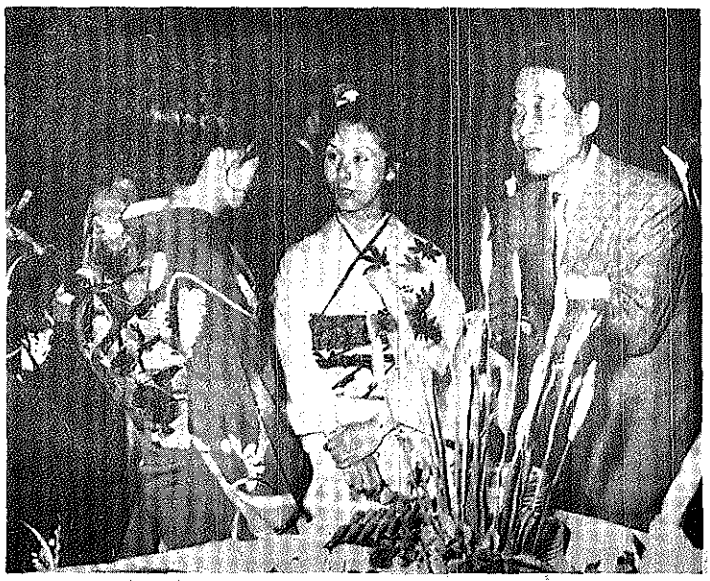
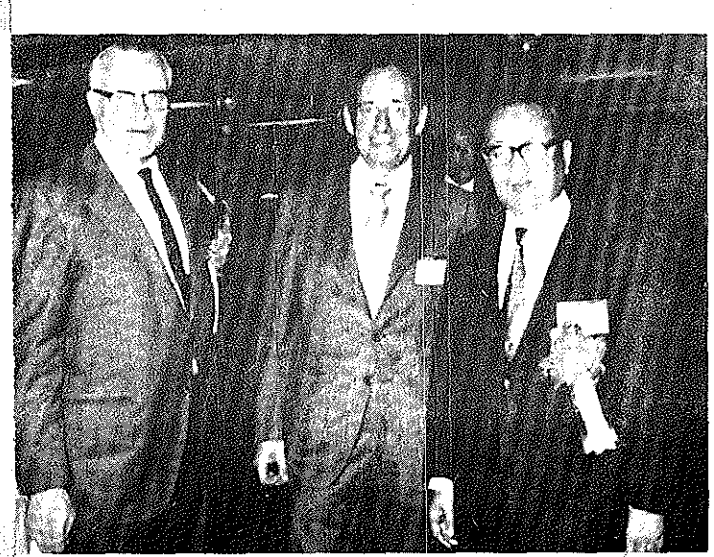


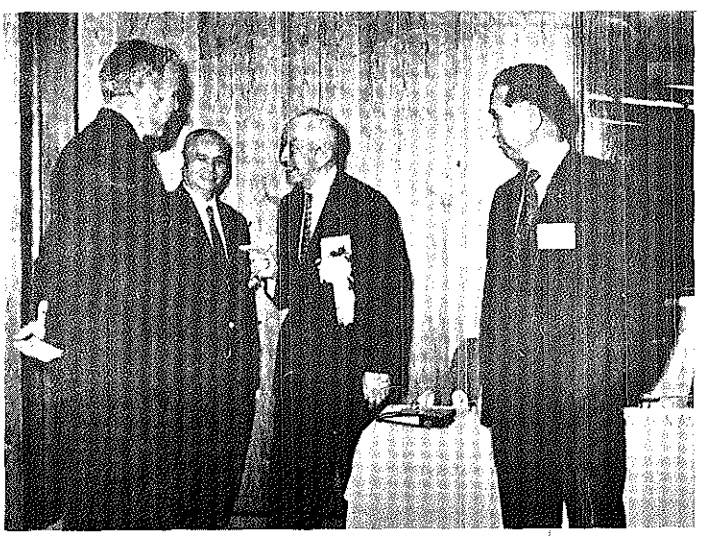
. Saotome welcomes Mrs. E.E. David, Jr., wife of the .S. Science Advisor, to the Keidanren reception.



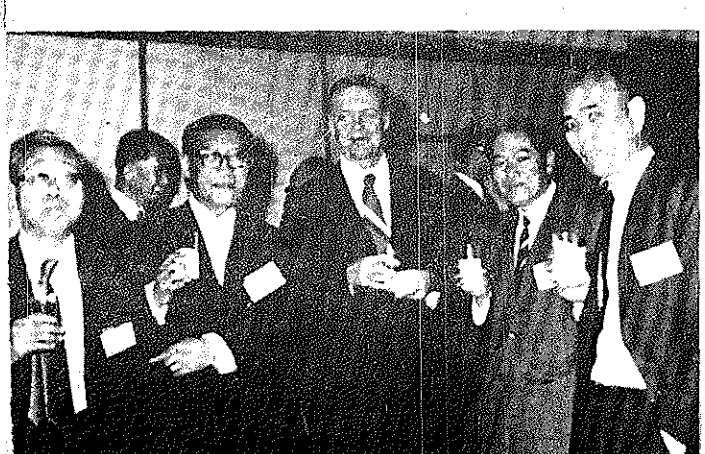
S. Kimura joins in a conversation at the GEIHAN-KAN evening reception.



. Stave, U.S. Commercial Attache, M. Kalikow, and K. tani of the Japanese Patent Office pause at a luncheon.

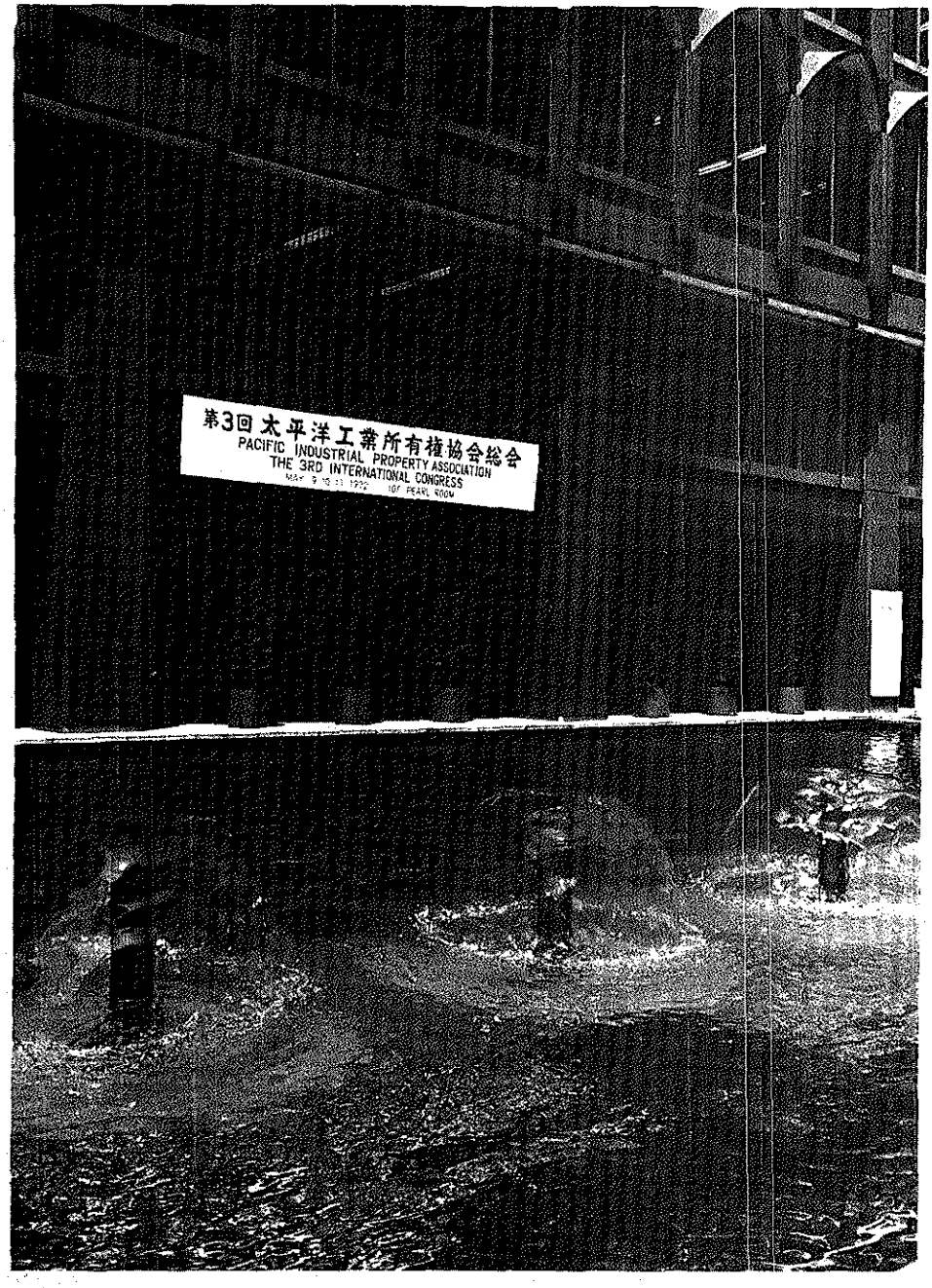


At a coffee break — J.B. Clark, B. Kato, Honorary Chairman of PIPA, the Keidanren's K. Uemura, and S. Saotome.



Yoshida, M. Suzuki, J.R. Shipman, S. Takitomo and K. ii about to join in a toast at the final reception.

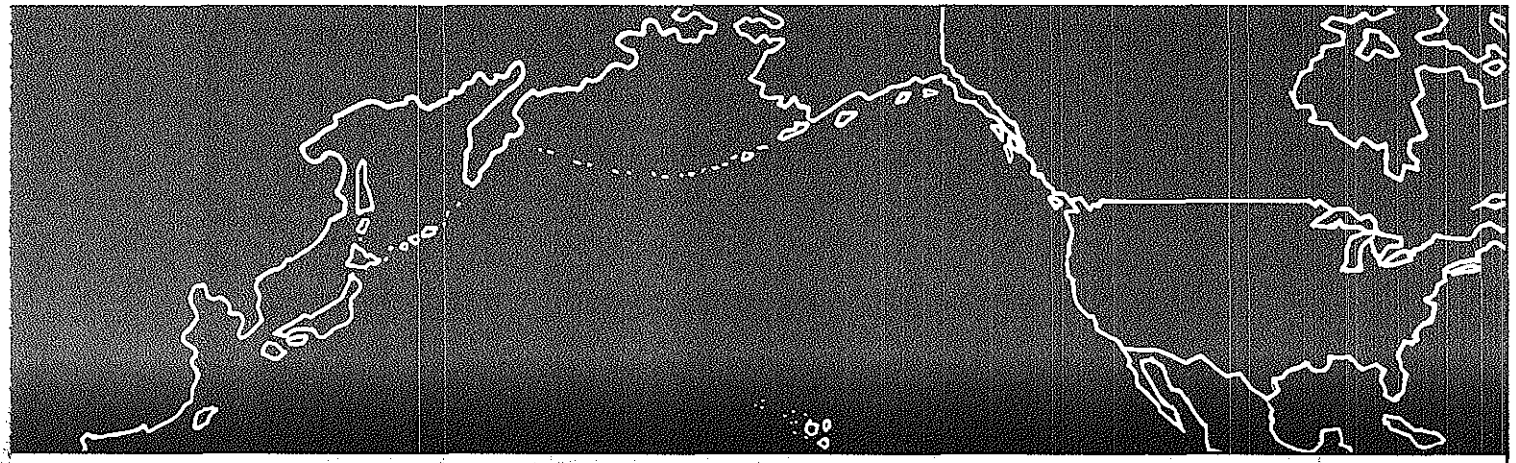
F.X. Murphy in a moment of discussion during a coffee break.



KEIDANREN BUILDING **経団連会館**

PACIFIC INDUSTRIAL
PROPERTY ASSOCIATION
SUITE 1000
277 PARK AVENUE
NEW YORK, N.Y. 10017

THE NEW TOKYO BUILDING
3-1, MARUNOUCHI,
SANCHOME, CHIYODA-KU
TOKYO, 100,
JAPAN



Fourth International Congress San Francisco October 1-2-3, 1973

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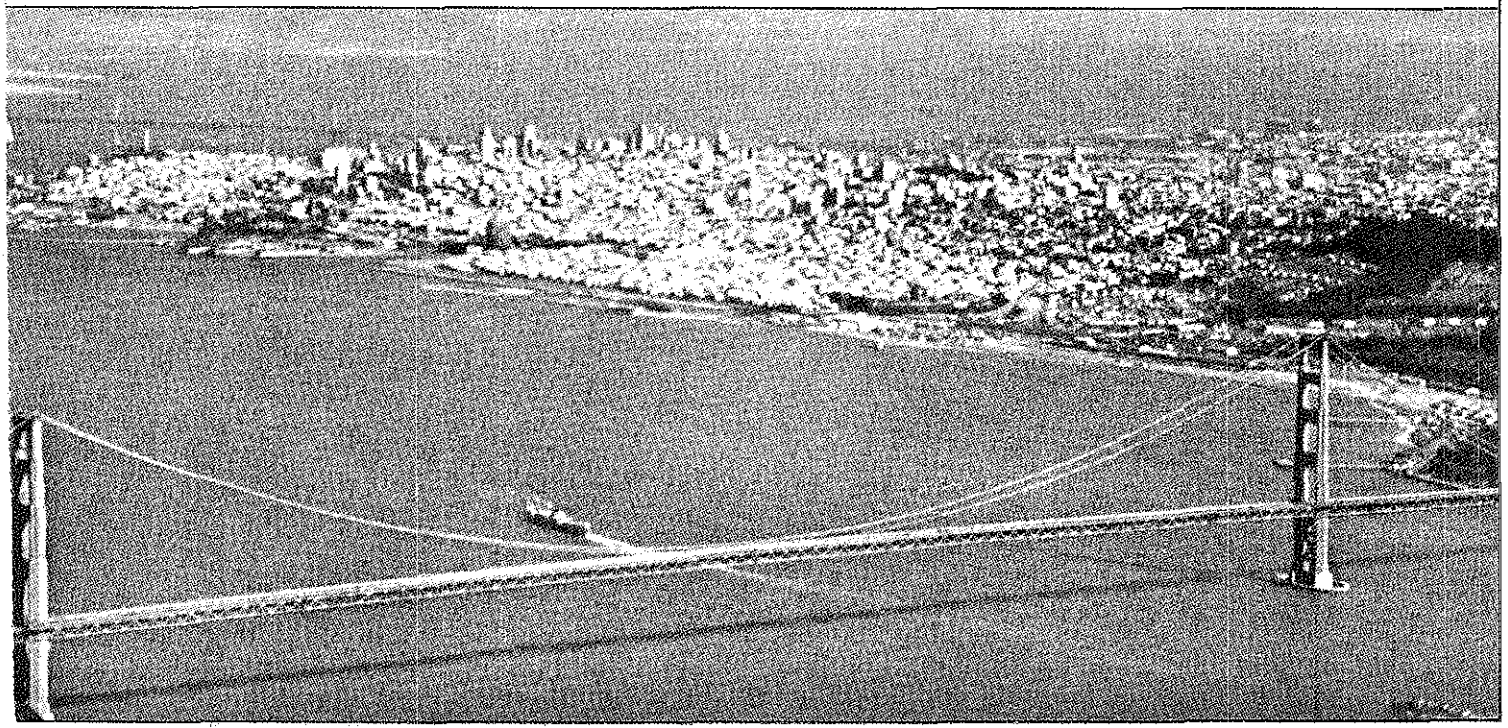
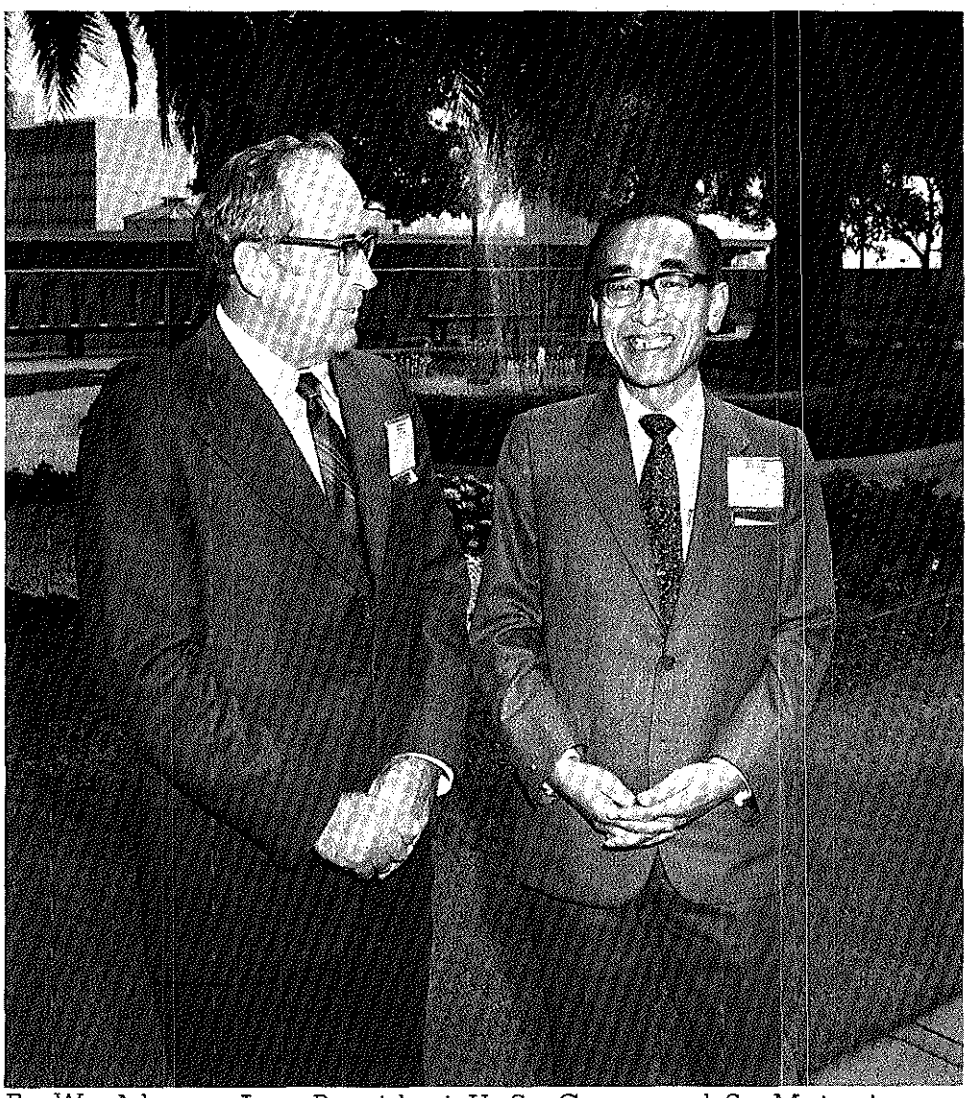




E. W. Adams, Jr., President U.S. Group and S. Matsui, Association and Japanese Group President

Officers and Governors

Shoji Matsui	Association and Japanese Group President
Edgar W.Adams, Jr.	U. S. Group President
Masaaki Suzuki	1st Representative Japanese Group
Chester A. Williams, Jr.	1st Representative U. S. Group
C. Cornell Remsen, Jr.	2nd Representative U. S. Group
Hisashi Sugino	2nd Representative Japanese Group

Ex Officio

John B. Clark	U. S Group
Shozo Saotome	Japanese Group
John R. Shipman	U. S. Group

Staff Directors	Reynold Bennett	Association and U. S. Group
	Ichiro Okano	Japanese Group

Committee Chairmen

	Japanese	U. S.
Committee 1	J. Tsunoda	C. A. Williams, Jr.
Committee 2	K. Yokoya	H. Levine
Committee 3	H. Ono	B. J. Kish
Committee 4	S. Saotome	Dr. P. Newman

Honorary Chairman Melvin C. Holm
Chairman of the Board, Carrier Corporation

Companies Represented

Aisin Seiki Co., Ltd.
Allis-Chalmers Corporation
American Telephone and Telegraph Company
AMP Incorporated
Asahi Glass Co., Ltd.
Bell Telephone Laboratories
Borg-Warner Corporation
Bendix Corporation
Carrier Corporation
Corning Glass Works
Eastman Kodak Company
Eaton Corporation
FMC Corporation
Fujisawa Pharmaceutical Co., Ltd.
IBM Corporation
IBM Japan Ltd.
International Telephone and Telegraph Corporation
Johns-Manville Corporation
Kaiser Industries Corporation
Kanebo Ltd.
Konishiroku Photo Ind. Co., Ltd.
Koppers Company, Inc.
Kyowa Hakko Kogyo Kabushiki Kaisha
Lord Corporation
Merck & Co., Inc.
Mitsubishi Chemical Industries Limited
Mitsubishi Electric Corp.
Mitsubishi Heavy Industries, Ltd.
Mitsubishi Petrochemical Co., Ltd.
Mitsubishi Shoji Kaisha, Ltd.
Mitsui & Co., Ltd.
Monsanto Company
Nippon Denso Co., Ltd.
Nippon Electric Co., Ltd.
Nissan Motor Co., Ltd.
Oki Electric Industry Co., Ltd.
Otis Elevator Company
Parker Pen Company
Procter & Gamble Company
Ricoh Co., Ltd.
Robertshaw Controls Company
Schering-Plough Corporation
G. D. Searle & Co.
Sekisui Chemical Co., Ltd.
Sekisui Plastics Co., Ltd.
Shin-Etsu Chemical Ind. Co., Ltd.
Showa Denko K.K.
Singer Company
Sunbeam Corp.
Takeda Chemical Ind., Ltd.
Tanabe Seiyaku Co., Ltd.
Texas Instruments Incorporated
Tokyo Shibaura Electric Co., Ltd.
Toyota Central Research & Developme Laboratories, Inc.
Toyota Motor Co., Ltd.
Universal Oil Products Company
Western Electric Company, Inc.
Yamatake Honeywell Co.

PROGRAM MINUTES

First Day - October 1

The Congress was opened at approximately 9:00 a.m. by a short speech of welcome by E. W. Adams of the U. S. Group followed by the opening address of S. Matsui, Association and Japanese Group President. After taking note of the changes which have and probably will continue to take place in the political area, President Matsui emphasized that in the field of industrial property rights basic attitudes need not be altered. He referred not only to the activities and intent of PIPA and its membership and to the many international developments in the field of intellectual property, but also to the specific problems involved in the attitudes of the legal systems of the United States and Japan to which PIPA can and has addressed itself including, for example, the subject of conciliation or mediation as a means of settling disputes.

Following the installation of PIPA officers for 1973, Mr. Melvin C. Holm, Chairman of the Board, Carrier Corporation, delivered his keynote address.

After reviewing the experience of his own company in Japan, Mr. Holm outlined certain areas in which in his judgment PIPA can perform a most useful function. While emphasizing that PIPA should be nonpolitical in the broadest sense, he feels that PIPA and its individual members can be helpful in espousing policies which expose discriminatory practices, and in assuring equal treatment in commercial dealings across international boundaries, perhaps serving as a catalyst among diverse interests to help assure fair play in business practices and contractual obligations. By acting as a liaison in making firm and constructive contacts with government financial agencies and institutions, PIPA can help establish norms for the general conduct of relations between the diverse entities involved.

The morning session concluded with Committee 3 (Patents and Trademark Treaties and Conventions) reports.

The subject of Committee 3's presentation was the new Trademark Registration Treaty. Since most attendees were familiar with the basic concepts of TRT, Mr. A. R. DeSimone dealt with the history and general considerations leading up to the treaty, and emphasized the divided opinions in the U. S. respecting the same, particularly pointing out that the "use" concept in U. S. law is well entrenched and is contra to the proposed "intention to use" inherent in the treaty provisions. Mr. S.Tokuda, speaking for the Japanese Group, explained that Japan's principal reason for being a nonsignatory is really one of timing. The Japanese have not been convinced that sufficient consideration was given to the drafting of the treaty, and while its general provisions are not inconsistent with Japanese trademark law, there is a serious question as to

whether the Japanese Patent Office is presently prepared to handle new trademark applications within the time periods now stipulated. Eventual adherence by Japan to the treaty is anticipated.

The post-luncheon speaker was the Hon. Harvey J. Winter of the U.S. Department of State. He reviewed some of his experiences in negotiating the PCT and TRT. He fully supported the objections of PIPA and expressed particular interest in the organization's efforts in providing assistance to the conciliation of disputes in the industrial property field.

The report of Committee 4 (Arbitration and Mediation in Patent Matters) followed. The conciliation of disputes arising from patent and technical assistance agreements, charges of infringement, etc. between U. S. and Japanese entities was the subject of paper delivered by Dr. P. Newman, Chairman of the U. S. Group, and Mr. C. Kanzaki of the Japanese Group. In particular, the role of PIPA in such an endeavor was explored. As a result of a rather extensive survey taken by the Japanese Group, it would appear that most disputes involved the validity or interpretation of industrial property rights and the infringement thereof. These disputes were settled almost equally by either litigation or negotiations between the parties. The less comprehensive U. S. survey agreed that validity and patent infringement were the main areas of dispute, but also included disputes on the scope of the contract. In contrast with the Japanese report, the U. S. survey indicated almost 85% of the disputes being settled by negotiation before or after litigation which took place in 25% of the cases. Formal arbitration proceedings were generally avoided upon the premise that they were inapplicable to disputes of the high technical and legal questions generally involved. The interest in utilizing PIPA as an avenue of nonbinding conciliation was expressed by the passing of a resolution proposed by the Japanese Group that the Board of Governors as well as Committee 4 continue diligent discussions to attempt to bring a suitable conciliation plan to fruition.

In view of the fact that some time remained after the Committee 4 presentation, Chairman Williams began submitting the reports of Committee 1.

Messrs. W. J. Keating of the U. S. Group and T. Shimada of the Japanese Group submitted papers dealing with the interpretation or construction of claims in patent infringement actions in their respective countries. Although neither speaker could deal in absolutes, it was very clear that the exact language of a claim is much more significant in Japan, with little attention being paid to the specification and the doctrine of equivalency, whereas in the U. S. a judge will turn to the specification for guidance, and "equivalency" may depend upon the complexity of the art. Perhaps not surprisingly, in both Japan and the United States many decisions of interpretation would appear to depend upon the philosophy of the judge before whom the case is tried.

The first session adjourned at approximately 4:00 p.m.

Second Day - October 2

The second session, beginning at approximately 9:00 a.m., began with a continuation of the reports by Committee 1.

The system of franchising, while relatively new, has made rapid progress in Japan as reported by Mr. T. Fujimoto. The trademark, unfair competition and antitrust laws must all be taken into consideration. The Japanese Government now requires the contents of all such agreements to be disclosed in advance. No real body of law has been established in this field, but it is clear that any acts which are to be considered as unfair trade practices will also be in violation of the antitrust laws.

Another question on which papers were presented by both groups was that of parallel imports, Miss J. Levien for the U. S. and Mr. M. Tsukamoto for Japan. After each reviewed a substantial number of and often conflicting court cases in their respective countries of which the details cannot be covered in a brief summary, both parties came to the conclusion that the final determination will be covered by the customs regulations of the respective countries, viz.:

In the United States genuine-identical or genuine authentic goods will not be excluded

1. If both the U. S. and foreign trademark are owned by the same party; or
2. If one trademark is owned by a parent corporation and the other a subsidiary, or there is some other element of common ownership or common control.
3. If the articles of foreign manufacture bear a recorded trademark applied under authorization of the U. S. owner.

In Japan, if the following two conditions are satisfied, the parallel importation of genuine goods does not constitute a trademark infringement, so that the goods are not subject to an embargo injunction at customs:

1. When either a foreign manufacturer and trademark owner in Japan are one and the same enterprise or are in such a special relation to each other as to be deemed one and the same; and
2. When goods are to be imported and sold either by a trademark owner or its exclusive licensee, respectively, in Japan and those to be imported and sold by a third party bear the same trademark and are of the same quality.

For the benefit of the Japanese members, Mr. Clarence R. Patty, Jr. explained the distinction between trademark rights acquired under the U. S. federal law (Lanham Act) and those acquired under various statutes of the individual states. He traced the philosophy of the "first user" practice as it has developed in the U.S.A. in contrast with the "first registration" practice as developed in other countries, and the problems which may ensue if the principles of the TRT are to be accepted.

The final paper presented was Mr. Shipman's summary of the new U. S. administration patent bill. Inasmuch as a text of this bill was first available shortly before the meeting convened, it was only possible for Mr. Shipman to submit highlights of this lengthy and complicated document which introduces some new and radical practices into U. S. patent law. Mr.Shipman's observations were most illuminating and he predicted that a law, similar to that submitted, would probably be enacted in 1974.

The second session was adjourned for the day at approximately twelve noon.

Third Day - October 3

The third and final session began at approximately 9:00 a.m. with the reports of Committee 2 under the chairmanship of Mr. Levine.

Messrs. K. Yokoya, Chairman of the Japanese Group and R. J. Anderson, Jr. of the U. S. Group presented papers dealing with the question of the right of a licensee to use know-how after termination of a patent and technical license agreement. From the Japanese point of view, there have been no court decisions on the subject. The majority of the Japanese Committee believe that from a practical point of view, free use after termination should be permitted (provided agreement is not broken by the licensee). Their recommendation, however, is that the use of know-how after termination should be clearly spelled out in the know-how agreement and limitations may be included if the arrangement is an over-all equitable one. Mr. Anderson first reviewed the somewhat contradictory case law which has developed in the U. S. as a result of the Lear v. Adkins, Kewanee and Painton cases. He concluded (a) that from a practical point of view (again without improper actions on the part of the licensee) know-how once given cannot be recaptured; (b) while there is a body of law showing a court's willingness to consider the intention of the parties, absent any specific commitment, a licensee may freely keep know-how after termination; (c) when the licensor's right of recapture or payment is unequivocally stated, the obligations against the licensee are enforceable on a case-by-case basis.

The compulsory licensing of patents in Japan was the subject of a paper presented by Mr. T. Aoki of the Japanese Group. There are three legal grounds for compulsory licensing: (1) nonuse or inadequate use by patentee, (2) to facilitate use of improvement or dependent patents and (3) in the event patent is needed for national defense, public health or other public interest. Few applications for compulsory licenses have been filed in Japan, and none have gone so far as to require a patent office decision. Mr. Aoki's conclusion was that the very existence of the compulsory licensing laws has played a role in the negotiations between a patent owner and a prospective licensee.

Inasmuch as the question of a "field of use" license has been the subject of debate in the U. S., Mr. H. Koide presented a paper on this subject as it is treated under Japanese law. There is very little case law on the subject in Japan, but field of use limitations in a strictly patent license would all seem to fall within the areas of "Antimonopoly", "Unreasonable Restraint of Trade" and "Unfair Business Practices" of the Japanese Antimonopoly Act. As such, field of use limitations, when restricted to patents and not extended to know-how, patent pooling or cross-licensing would appear to be legal.

Mr. K. Yokoya, on behalf of the Japanese Group, briefly commented upon the new measures taken by the Japanese Government relating to the introduction of foreign technology and foreign investment in Japan. As of May 1, 1973, substantial liberation has taken place. Of 932 industrial lines, a 100% equity interest in newly established companies is now allowed. In the agricultural, forestry, oil and leather and leather product industries, a case-by-case screening is required. For retail business, a case-by-case screening is required if more than eleven stores are involved; up to this number a 50% equity is permitted. A 50% equity is permitted in the mining industry. With respect to integrated circuits, a 100% equity will be permitted after December 1, 1974. In other lines including meat products, ferro alloys, pharmaceuticals and agricultural chemicals a 100% equity will be permitted on May 1, 1975. With respect to investment in existing companies, the same treatment is now given as for newly established companies.

In closing the 1973 Congress, President Matsui complimented the speakers and committee chairmen on the contents of their reports and expressed the view that PIPA was better accomplishing its objective of providing a fuller exchange of views between the U. S. and Japanese Groups. He thanked the U. S. Group for their hospitality and extended an invitation to hold the next Congress in Kyoto for perhaps November 1974, an invitation which was accepted with enthusiasm.

A luncheon following the closing session was held in honor of Mr. Toshikazu Maeda, Consul General of Japan, who expressed his pleasure at being invited and his support of the objectives of PIPA.

The minutes would not be complete without mention of two extremely enjoyable social functions.

The trip aboard the "Harbor Princess" sailing under the Golden Gate Bridge and around San Francisco harbor went a long way in establishing a feeling of comradeship between the members of the two groups. Food, liquid refreshments and a never-ending orchestra provided not only great entertainment but also revealed some surprising vocal talent in the Japanese Group.

The Wine Tasting Tour was not only instructive but ended in a delightful dinner in the beautiful Napa Valley.

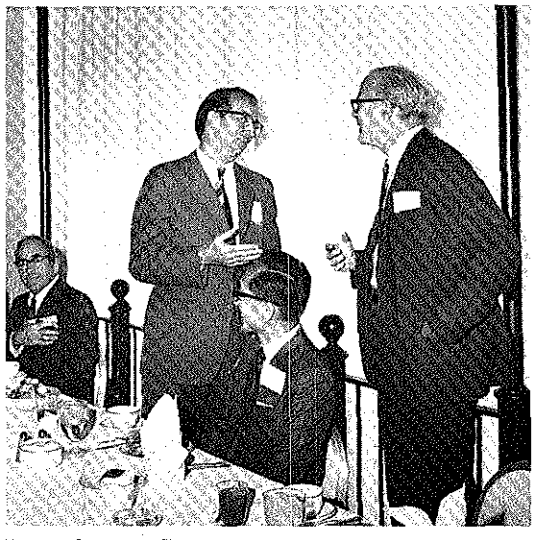
NOTE TO U. S. MEMBERS: If there is sufficient demand, a bound copy of all official papers presented as well as papers submitted but not presented, can be made available from Mr. Edward L. Bell, c/o The Singer Company, 30 Rockefeller Plaza, New York, New York 10020, at a cost of approximately $10.

The Board of Governors in serious discussion

Ex-presidents Shipman and Clark with Mr. Winter

Mr. Di Simone discusses TRT

An interested audience



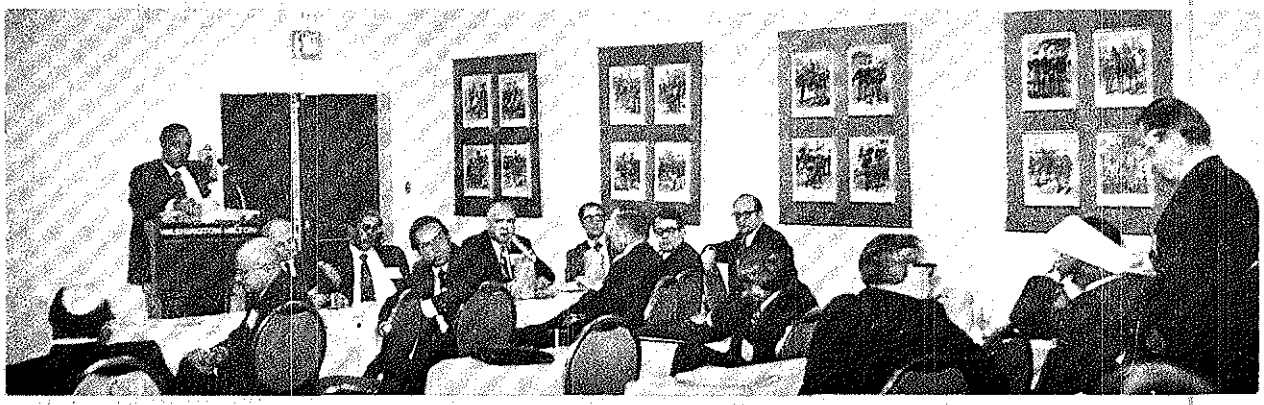
Luncheon Discussion

The Staff Director and Mrs. Bennett

PACIFIC INDUSTRIAL PROPERTY ASSOCIATION
太平洋工業所有権協会

AMERICAN GROUP
Annual Meeting
-Washington, D.C., March 8, 1973-

Summary of Proceedings



President Clark conducting a discussion.

President-elect Adams and Japanese Counselor Harada.

More than 40 participants attended the annual meeting of PIPA's American Group which was convened at the Washington Hilton Hotel on March 8, 1973 and was chaired by Mr. John Clark, PIPA's current American Group president. In addition to annual Association business and working committee meetings, a reception was held honoring the Japanese counselor, Mr. Shigeru Harada.

The following individuals were designated, commencing April 1, 1973 as American Group members of the PIPA Board of Governors:

Edgar W. Adams, Jr. - President
Patent Attorney Director
Bell Telephone Laboratories, Inc.
Holmdel, New Jersey 07733

Chester A. Williams, Jr. - 1st Representative
Assistant Vice President
and Chief Patent Counsel
The Singer Company
30 Rockefeller Plaza
New York, New York 10020

C. Cornell Remsen, Jr. - 2nd Representative
General Patent Counsel
International Telephone and
Telegraph Corporation
320 Park Avenue
New York, New York 10022

John R. Shipman - Ex-officio
Director, International
Patent Operations
IBM Corporation
Armonk, New York 10504

Martin Kalikow - Ex-officio
Manager and Patent Counsel
International Patent Operation
General Electric Company
159 Madison Avenue
New York, New York 10016

John B. Clark - Ex-officio
Director, Patent Department
Monsanto Company
800 North Lindbergh Boulevard
St. Louis, Missouri 63166

Staff Director:
Reynold Bennett
Vice President
National Association of Manufacturers

/Note: PIPA's Japanese Group designated the following representatives as members of the Board of Governors:/

Shoji Matsui - President
Manager, Patent and Licences Dept.
Takeda Chemical Industries, Ltd.
27, 2-chome, Doshacho
Higashi-ku, Osaka

Masaaki Suzuki - 1st Representative
Manager, Patent Department
Toyota Central Research &
Development Laboratory Inc.
12, 2-chome, Hisakata
Showa-ku, Nagoya, Aichi

Hisashi Sugino - 2nd Representative
General Manager, Patent Division
Tokyo Shibaura Electric Co., Ltd.
16, Nishikubo Akefunecho
Shiba, Minato-ku, Tokyo

Shozo Saotome - Ex-officio
General Manager, Patent Department
Mitsubishi Chemical Industries, Ltd.
3-1, Marunouchi 2-chome
Chiyoda-ku, Tokyo

Staff Director: (Japanese Group)
Takasuke Ebisu
Executive Secretary
Japan Patent Association

PIPA's Staff Director, Mr. R. Bennett, noted that the Association's total membership amounted to over 150 companies. The collection of dues and self-liquidating meeting charges continued to be sufficient to meet costs.

An interim report was given as to details for the International Congress - San Francisco, on October 1-2-3. The Fairmont Hotel has been selected as the principal situs; simultaneous translation facilities, a Bay Cruise Reception, and other features are among the arrangements already made. Details will be forthcoming directly to the membership.

Proposed By-Laws were presented and unanimously adopted without amendment. Having been ratified by both the Japanese and American Groups, they are now in effect.

A discussion was held concerning the recent proposed change in Phillipine patent law with little opportunity for an adequate hearing which had prompted PIPA to urge that government to study further considered expertise.

New Standing Committees have been established (as set out below) which convened at the American Group meeting.

Committee 1 - Patent & Trademark Procurement Law and Practice

Junnosuke Tsunoda - (Overall Chairman)
Manager, Patent Department
Oki Electric Industries Co., Ltd.
10-3, 4-chome, Shibaura
Minato-ku, Tokyo

Chester A. Williams, Jr. - (American Group Chairman)
Assistant Vice President and
Chief Patent Counsel
The Singer Company
30 Rockefeller Plaza
New York, New York 10020

Tsutomu Fujimoto - (Trademarks Chairman)
Chief of Second Section,
Patent Department
Tanabe Seiyaku Co., Ltd.
962, Kashimacho, Higashi
Yodogawa-ku, Osaka

Clarence R. Patty, Jr. - (American Group-Trademarks Chairman)
Director, Patent Operations
Corning Glass Works
Corning, New York 14830

/Continued/

/Committee 1 - Continued/

In anticipation of immediate liaison with the counterpart group and the international meeting in October, the Committee discussed the type of U.S. problems the Japanese representatives might wish to cover, and on the other hand, those matters of interest to Americans involving practice in Japan.

For example:

- American reps. would like to know about developments in Japan relating to multiple claiming, deferred prosecution, and the interpretation of claims for infringement purposes.

- Japanese reps. may like to know more about U.S. decisions and resulting estoppel when claims are adjudged in a particular jurisdiction.

Committee 2 - Patent Licensing Law and Practice

Harold Levine - (Overall Chairman)
Manager, Corporate Patents
Texas Instruments Inc.
P. O. Box 5474
Dallas, Texas 75222

Koichi Yokoya - (Japanese Group Chairman)
Third Legal Section, Legal Department
Mitsui & Co., Ltd.
2-9, 1-chome Nishishinbashi,
Minato-ku, Tokyo

Anticipating the international conference in San Francisco, the Committee considered various subjects that might be discussed by the two groups, including:

- Coverage by Japanese spokesmen as to product liability, trademark licensing, and practice of regulatory agencies re. field type licensing.

- Coverage by American spokesmen as to existing and possibly changing licensing laws and how, in particular, multinational companies might be affected.

Committee 3 - Patent and Trademark Treaties and Conventions

Hiroshi Ono - (Overall Chairman)
Manager, Patent Operation
IBM Japan, Ltd.
2-12, Roppongi 3-chome,
Minato-ku, Tokyo

Bartholomew J. Kish - (American Group Chairman)
International Patent Counsel
Merck International
Rahway, New Jersey 07065

The Committee primarily discussed the forthcoming Trademark Registration Treaty diplomatic conference and a related PIPA position paper as well as individual representation during the Vienna proceedings in May-June. It was noted that time was of the essence in the Committee's immediate work.

Committee 4 - Arbitration and Mediation in Patent Matters

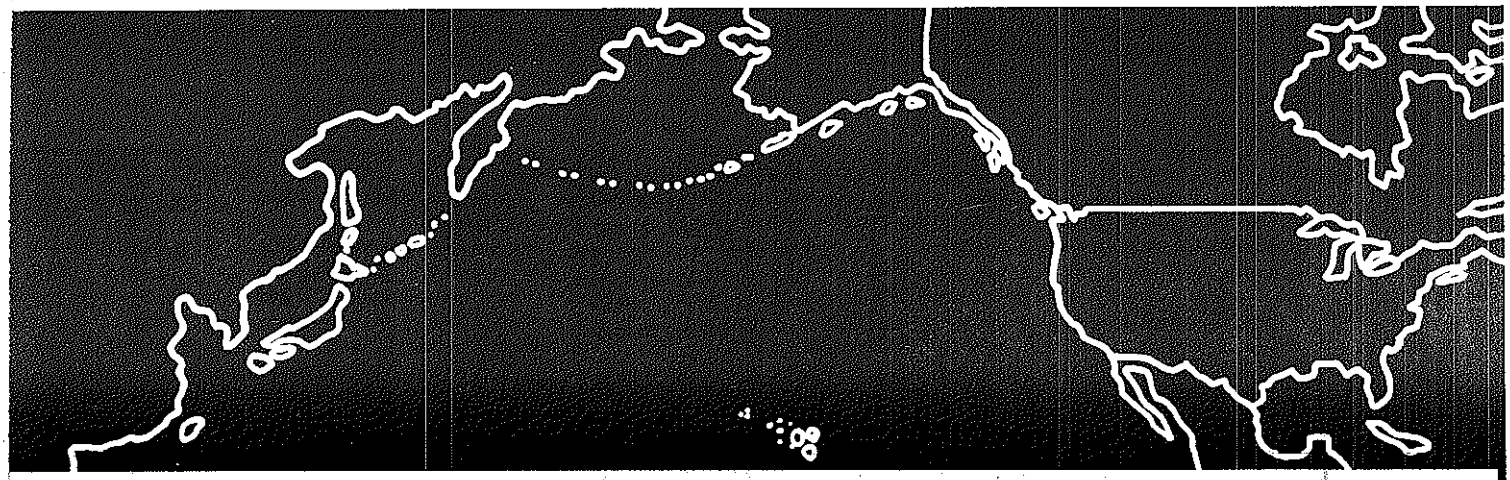
Dr. Pauline Newman - (Overall Chairman)
Patent Counsel
FMC Corporation
633 Third Avenue
New York, New York 10017

Shozo Saotome - (Japanese Group Chairman)
General Manager, Patent Department
Mitsubishi Chemical Industries, Ltd.
3-1, Marunouchi 2-chome,
Chiyoda-ku, Tokyo

The Committee primarily initiated its investigations as to mediation procedures and the organizations so involved on an international scale. The object is to learn more about the need and practicality of facilitating mediation between Japanese and American companies.

Encouragement to the growing liaison, particularly between U.S. and Japanese counterpart committees, was voiced by President Clark. In this respect, the By-Laws now adopted by PIPA, as set out in Section 4, establish working guidelines that point to increasing joint efforts.

* * * *



Fifth International Congress Kyoto October 29-30-31, 1974

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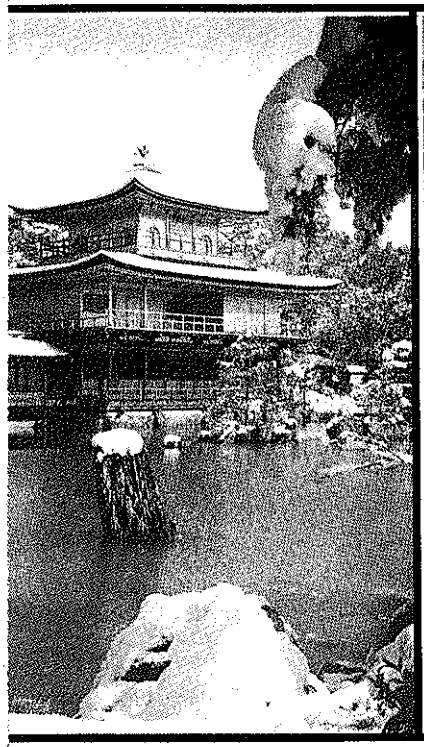
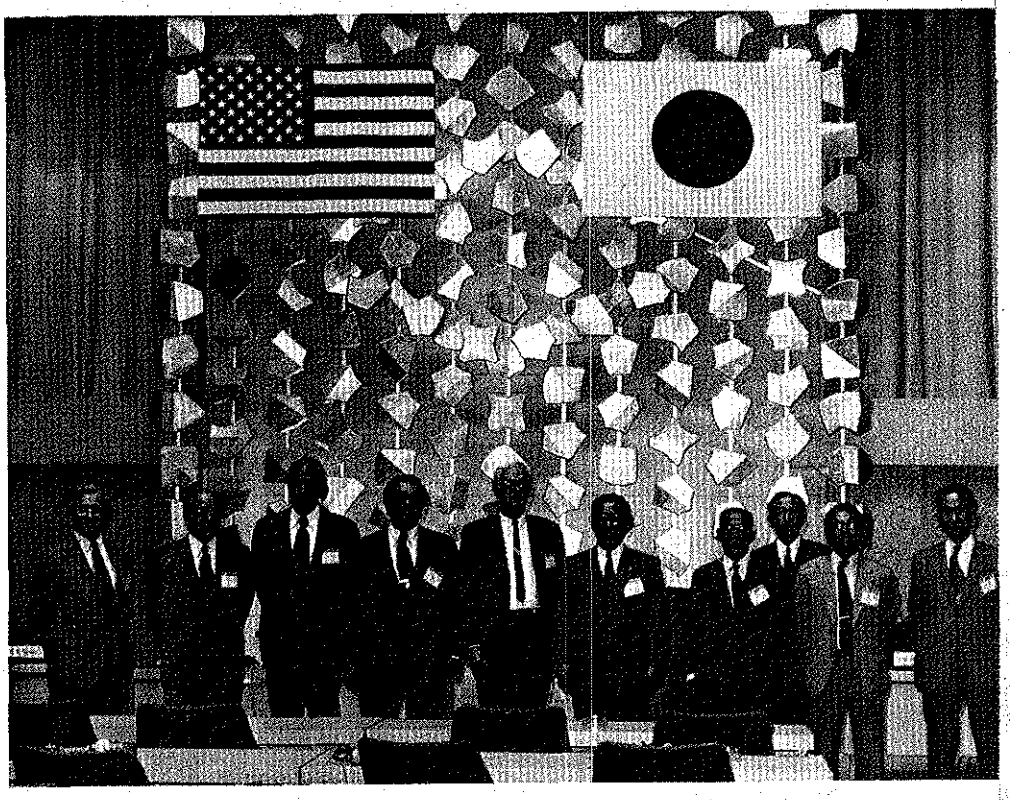
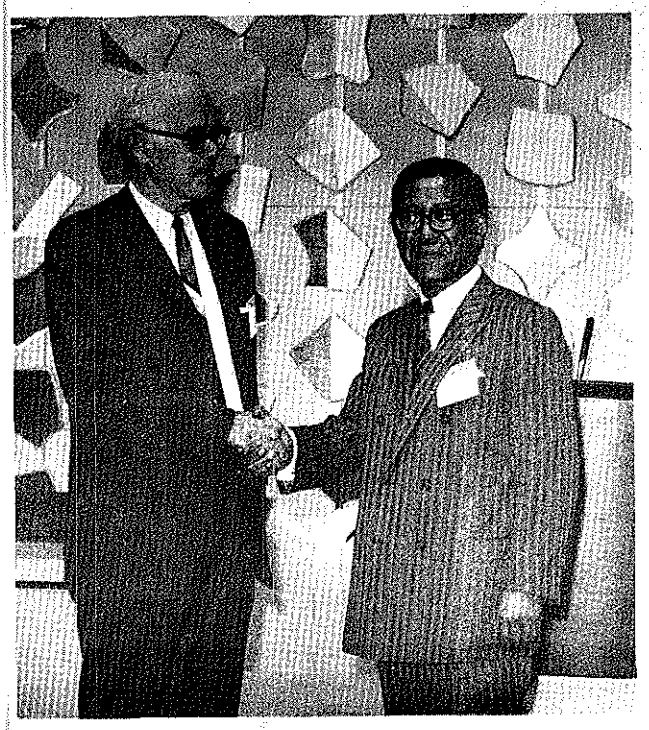


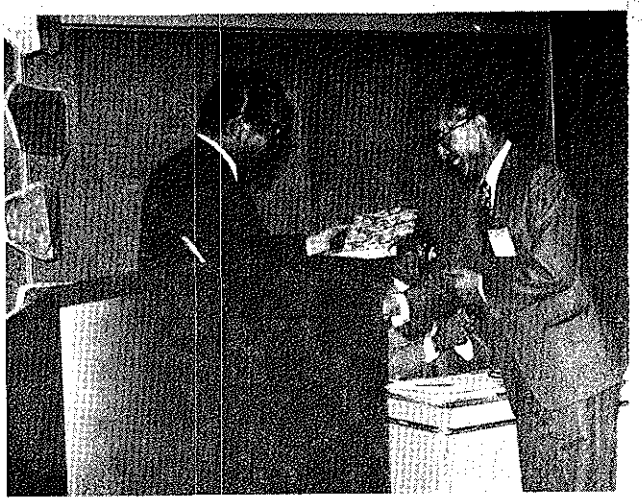
PIPA Officers and Chairman (left to right)

E. L. Bell
E. W. Adams
John B. Clark
Harold Levine
C. Cornell Remsen, Jr.
Masaaki Suzuki
Chikashi Kanzaki
Ichiro Okano
Takashi Aoki
Shozo Saotome





Presidents C. Cornell Remsen, Jr. and Masaaki Suzuki



President Masaaki Suzuki presents gift to past President Shoji Matsui

FIFTH
INTERNATIONAL CONGRESS
KYOTO
October 29-30-31, 1974
PACIFIC INDUSTRIAL PROPERTY ASSOCIATION

Officers and Governors

Masaaki Suzuki	Association and Japanese Group President
C. Cornell Remsen, Jr.	United States Group President
Chikashi Kanzaki	1st Representative Japanese Group
Rudolph J. Anderson, Jr.	1st Representative United States Group
Harold Levine	2nd Representative United States Group
Takashi Aoki	2nd Representative Japanese Group

Ex Officio

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Shoji Matsui	Japanese Group
John B. Clark	United States Group
Shozo Saotome	Japanese Group

Secretary Treasurer

Ichiro Okano	Japanese Group
Edward L. Bell	United States Group

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Committee 2 —	Hisataka Ono	Arthur Gilkes
Committee 3 —	Hidezane Aoki	Francis X. Murphy
Committee 4 —	Tomoatsu Teshima	Dr. Pauline Newman

Honorary Chairman — Ken-ichiro Komai
Chairman of the Board, Hitachi, Ltd.

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Bell Telephone Laboratories
Caterpillar Tractor Co.
Chiyoda Chemical Engineering and Construction Co., Ltd.
Daiichi Seiyaku Co., Ltd.
Ebara Manufacturing Co., Ltd.
Exxon Research & Engineering Co.
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Foster Grant
FMC Corporation
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Fuji-Xerox Co., Ltd.
Fujisawa Pharmaceutical Co., Ltd.
Fujitsu Limited
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Mitsubishi Heavy Industries, Ltd.
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Mitsubishi Rayon Co., Ltd.
Mitsui & Co., Ltd.
Mitsui Petrochemical-Industries, Ltd.
Monsanto Company
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Nippon Kayaku Co., Ltd.
Nippon Kokan K.K.
Nippon Sheet Glass Co., Ltd.
Nippon Shinyaku Co., Ltd.
Nissan Motor Co., Ltd.
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Sekisui Chemical Co., Ltd.
Shimazu Seisakusho, Ltd.
Shin-Etsu Chemical Industry Co., Ltd.
Showa Denko Co., Ltd.
Sony Corporation
Standard Oil Co. (Indiana)
Sumitomo Chemical Co., Ltd.
Sumitomo Electric Industries, Ltd.
Takeda Chemical Industries, Ltd.
Tanabe Seiyaku Co., Ltd.
Texas Instruments Incorporated
The Fujikura Cable Works, Ltd.
The Furukawa Electric Co., Ltd.
The Dow Chemical Company
The Procter & Gamble Company
The Singer Company
Tokyo Shibaura Electric Co., Ltd.
Toyota Central Research and Development Labs., Ltd.
Toyota Motor Co., Ltd.
Ube Industries, Ltd.
Western Electric Company, Inc.
Yamanouchi Pharmaceutical Co., Ltd.
Yamatake Honeywell Co.

PROGRAM MINUTES

First Day — October 29

The Fifth International Congress was opened by I. Okano, Secretary-Treasurer of the Japanese Group. His short welcome was followed by a report by Mr. Shoji Matsui, 1973 President of PIPA, who outlined some of the highlights and accomplishments of PIPA during the year 1973. Mr. Matsui also described several of the changes required in the basic mode of running PIPA, and expressed his confidence in PIPA's continued growth and success.

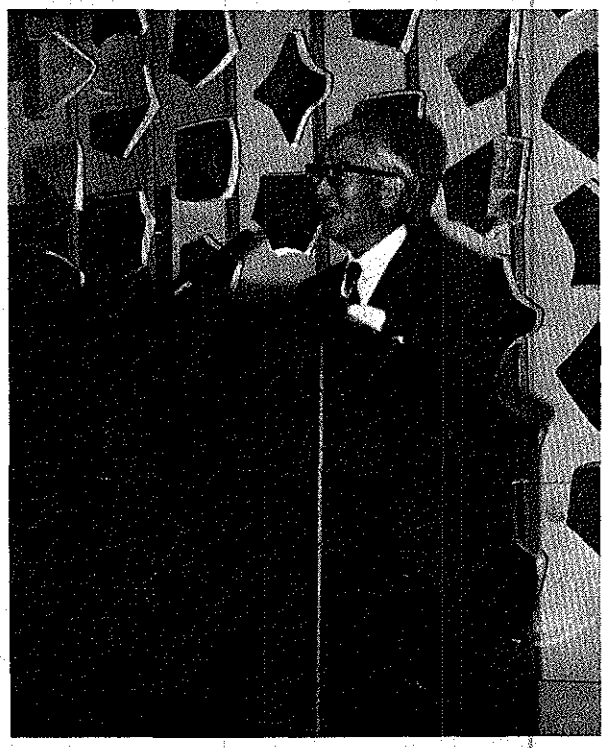
Following the installation of PIPA officers for 1974, Mr. Masaaki Suzuki, President of PIPA 1974, delivered his keynote address.

After a cursory review of the topics presented and discussed at the four previous PIPA Congresses and the actions initiated as a result of these meetings, Mr. Suzuki directed his attention to the contemporary role of PIPA in regard to the world's present economic plight. By stressing the need for the development of technology of the highest order through the efforts of an organization such as PIPA, Mr. Suzuki described how PIPA will continue to achieve this goal by providing the exchange of information needed to focus opinion in the areas of industrial property laws and treaties, international regulations and proposals for such measures relating to industrial properties.

Mr. Suzuki suggested that by examining and proposing solutions as a result of the mutual understanding and friendships developed among the members of the American and Japanese Groups, at this Congress, PIPA can take the initiative in providing the understanding needed for the continued development of international technology.

At this time PIPA was honored to have Mr. Ken-ichiro Komai, Honorary Chairman of PIPA and Chairman of Hitachi Ltd.; Mr. E. B. Erickson, Counselor of Commercial Affairs, American Embassy, Tokyo; Mr. Hideo Saito, Director-General of the Japanese Patent Office; and Mr. Chobei Takeda, President of Takeda Chemical Industries, Ltd., speak before this Congress.

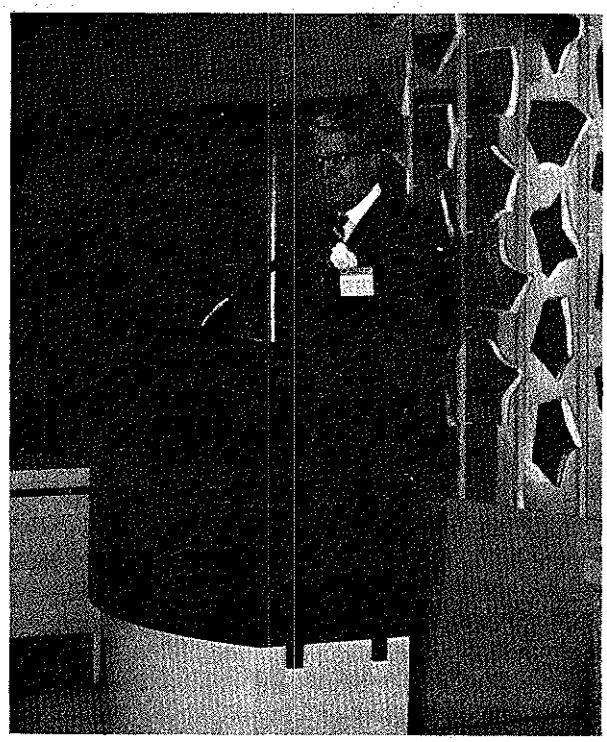
Chairman Komai noted the successful efforts of PIPA in dealing with problems related to industrial property through the hearty cooperation and efforts of all PIPA members. He also expressed his satisfaction in PIPA's spirit of cooperation directed towards the ideas and attitudes of developing countries. By adopting a "world wide" view, Mr. Komai believes that PIPA will continue to make further contributions to world peace and the improvement of human welfare.



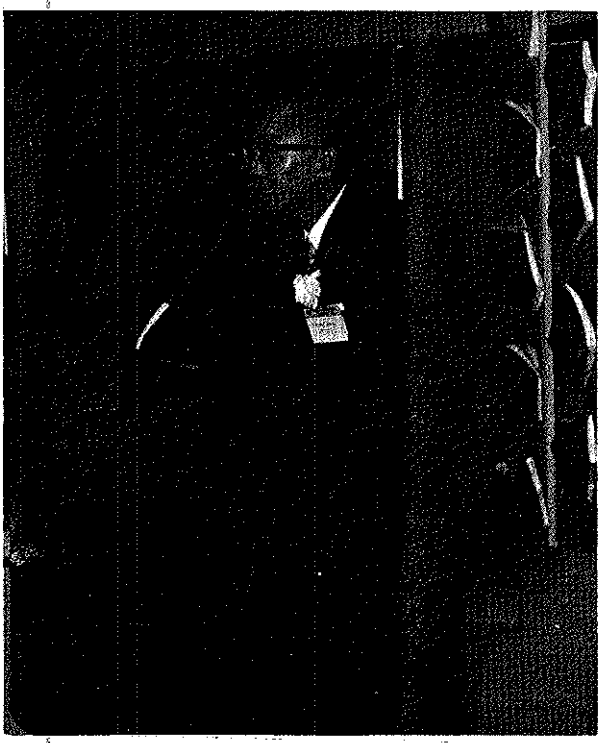
Honorary Chairman Ken-ichiro Komai

Mr. Erickson stated that the undertakings of PIPA were looked upon most favorably by the United States Department of State. It is his conviction that the vast technological involvement between the United States and Japan, as aided by the activities of this Association, provides the initial impetus for the dynamic trade and ideological rapport enjoyed by both nations.

In addressing the PIPA Congress, Mr. Saito cited the substantive value of the bilateral exchanges of information of an organization such as PIPA. As an example of how this exchange of information is beneficial, Mr. Saito commented on discussions he had with Mr. Marshall Dann of the United States Patent Office in which both parties examined their views on such areas as the adoption of the substance patent and multi-claims system in patent law and utility models law. He also described the present trademark registration problems and the proposed solutions being instituted in both countries. Based on this exchange of information Director Saito is of the opinion that the trademark systems of most industrialized nations are coming more and more to resemble each other. Mr. Saito also commented on the increasing number of problems for the Japanese Patent Office in such areas as the classification of related documents, the computerization of office practices and the mechanized referencing of Trademarks.



Mr. E. B. Erickson, Counselor of Commercial Affairs, American Embassy, Tokyo



Mr. Hideo Saito, Director-General of the Japanese Patent Office.

Mr. Takeda began his address by congratulating PIPA for its promotion of the improvement and development of industrial property systems and the encouragement of cooperation which has been promulgated through the exchange of information between the United States and Japan. He stated that it is this common field of discussion that deepens our understanding of mutual professional matters and provides the locus of collaboration on a global scale. By achieving international cooperation through organizations such as PIPA, Mr. Takeda believes that some day the dream of constructing a world nation named "Freedom" will finally come true.

The final item on the morning agenda was the report by Committee 3 (Patent and Trademark Treaties and Conventions). Committee 3 discussed two subjects, the "Proposed Provisions for the Model Law for Developing Countries of WIPO and Related Problems" and a commentary on "The European Patent Treaty from an Industrial Point of View."

The first report, presented by Reuben Spencer, discussed various approaches in the transference of technology to developing nations presently being considered under the aegis of the World Intellectual Property Organization. Basic modifications of traditional patent and know-how protection, as embodied in the national laws and treaties being adopted in many countries, were also discussed. The common element apparent in most of these new laws is the drastic reduction of the rights of ownership accruing to inventors in favor of the benefits to be conferred on the developing countries passing these laws. To achieve this result more rigid controls are being implemented in regard to patents of importation or confirmation, so-called technology transfer patents, and designated industrial development.

In addition, WIPO has drawn up a proposed patent treaty which establishes the manner in which microorganisms (particularly important to the fermentation industry and antibiotic inventions) are to be deposited, maintained, and distributed. It was noted that PIPA representatives have been forwarded questionnaires and summaries of meetings of experts in Geneva and it appears that a culmination of related activities in this area will take place during the latter part of 1975.

In the second report by Committee 3, Mr. K. Ishii informed the Congress that the general European Patent Treaty (EPT) has been approved in a diplomatic conference and a number of nations have signed this treaty. It is anticipated that the EPT will go into effect in the not too distant future. On the other hand however, the Common Market patent approach has become bogged down. It is understood that United Kingdom representatives are negotiating with other EEC members in an effort to reconcile the more objectionable requirements.

The report of Committee 1 (Patent and Trademark Procurement Law and Practice) began with a discussion by Tadao Niiya entitled "The Movement in Japan for Amendment of Patent Law." This report described two major changes which are expected to be incorporated into Japanese Patent Law in 1976. Under the first revision such items as chemical products, pharmaceuticals, foods and beverages etc. would become patentable. The introduction of this provision is expected to change the systems for technological research in Japan from a conventional approach which centers around the development of new production processes to those aimed at developing new products. The second change discussed was that of the adoption of a multiple-claim system similar to the ones presently being used in American and European countries in lieu of the present one-claim-per-application system now in force in Japanese Patent Law. As pointed out in this report, everyone agrees that there is a need for a multiple-claim system; however, whether a revision of Japanese Patent Law is required or only a modification of the Article 38 of the Patent Law, which contains an exception to the one-claim-per-application rule, appears to be the major issue. The recommendation of the Industrial Property Council compromised these two views and the final approach to be adopted by the Patent Office is still to be determined. In any event, it is expected that the introduction of these two systems into the Patent Law of Japan will contribute to the further growth of Japanese Industry.

A report on the status of revisions of United States Patent Law was presented by R. Anderson. Before discussing the proposed statute revisions themselves, however, Mr. Anderson first provided a brief overview of the United States legislative process to highlight how revisions are accomplished. As pointed out in this report United States patent law revision is a very active legislative area. It now appears that the patent revision legislation to be considered by the United States Congress in the near future will focus on the areas of deferred examinations, broadened discovery powers of the Board of Examiners in Chief, pre-issuance oppositions, and designation of a Public Counsel to make proceedings in the Patent Office more adversary in nature.

Another topic discussed by Committee 1 was that of the "Utilization of the Early Laying-Open (Publication) and Examination Request System." Mr. H. Kataoka explained the steps taken by the Japanese Patent Office to compile statistics (as indicated in material provided at this congress) denoting attendant trends, as for example, in specific industrial areas, since the new early publication and examination request system was instituted in 1971. Although this has resulted in a predictable increase in the work-load requirements, the value to corporate technological involvement appears to have had an enhancing effect.

In the trade and service mark area, Mr. M. Tsukamoto discussed trademark reform in Japan and Mr. N. Ohdo presented an update on proposed Japanese changes in the service mark field. Mr. Tsukamoto explained how the present trademark registration crisis in Japan has led to steps to resolve the situation legislatively. Since the backlog of applications is nearly 500,000 and there is a 4-5 year processing time, it is easy to see the need for immediate attention. In order to shorten application disposals to 15 months (having in mind eventual adherence to the Trademark Registration Treaty), legislation and administrative changes appear to be in the offing. In addition, eventual use requirements (within 3 years) are being proposed, substantial fee increases are in the making, and a multiplication of hired examiners along with the perfecting of mechanization aids are expected to help ameliorate the current situation.

In regard to service marks, Mr. Ohdo stated that in keeping with the 1958 Lisbon Agreement under the Paris Convention and the anticipated furtherance of the Trademark Registration Treaty, Japan is in the process of preparing an independent law for the protection of service marks. Although some legal boundaries are presently available under the current Trademark Law, Unfair Competition Law, and Commercial Code, a specific statute embodying service marks would provide the unification and clarity necessary to overcome present shortcomings.

Second Day – October 30

The second session of this congress was opened with a speech by Mr. Kotaro Otani, Engineer General of the Japanese Patent Office entitled "The Present Situation and Future Prospects of Patent Administration in Japan." Mr. Otani outlined how, through the introduction of an examination request system, the Patent Office has been able to reduce the examination period for patents and utility models from five years and three months to approximately two years and seven months. In addition, he expressed the belief that by increasing the number of examiners, strengthening the organization and improving the efficiency in examining practices the pending number of applications stockpiled can be reduced to two years.

Mr. Otani also touched on the revisions to the Patent Law concerning pharmaceuticals and the adoption of a multiple-claim system as described in the Committee 1 reports. In examining the operation of the Japanese Patent Office in regard to international fields, Mr. Otani explained that the Japanese Government is expected to ratify shortly the Strasbourg Agreement, and the International Patent Classification is already being utilized in the Tokyo Office. Mr. Otani also commented on several international topics presented at WIPO meetings in Geneva and a symposium on the role of patent information in research and development held in Moscow. In closing, Mr. Otani expressed the hope that opinions on problems concerning patent systems would continue to be exchanged and organizations such as PIPA would continue to promote this feeling of mutual cooperation.

Following the speech by Mr. Otani, Committee 2 (Patent & Licensing Law and Practice) presented a report on whether a Japanese employer can prevent its employees, by contract, from disclosing or using trade secrets which they acquired after they had left their employment. Mr. T. Kidosaki provided a cursory review of recent Japanese case law on this subject and outlined a proposed draft in the Japanese Criminal Code which imposes a penal servitude of up to 3 years or a fine of up to ¥500,000.00. From this information it can be concluded that although trade secret information in Japan may sometimes be thought to be comparatively inefficient, the secrecy obligation has been well observed under strict commercial ethics and further steady progress in the protection of trade secrets is being actualized in Japan.

A report on the protection of know-how and, in particular, the extent of practice by a subcontractor under a license contract and licensing of co-owned patents was discussed by Messrs. Gilkes and Nomaguchi respectively. By way of introduction, Mr. Gilkes explained how the recent United States Supreme Court decision in Kewanee v Bicron makes trade secrets more clearly enforceable because United States Federal laws and state laws dealing with trade secrets have been put in their proper perspective. Moreover, Mr. Gilkes described a move which is under way to provide express recognition for trade secrets and know-how and their protection under the Paris Convention.

The rights of a United States subcontractor under a license agreement were examined, and it was noted that although these rights are sometimes uncertain under United States law, this uncertainty can be overcome by expressly indicating the rights in the license agreement. The legal aspects involved in Japan with reference to a third party working under a license were examined based on Japanese case law. It appears that heavy emphasis is placed on the nature of the third party's relationship; i.e., "supply" and "work" arrangements call for different conclusions. It was also noted that the subcontractor's independence was considered in at least one court decision.

With respect to the licensing of co-owned patents (growing out of joint R & D in the United States and a foreign country, e.g., Japan), Mr. Gilkes elaborated on the four areas of potential patent law problems. They are:

1. Must a United States license be obtained in order to file patent applications outside the United States?
2. To what date can an applicant swear as an invention date to avoid a reference using a Rule 131 affidavit.
3. What invention date can be established in interference proceedings.
4. What agreements should be made between parties.

The matter of attendant rights under joint ownership in a Japanese patent is spelled out in the Civil Code. In addition, obtaining a patent, liability for fees, assignments, licensing, appeals and injunctions are all matters to be considered in detail.

Mr. W. T. Zielinski's report on the review of the Westinghouse-Mitsubishi concluded the Committee 2 presentations. A brief overview of the relationship of the parties was provided not so much to delve into legal issues or party positions but rather to provide some insight as to the litigation this case may portend for the future.

The remainder of the afternoon of the second day was devoted to a sightseeing tour of Kyoto.

Third Day — October 31

Committee 4 (Arbitration and Mediation in Patent Matters) initiated the last day of the congress with a presentation by Messrs. Teshima, Committee 4 Chairman, and Dr. P. Newman, who discussed the general progress of the Proposed Conciliation Systems.

Mr. Teshima reviewed the efforts of PIPA and Committee 4 in the pursuit of the establishment of a Conciliation System which was originally disclosed in the First PIPA Congress meeting in Tokyo in 1970. At this point Dr. Newman presented the new draft of the Rules and Regulations to be adopted by this congress. After discussion of this proposed system, the assemblage approved the drafted rules and regulations for the proposed Conciliation System devised for use by residents or nationals of Japan and the United States. This voluntary procedure would now call for ratification by the United States and Japanese groups and the implementations of administrative arrangements that would enable practical utilization.

In conclusion, Mr. Teshima expressed the hope that the Conciliation System evolved by PIPA would become an unprecedented, unique system to promote the settlement of disputes in the field of intellectual property matters.

The Fifth International Congress of PIPA closed with an address by Mr. C. Cornell Remsen, Jr., President of PIPA's United States Group. Mr. Remsen commended the preparation and execution of the amenities of this Congress in Kyoto by our Japanese hosts and noted that the addresses of the attending industrial and governmental guest officials were most contributive and aptly complemented the proceedings. In regard to the Committee reports presented, Mr. Remsen stated that the "batting averages" of those coming up to the plate raised the level of international patent and trademark symposia to a new high. Moreover, the discussions have become markedly spontaneous and forthright, indicating the maturity of PIPA as an organization and the trust and respect of the members in their personal relationships.

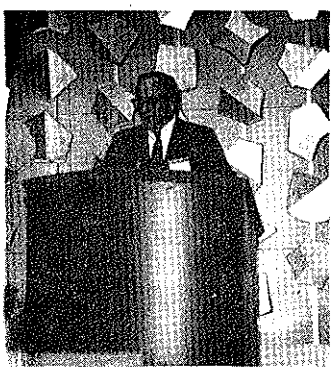
Special note was made of the fact that PIPA's recognition in the world intellectual property community again is evidenced, this time in the invitation and urging that it participate in the forthcoming WIPO negotiations relating to the Model Law for Developing Nations. Of course, our delegates were very much in evidence at the PCT and TRT meetings of experts and treaty discussions.

In examining PIPA's future plans, although the details have not been ascertained as to the next Congress, it was understood that members of the Japanese Group would prefer the locale to be along the American eastern seaboard. It would certainly be the intention to match the convenience and stimulation enjoyed thus far in Tokyo, Kyoto, Washington, and San Francisco. The timing must be in consideration of international events and the substantive and administrative preparatory work necessary to heighten the value of such an occasion. Much is happening that affects intellectual property in each of our respective countries, and worldwide.

Finally, Mr. Remsen noted that there is no organization dealing on an intrinsic professional basis in the manner or scope of PIPA's interests. Moreover, if we are essentially "Pacific" in geographic spread perhaps we should now be concentrating on securing the involvement of industrial representatives from Canada and Australia.

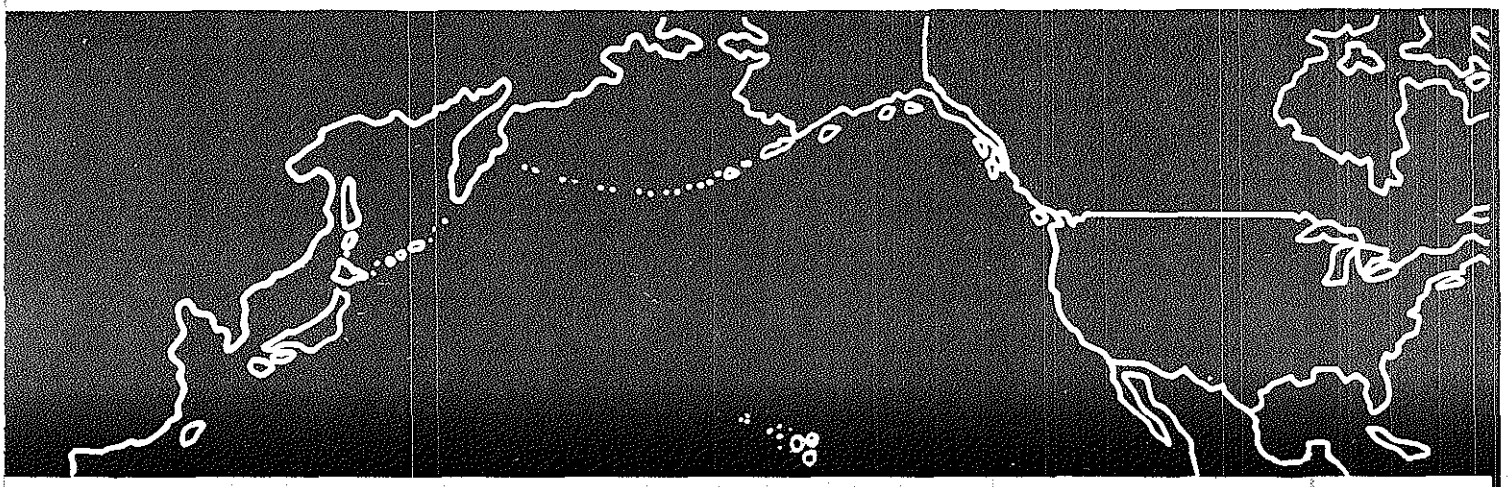
We in the United States can only hope and try to meet the graciousness and thoroughness that characterized the endeavor of the host country, Japan, in this outstanding Fifth PIPA Congress.


PACIFIC INDUSTRIAL PROPERTY ASSOCIATION
THE 5TH INTERNATIONAL CONGRESS



PACIFIC INDUSTRIAL PROPERTY ASSOCIATION

太平洋工業所有権協会

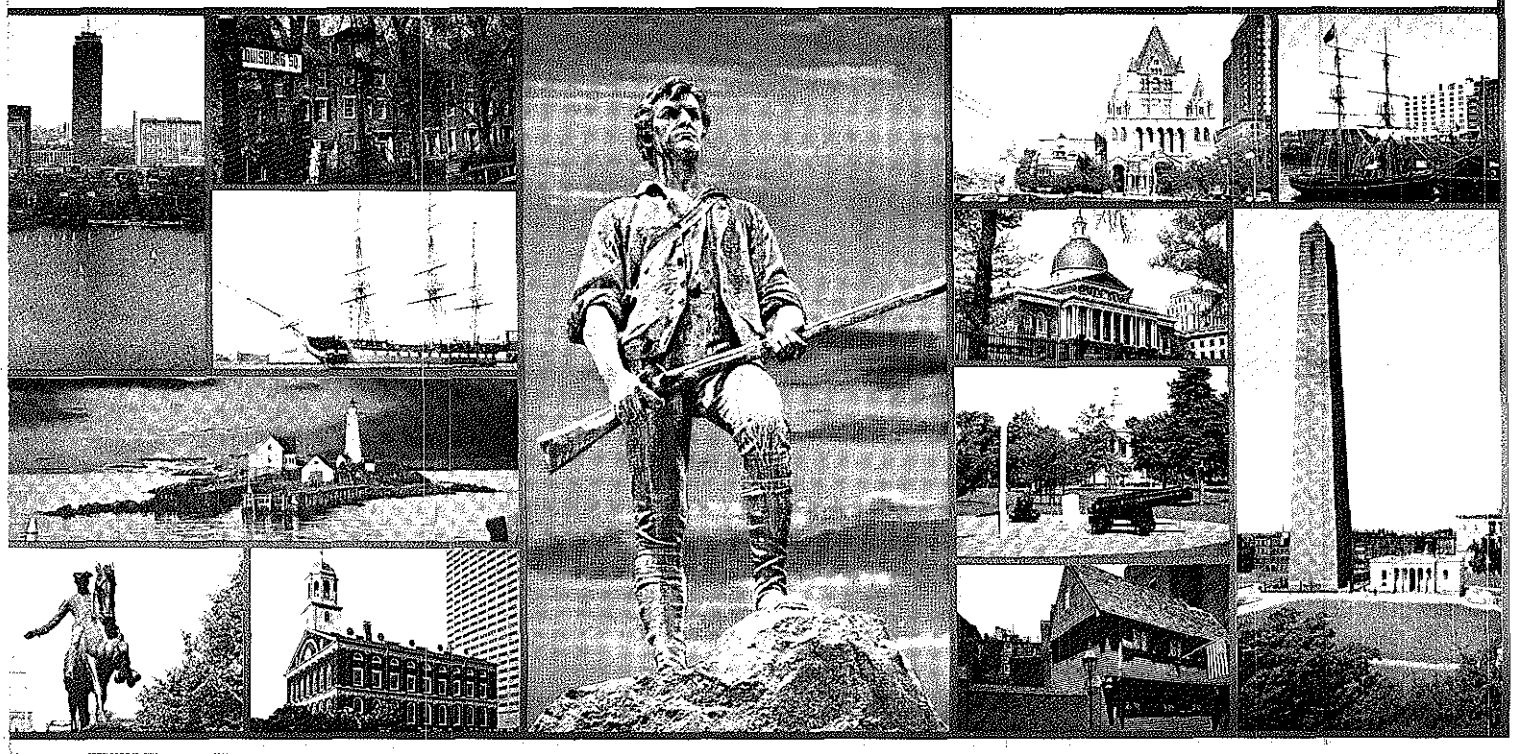


Sixth International Congress Boston October 15-16-17, 1975

PIPA

PACIFIC INDUSTRIAL PROPERTY ASSOCIATION

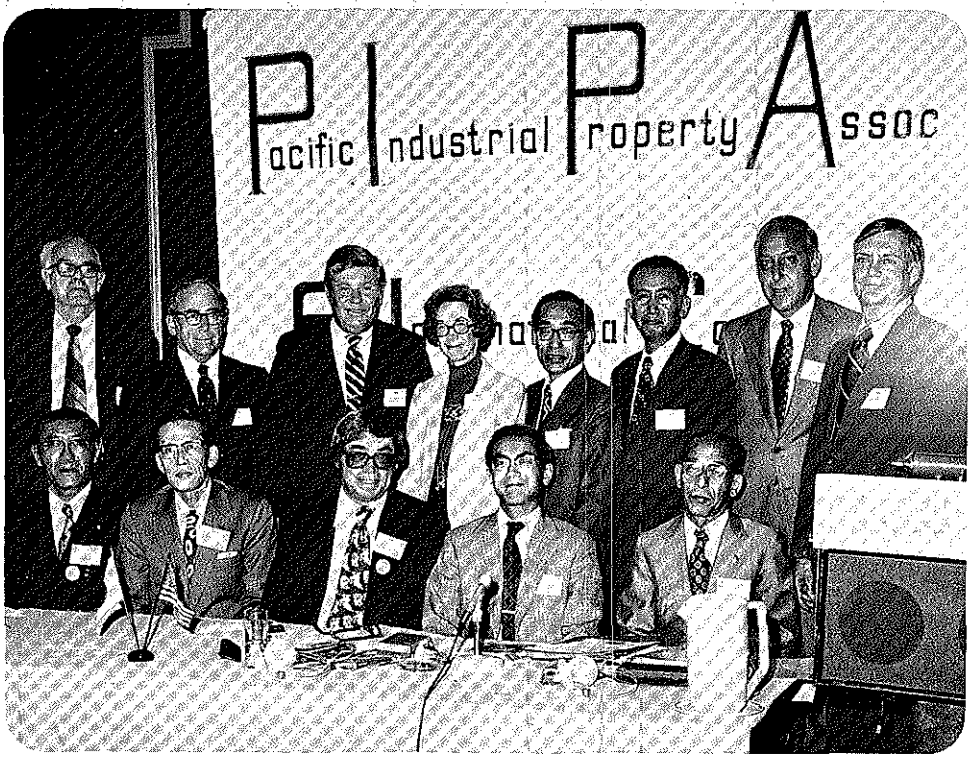
太平洋工業所有権協会

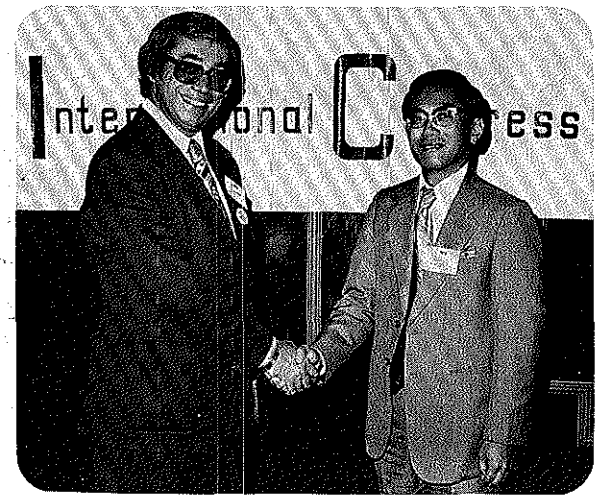


PIPA Officers,
Ex Officio,
and Chairman
(left to right)

Rear:
C. Cornell Remsen, Jr.
Edgar Adams, Jr.
Rudolph Anderson, Jr.
Dr. Pauline Newman
Shoji Matsui
Shozo Saotome
John Clark
John Shipman

Seated:
Masaaki Suzuki
Yoshinori Mihara
Harold Levine
Takashi Aoki
Chikashi Kanzaki





Presidents Harold Levine and Takashi Aoki

President Harold Levine presents gift to past President Masaaki Suzuki

SIXTH
INTERNATIONAL CONGRESS
BOSTON
October 15-16-17-1975
PACIFIC INDUSTRIAL PROPERTY ASSOCIATION

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Takashi Aoki	Japanese Group President
Rudolph J. Anderson, Jr.	1st Representative United States Group
Yoshinori Mihara	1st Representative Japanese Group
Dr. Pauline Newman	2nd Representative United States Group
Chikashi Kanzaki	2nd Representative Japanese Group

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Shoji Matsui	Japanese Group
C. Cornell Remsen, Jr.	United States Group
Masaaki Suzuki	Japanese Group

SECRETARY TREASURER

Ichiro Okano	Japanese Group
Edward L. Bell	United States Group

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Committee 2 –	Hisataka Ono	Auzville Jackson, Jr.
Committee 3 –		Robert B. Benson
Committee 4 –	Tomoatsu Teshima	Dr. Pauline Newman

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Massachusetts Institute of Technology

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Mitsubishi Chemical Ind., Ltd.
Mitsubishi Corp.
Mitsubishi Heavy Industries, Ltd.
Monsanto Company
Nippon Electric Co., Ltd.
Nissan Motor Co., Ltd.
Norton Company
Otis Elevator Company
Owens Corning Fiberglas Corp.
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Takeda Chemical Ind., Ltd.
Tanabe Seiyaku Co., Ltd.
Texas Instruments, Inc.
The Carborundum Company
The Dow Chemical Company
The Gillette Company
The Procter and Gamble Company
The Singer Company
Tokyo Shibaura Electric Co., Ltd.
Toyota Central Research and Development Laboratories, Inc.
Union Carbide Corporation
Universal Oil Products, Inc.
Western Electric Company, Inc.
Westinghouse Electric Corp.

PROGRAM MINUTES

First Day – October 15

The Sixth International Congress was opened by Mr. Harold Levine, President-elect of the association, who introduced Mr. Takashi Aoki, President-elect of the Japanese Group who gave the opening address.

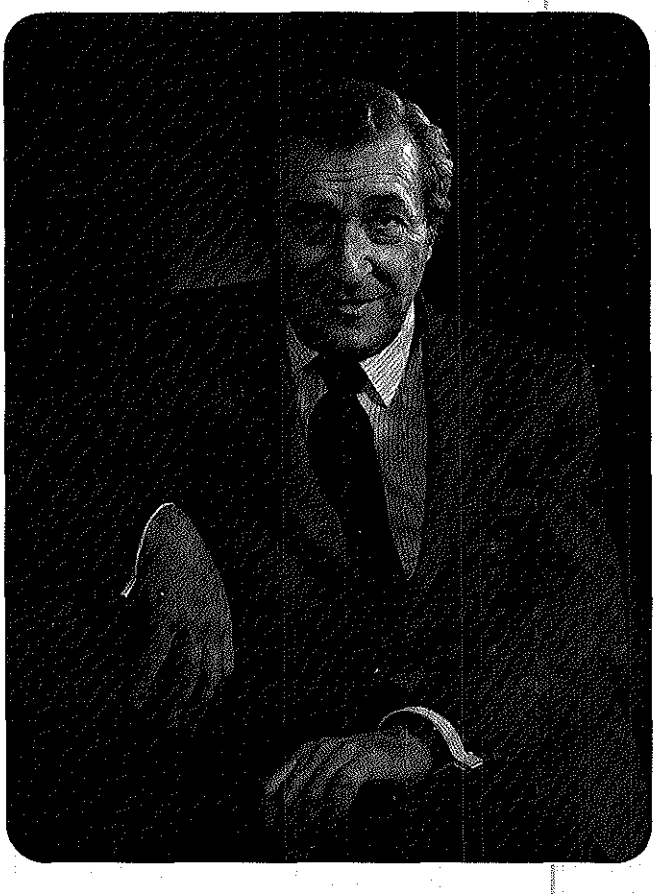
Upon completion of Mr. Aoki's remarks, Mr. Masaaki Suzuki, 1974 President of PIPA, reviewed the highlights and accomplishments of PIPA during the past year. In particular, Mr. Suzuki cited PIPA's participation and contributions to several international conferences concerning the protection of industrial property rights and summarized the current status of the PIPA Conciliation System. Mr. Suzuki concluded his address by noting that PIPA's 1974 activities show that the interests of its members are directed not only to the common interests of Japan and the United States but also to the solution of international problems and cooperation on an international scale.

Following the installation of PIPA officers Mr. Harold Levine, 1975 President of PIPA, delivered his keynote address. Mr. Levine, referring to the papers presented at the Fifth International PIPA Conference in Kyoto, Japan last year, congratulated all PIPA members for the contributions they had made in the presentation and exchange of information dealing with the complex topics presented. He expressed his belief that through exchanges of information in this manner, PIPA will continue to contribute to the reshaping of industrial property rights taking place in the world today. In the conclusion of his remarks, Mr. Levine stressed the need for PIPA to continue to develop actions and positions through its committees to realize fully the contributions and goals of the organization.

PIPA was honored to have Dr. Jerome B. Wiesner, President of Massachusetts Institute of Technology and former Science Adviser to the late President John F. Kennedy, as the honorary chairman of its Sixth International Congress. Dr. Wiesner began his speech by outlining, through examples, both the blessings and problems science and technology have presented to mankind. He noted that an important element derived from science and technology was the successful collaboration in the search for knowledge, efficiency and specialization.

Dr. Wiesner stated that this collaboration is great enough to, and frequently does, overcome the barriers of strangeness between people occasioned by different language, culture, and environment and cited the close relationship that has evolved technically, industrially and economically between Japan and the United States. Through the use of information "feedback" Dr. Wiesner believes that both governments and institutions can detect errors before they become big mistakes and by keeping the channels of communication open the system is kept up to date and present and future needs can be anticipated.

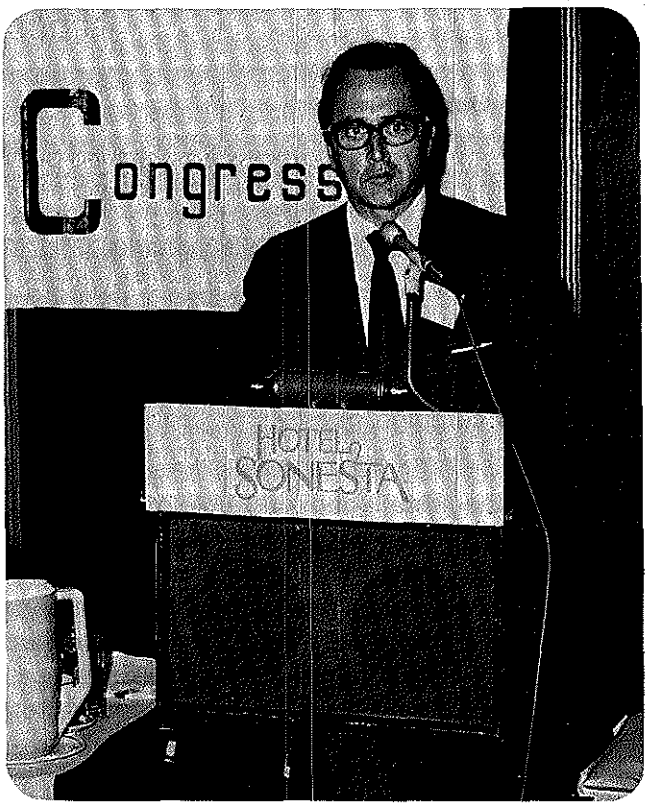
The final items on the agenda for the first morning were the reports by Committee 1 (Patent and Trademark Procurement Law and Practice). Committee 1 discussed three subjects, "The Revision of the Japanese Patent Law: Present Status", "Patent Law Revision", and "A Few Problems Relating to the Newly Accorded Patentability of Chemical Products or the Like in Japan".



Dr. Jerome B. Wiesner, President
Massachusetts Institute of Technology

The first paper, presented by Mr. H. Hasegawa, Chairman of Committee 1, Japanese Group, elaborated on the present status of Japan's new Patent Law. He identified and discussed the highlights of the latest amendment to the Japanese Patent Law promulgated as of June 25, 1975. The following changes of Japanese Patent Law were cited:

1. Inventions relating to chemical substances, medicinal products, foods and beverages and luxury products, which were not patentable under the prior law, will now be patentable.
2. In lieu of the prior single-claim practice, multiple claims specific to different embodiments of the invention will be permitted.
3. Where a license is sought by arbitration for practicing an invention, there is now a provision for cross-licensing that invention to the original patentee.
4. After an application has been published and there has been a rejection by the Examiner, an amendment of the specification will be permitted at the time of the appeal from that rejection.



William J. Keating, Committee 1 Chairman, United States Group

Mr. Hasegawa also noted that in addition to the four major points discussed, the latest amendment also contained a revised fee schedule and other revisions to the law were made in accordance with the Paris Convention as amended in Stockholm.

In the second report by Committee I, Mr. John Clark provided an update of the prospective new United States Patent Law presently being considered by the United States Congress – "S-2255". This bill is expected to be passed by the United States Senate in the near future and sent to the House of Representatives. It is not anticipated that the House of Representatives will hold hearings on S-2255 until 1976. Mr. Clark's dissertation centered around the more controversial sections of the Bill, in particular Sections 112, 115, 135 and 23. He also discussed Section 104 of the present law and the disadvantages faced by foreign inventors in United States interference practice as a result of this Section. Mr. Clark concluded by stating that a major problem arises from a difference in philosophy between the first-to-file and first-to-invent systems, and that as long as these two different philosophies continue, there is no equitable solution.

Mr. Tunewo Shimada of Committee 1, concluded the agenda for the first morning with a presentation entitled "A Few Topics Relating to the Newly Accorded Patentability of Chemical Products or the Like in Japan". Mr. Shimada noted that items such as chemical substances, medicinal products, foods, preservatives and luxury products, which were previously unpatentable, are now patentable under the amended Japanese Patent Law and there may be a significant increase in requests for arbitration of non-exclusive licenses if patents related to these products are deemed to be of public interest.

Mr. Shimada next directed his attention to the problem of determining the patentability of a chemical process under the new Japanese Patent Law. He indicated that even though the invention concerns a "chemical analogy process" judgment of its patentability should be made through a consideration of its novelty, unobviousness, and usefulness.

In concluding his presentation Mr. Shimada noted that the practice of compounding medicines used for filling physicians or dentists prescriptions and the resulting medicines are not patentable under the new Japanese Patent Law.

Hajime Hasegawa, Committee 1 Chairman, Japanese Group

The reports of Committee 2 (Patent and Licensing Law and Practice) began with a presentation by Mr. A. Narita entitled "Regulations and Government Guidelines for International Licensing in South-East Asia".

Mr. Narita described the regulations and trends of government guidelines for international licensing in countries of South-East Asia and particularly India and the Philippines where the patent systems are established and government policies are relatively definite. There is a growing tendency towards nationalism and the protection of domestic industries. For example, in the Phillippines the only limit on royalties payable under a license agreement is one involving remittance to a foreign concern. In addition the foreign payment of royalties is subject to a tax of thirty-five percent (35%). Indian licensing laws go further by requiring that agreements contain a provision for training Indian nationals.

In his conclusion, Mr. Narita stated that the growing nationalism and protection of domestic concerns in South-East Asian countries is reducing the flow of foreign capital and technology at a time when they most need it.

Next, Mr. John Dull discussed regulations and interventions by governments with regard to licensing in Latin American countries. Mr. Dull noted that at the present time licensing and the transfer of technology are closely regulated in most Latin American countries. Agreements must be registered to be effective, and the Registries will not register agreements containing certain prohibited provisions. The Registries also have discretionary power to regulate such important terms as the amounts of money to be paid, the time periods during which royalty payments may be made and for how long the confidentiality of technical information is to be maintained. He noted that Argentina and Mexico appear to be at the opposite ends of the control spectrum. In Argentina regulations are very restrictive whereas the Mexican Registry is free to negotiate within certain guidelines.

The prevalent attitude in Latin America appears to be that once technology is transferred and paid for, the transferee "owns" it and should have no restriction on its use or other disposition. A review of the technology laws in Latin American countries reveals that most countries have restrictions on payments to foreigners, particularly on payments by a local subsidiary to its foreign parent company. Also, most Latin American countries impose taxes chargeable against the foreign licensor on foreign payments under agreements.

In his conclusion, Mr. Dull stated that there does not appear to be any formula for guaranteed success when working with the various Latin American regulations. The best suggestion is to obtain competent local counsel and make full use of any opportunity to meet personally with Registry officials to present justification for the proposed agreement terms.

In his discussion concerning licensing, Mr. Robinson noted that the law in the United States seems to be heading toward compulsory licensing. Several statutes limited to specific subject matter (Atomic Energy Act, Clean Air Act and ERDA) have compulsory licensing provisions. The judiciary has also been active in denying the patent owner injunctive relief, and in 1974, the Second Circuit Court of Appeals ordered a compulsory license with a reasonable royalty (Foster v. AMF 182 USPQ 1, 1974). In 1975, Senator Hart introduced bill-S814-in the Senate to amend the Federal Trade Commission Act by making it an unfair act or practice for the owner of a United States patent to refuse to license the patent, **together with all**

available know how, to any applicant on reasonable terms. As noted in its decision in Lear, Inc. v. Adkins, 162 USPQ 1, 1969, the Supreme Court held that a licensee cannot be stopped from litigating patent validity, regardless of agreement to the contrary, and cannot be required to pay royalties while contesting validity. Subsequent decisions have held that a licensee is entitled to recover all royalties paid into escrow during the suit if the patent is invalid, and that a consent decree acknowledging patent validity is entitled to res judicata.

In his summary, Mr. Robinson concluded that based on the attitude of Congress and the failure of the Federal Courts to resist "price competition" arguments against enforcing the "exclusive" nature of the patent grant, many practitioners favor a limited form of compulsory licensing in order to save the United States patent system.

The next speaker Mr. Hisataka Ono, Chairman of Committee 2, Japanese Group, discussed the licensing policies of Japanese enterprises. According to a recent survey conducted by the Japanese Patent Association, most Japanese companies have experience in both domestic and foreign licensing. Important factors in deciding whether to enter into a foreign license agreement are eligibility, the market and the political or economic conditions in the other party's country. Competition is the major consideration in domestic licensing. Mr. Ono also noted that Japanese companies are most active in pursuing the public relations aspects when licensing abroad.

In summary, Mr. Ono stated that about seventy percent (70%) of the Japanese companies surveyed intend to increase their foreign licensing activities in the future and no Japanese company surveyed predicted a decrease in foreign licensing activity.

In his presentation entitled "Licensor's Warranty Under Japanese Law", Mr. Kazuo Takayanagi of Committee 2 stated that there is no Japanese case law dealing with warranties with respect to patent and trademark licenses in Japan. Although the Japanese Civil Code does not provide specific rules for licensing intellectual property, the general principles of the Civil Code are applicable. The rules concerning the seller's warranty are applicable by analogy so that a remedy would be available to the licensee for a defect in the title or in the invention. On the other hand, warranty obligations can be expressly limited or entirely disclaimed, except where a defect was known to the licensor but was not disclosed to the licensee before the license agreement was entered into.

At the conclusion of the first day's presentations, the attendees of the Congress enjoyed a program at The Hayden Planetarium of the Museum of Science entitled "Grandchildren of the Sun". A reception and banquet at the Museum of Science followed.

Second Day — October 16

The second day of the Sixth International PIPA Congress began with a presentation by Mr. Masafumi Tsukamoto, Vice-Chairman of Committee 1, Japanese Group, entitled "Japanese Trademark Law Revisions". Simultaneously with the revisions to the Japanese Patent Law, the revisions to the Japanese Trademark Law were promulgated on June 25th of this year. Although most of the revisions will not become effective until January 1, 1976 the revisions calling for an increase in fees were in effect as of June 25 of this year.

The Japanese Trademark Law is about to undergo its most drastic change incorporating use requirements similar to those of other countries in which; (1) applications will be refused unless the use of the mark is probable in view of the applicant's line of business; (2) unused registrations will be easily cancellable; and (3) unused registrations will not be renewed. All of the revisions should contribute to overcoming delay in trademark examination before the Japanese Patent Office.

Mr. Tsukamoto concluded by stating that the one problem that remains concerns the protection of well-known marks with regard to goods on which it is not used and thus could be cancelled or will lapse.

In his presentation entitled, "Pitfalls Faced by Foreign Nationals in Procuring and Maintaining United States Trademark Registrations and Protecting Well-known Trademarks", Mr. Breslau of Committee 1, focused his attention on problems faced by foreign nationals in filing trademark applications under Section

44 of the United States Trademark Act. The practice of the United States Patent and Trademark Office over the years was reviewed along with current case law which has resulted in the practice presently being followed. Problems which arise when foreign nationals are faced with the need to file affidavits of use under Section 8 and renewal applications were discussed as were the pitfalls faced in filing Section 15 affidavits. Lastly, Mr. Breslau dealt with the question of how well-known trademarks can be protected against registration by others in the United States. That question was considered from the standpoint of well-known foreign trademarks which have not been used in the United States by their owners and well-known trademarks which are in use in the United States but are appropriated by others for different goods.

In the next presentation, Mr. Shoji Nakajima Vice Chairman of Committee 1, Japanese Group, discussed the adoption of the multiple claim system in Japan. The partial amendment of the Japanese Patent Law issued on June 25, 1975 proposed to substitute the system of multiple claims for the traditional one-claim-for-one-invention system.

This new claim system was adopted on the premise that the law would be amended only to the extent that conflict with Patent Cooperation Treaty (PCT) provisions might be averted. Accordingly, the Japanese Patent Office prepared the "Draft Operational Standard on Multiple Claim System", which was officially promulgated on October 12, 1975.

Included in Mr. Nakajima's discussion was a synopsis of the unique features of the new multiple claim system and points of issue, a description of the operational standards concerning multiple claims and a comparison of the substantial differences between the new Japanese system and the present United States system.

The last speaker of the morning session was Dr. Batholomew Kish of Committee 3.

Dr. Kish, who served as an observer representing PIPA at the World Intellectual Property Organization (WIPO) working sessions in Geneva (November 1974 and May 1975) which sought to revise the 1965 BIRPI Model Patent Law for developing countries, provided an overview of the influences, pressures, and recommendations being brought to bear on the final draft of the WIPO Model Law.

In the draft released by WIPO, Dr. Kish noted the departures from traditional patent concepts embodied in the Andean Commission Decisions and the new Indian, Argentine and Mexican laws. He also pointed out the fact that the working group, organized by WIPO, to prepare this draft was heavily weighted with representatives of the Third World, with only four official experts participating from the "market economy" countries.

Dr. Kish concluded by stating that he doubts that the WIPO efforts will produce a patent law meaningful for foreign patentees. He is concerned that the patentee's rights will be severely restricted and that filing patent applications in developing countries will serve no useful purpose.

In his dissertation on the "Current Proposal to Revise the Paris Convention made by Underdeveloping Countries", Dr. Kish provided a synopsis of attempts by developing countries, through the use of the United Nations and its various agencies (ECOSOC, UNIDO, UNCTAD and WIPO) as a forum, to "modernize" through revision, various articles of the Paris Convention. After exploring the history and foundation upon which the Paris Convention is based and providing a breakdown of the three "camps" (western industrialized countries, socialist countries and the third world) and their respective attitudes toward the Paris Convention, Dr. Kish discussed in detail the 14 points identified by the Third World as requiring revision. These were:

1. National treatment of patents
2. Independence of patents
3. Non-working and Delays in working of the Patented Invention
4. Compulsory licenses
5. Licenses of Rights
6. Preferential treatment without Reciporicty
7. Technical Assistance

8. Types of Protection other than Patents (Inventors' Certificates, etc.)
9. Marks; Industrial Designs: Appelations of Origin
10. Reservations
11. Deletion of Article 24 of the Convention
12. Scope of Protection of Process Patents
13. Right of Priority
14. Unanimity Rule

Dr. Kish concluded his presentation by stating that in his mind there is no question that an international treaty [Paris Convention] can easily become unworkable and meaningless when the opportunity is afforded to individual member countries to pick and choose which of the various treaty provisions will be applicable to them. It is necessary that those concerned see to it that Government representatives fully recognize the importance of the issues involved and the consequences of acceding to the demands of the "Third World".

At the luncheon of the second day, Mr. Aoki addressed the Congress on behalf of the Commissioner of the Japanese Patent Office, the Honorable Commissioner Saito. Commissioner Saito's speech outlined the recent trends in the administration of industrial property by the Patent Office in Japan and emphasized the need for a smooth technology transfer to developing nations to achieve the healthful development of the world economy as a whole.

In examining the operation of the Patent Office, Commissioner Saito described the attempts that have been made through the installation of modern equipment to obtain quick access to information and the adoption of more efficient procedures to achieve faster and better administration of patents and trademarks in order to meet the needs arising from the sophistication of technology and its diversification.

On the afternoon of the second day, there was a bus tour of the Boston/Cambridge area, including the campus of Massachusetts Institute of Technology and Harvard with stops at places of historical interest including the Boston Tea Party ship and the U.S.S. Constitution – "Old Ironsides".

Third Day – October 17

The final session of the Sixth PIPA Congress began with an update by Dr. Pauline Newman on the present status of the Conciliation Procedures adopted by the last PIPA Congress.

Dr. Newman noted that these procedures are presently being publicized in both the Japanese and American media. In essence the Conciliation Procedures provide a set of rules and regulations available for use by Japanese and United States nationals in disputes concerning industrial property rights. The Conciliation Procedures are premised on the following principles:

1. Simplicity
2. Non-binding to encourage participation.
3. No penalization of either party.
4. Specific rules to protect proprietary and confidential information.

Upon completion of the publicity campaign, it is a matter of waiting to determine the amount of use the Conciliation Procedure will attract and whether and when it may be necessary to update and improve the text.

John Shipman of Committee 3, discussed the Status of the Trademark Registration Treaty (TRT), Patent Cooperation Treaty (PCT), European Patent Convention (EPC) and Community Patent Convention (CPC). He also summarized how close the parties are to agreement and the areas of difficulty.

Although TRT is signed, ratification is a close question in the United States because of provisions for registration without use. Most other countries will probably ratify this treaty. The PCT is signed and ratification by the major countries is highly probable. Action or ratification has been delayed in Europe because EPC and CPC are being considered at the same time. The EPC is signed and CPC will probably be signed in January of 1976 after many compromises. Ratification of both Conventions, along with PCT, will be considered simultaneously with estimates of completion running from 1977 to 1980. Difficulties include

financial problems, concern for national patent offices, patentability of pharmaceuticals in Italy, possibility of having country selection in CPC during transition, probable conflicts because of validity determination by the European court, infringement by national courts and EEC contention of exhaustion of community patent rights by marketing in any EEC country regardless of patent situation in that country, staffing of European Patent office and drafting of detailed procedures. Mr. Shipman believes that the start-up of EPC and PCT will occur in late 1978 and CPC in 1980.

Mr. Shoji Matsui discussed the proposed international treaty on the international deposit of microorganisms and its problems and some amendments to the Japanese Patent Office standards for examination of patent applications in the field of applied microbiological industry. Mr. Matsui informed the Congress that the World Intellectual Property Organization (WIPO) intends to establish an international treaty concerning the deposit of microorganisms for patent purposes. The major objective of an international treaty is to establish a single depository and authority which will be the recipient of all patent applications in plural countries.

In regard to the present system in Japan, Mr. Matsui noted that the Japanese Patent Office is in the process of amending its rules which regulate the deposit of microorganisms employed in a patent application. The new rules would provide for a deposit at the Fermentation Research Institute, Agency of Industrial Science and Technology (FERM), after filing a patent application, provided the microorganism has been deposited at a reliable culture collection before filing. This system will be much more convenient for foreign applications.

The next speaker, Mr. Oliver Hayes of Committee 1, discussed the test of nonobviousness as a standard of patentability that is presently employed in United States patent law. By providing a brief review of the history of this standard, beginning in 1952 when the United States Congress extensively revised Section 35 of the United States Code, Section 103, through 1965 when the United States Supreme Court finally addressed itself to the problem of interpreting the 1952 Act, Mr. Hayes provided the proper context for the problems presently encountered by United States Courts in deciding cases concerning this issue.

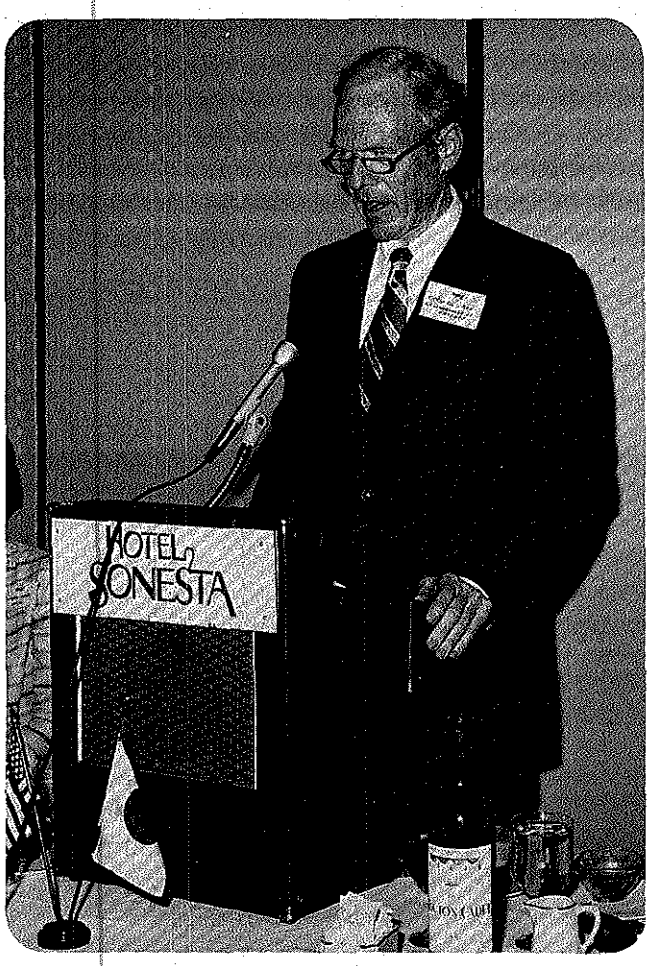
Mr. Hayes noted that the intent of the United States Congress in writing Section 103 was to replace the subjective criteria adopted in the Great Atlantic and Pacific Tea Company v. Supermarket Equipment Corporation case, 87 USPQ 303, 1950, by objective tests that could be applied to the actual facts surrounding the making of an invention in determining its patentability. Although he believes the court ruling in Graham v. John Deere Company, 148 USPQ 459, 1966, almost correctly interpreted Section 103, the later court ruling in Anderson's – Black Rock, Inc. v. Pavement Salvage Co., Inc., 163 USPQ 673, 1969 was an essentially inconsistent ruling by the United States Supreme Court that created uncertain guidelines for the lower courts. It is to be noted that the United States Supreme Court recently granted certiorari for a circuit court case dealing with the issue of nonobviousness. It is hoped that a decision by the Supreme Court on this case will resolve the contradictions of Graham and Black Rock.

Mr. Hajime Hasegawa concluded the morning presentations with a dissertation on Japanese Patent Office procedures. The examination and trial procedures of the Japanese Patent Office are essentially the same as those of the United States Patent Office. However, the Japanese procedure also includes oppositions, invalidation trials, and early laying-open and examination requests.

A brief overview of the actual operation of Japanese Patent Office including oral interviews, telephone interviews, demonstrations, claim language suggested by examiners and procedures for referring cases to supervisors was presented.

In his conclusion, Mr. Hasegawa stated that any approach which attempts to assist examiners and appeal examiners in the understanding of an invention results in a favorable situation whereas interviews and demonstrations which are too frequent or prolonged usually are not affected.

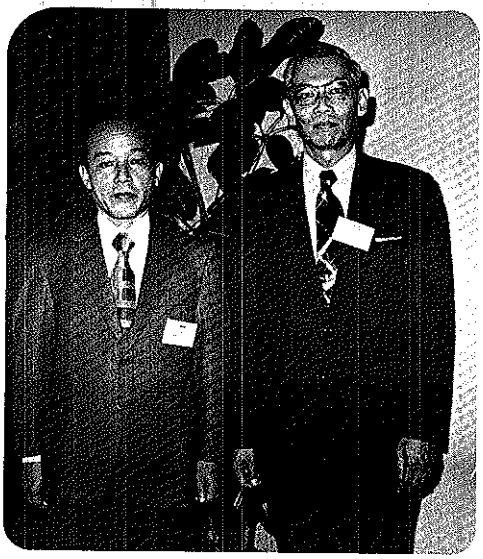
The proceedings of the Sixth International Congress concluded with a luncheon address by the Honorable C. Marshall Dann, Commissioner of the United States Patent and Trademark Office. Commissioner Dann expressed the belief that it is organizations such as PIPA which help promote better international relations and understanding in the world today. He also commented on the importance of international trade of both countries and the return on licensing of technology which both countries receive.

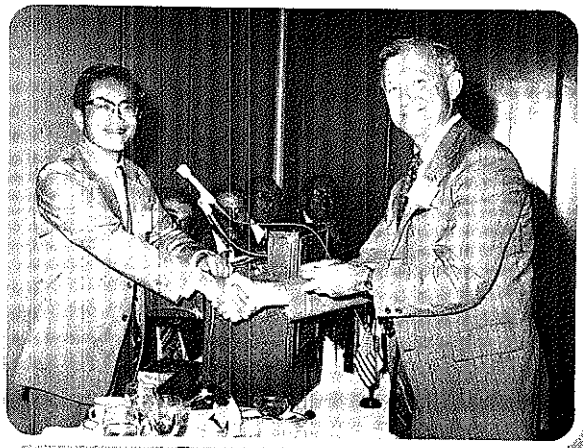


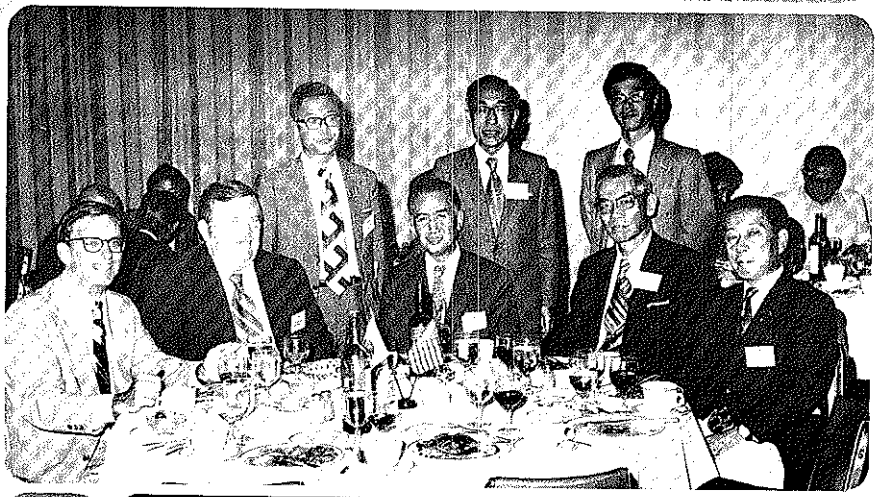
Commissioner Dann provided a brief overview of the United States position concerning the Patent Cooperation Treaty, the Trademark Registration Treaty and the Strassburg Agreement (1971). He also provided a brief synopsis of the United States position regarding proposed amendments by developing countries to international laws relating to industrial property. He noted that the United States is attempting to work out accommodations which will help developing countries and, at the same time, not affect the present international rules that have been so uuseful and successful for developed countries.

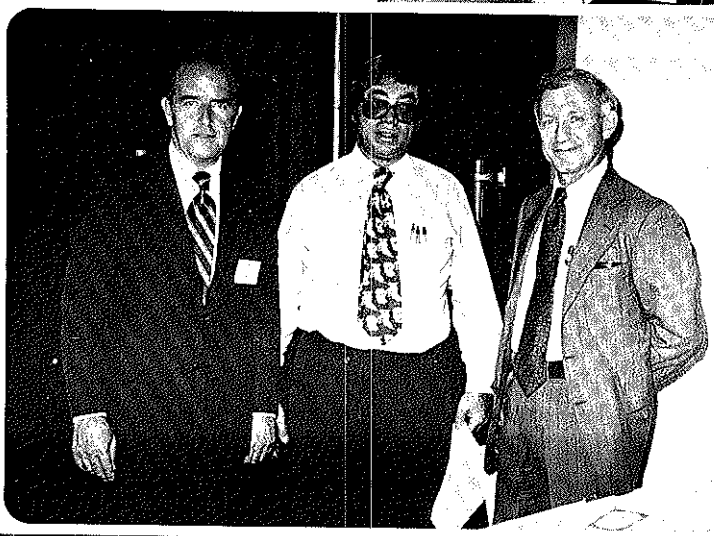
Mr. Harold Levine, U. S. Group and Association President and Mr. Takashi Aoki, Japanese Group President concluded the proceedings by thanking all involved for making the Sixth International PIPA Congress the success it was.

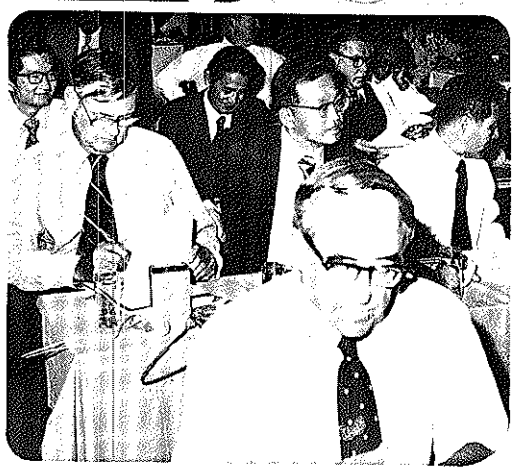
Honorable C. Marshall Dann, Commissioner of the United States Patent and Trademark Office











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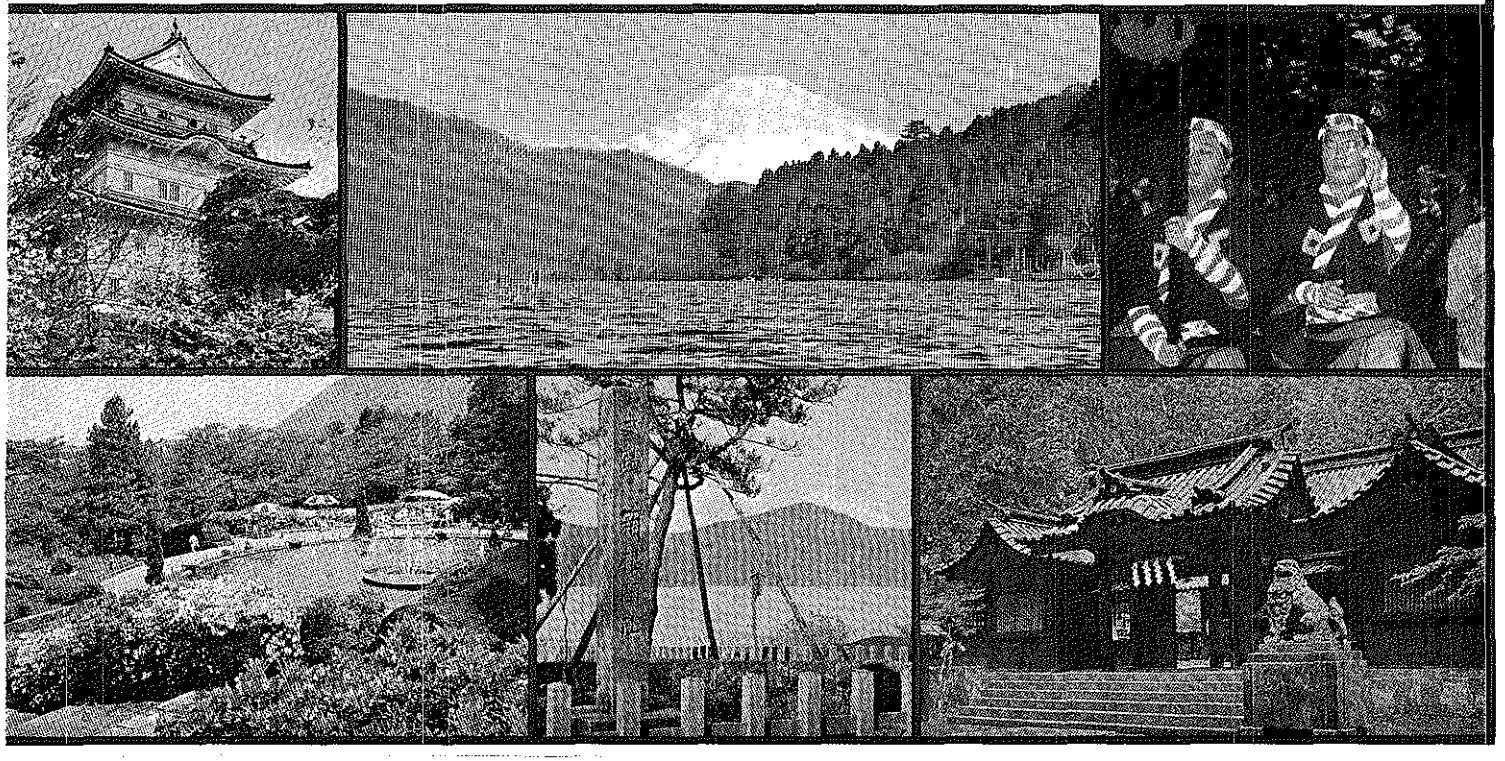
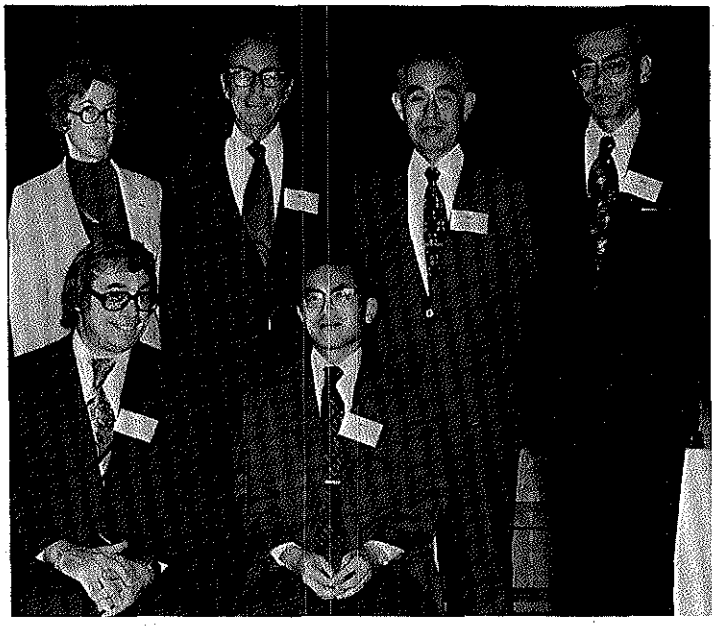
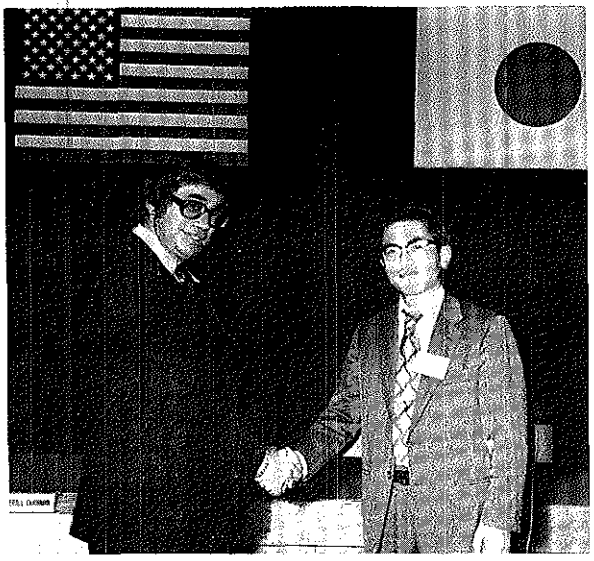




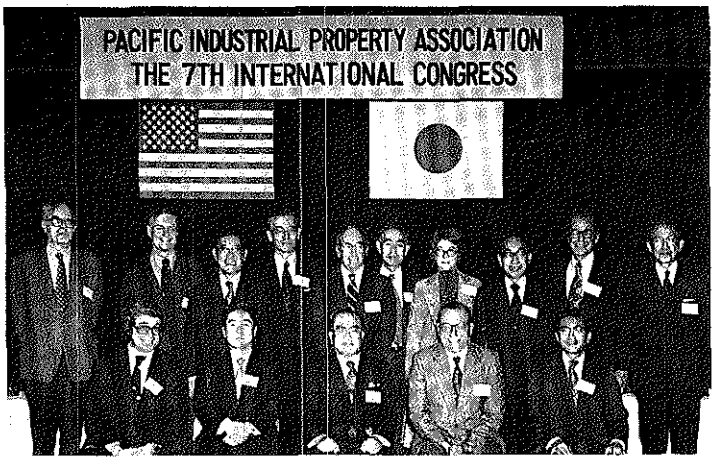
PIPA Officers

Rear
Dr. Pauline Newman
Paul M. Enlow
Jinnosuke Tsunoda
Tomoatsu Teshima

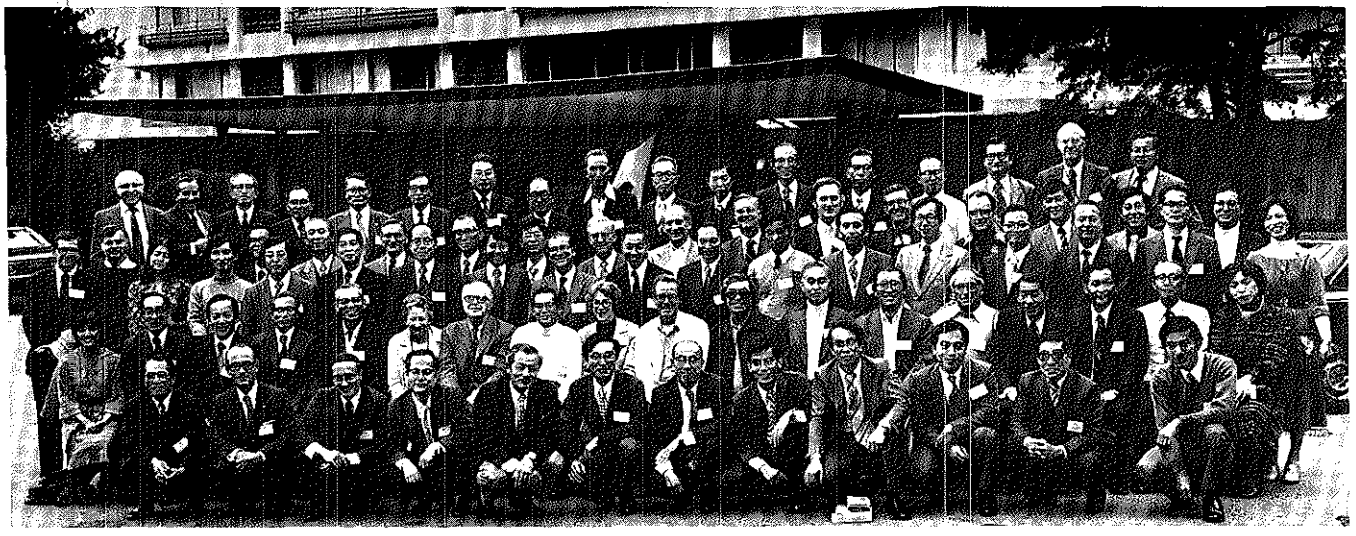
Seated
Harold Levine
Takashi Aoki



Presidents Harold Levine and Takashi Aoki



Honored Guests, Officers and Board of Governors



PIPA Congress Attendees

SEVENTH
INTERNATIONAL CONGRESS
HAKONE
November 9-10-11, 1976
PACIFIC INDUSTRIAL PROPERTY ASSOCIATION

OFFICERS

Takashi Aoki	Association and Japanese Group President
Harold Levine	United States Group President
Jinnosuke Tsunoda	1st Representative Japanese Group
Paul M. Enlow	1st Representative United States Group
Tomoatsu Teshima	2nd Representative Japanese Group
Pauline Newman	2nd Representative United States Group

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Shoji Matsui	Japanese Group
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Masaaki Suzuki	Japanese Group

SECRETARY TREASURER

Ichiro Okano	Japanese Group
Edward L. Bell	United States Group

COMMITTEE CHAIRMAN

	Japanese Group	United States Group
Committee 1 –	Hajime Hasegawa	William J. Keating
Committee 2 –	Kazuo Takayanagi	Robert B. Benson
Committee 3 –	Shoji Matsui	Edgar W. Adams
Committee 4 –	Tomoatsu Teshima	Dr. Pauline Newman

Honorary Chairman — Mr. Tsuguhide Fujiyoshi, President
Toray Industries Inc.
(Chairman of Japan Patent Association)

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American Telephone and Telegraph Company
AMP Incorporated
Asahi Glass Co., Ltd.
Bell Telephone Laboratories, Inc.
Chiyoda Chemical Engineering and Construction Co., Ltd.
Ciba-Geigy Corp.
Ebara Manufacturing Co., Ltd.
FMC Corporation
Foster-Grant Co., Inc.
Fuji Photo Film Co., Ltd.
Fujisawa Pharmaceutical Co., Ltd.
Fujitsu Limited
General Electric Company
General Electric Japan, Ltd.
Hitachi, Ltd.
I.B.M. Japan, Ltd.
Idemitsu Petrochemical Co., Ltd.
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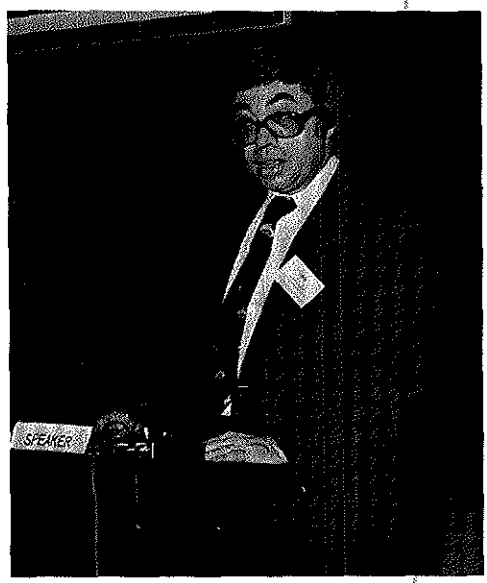
Mitsubishi Chemical Industries, Ltd.
Mitsubishi Corporation
Mitsubishi Electric Corp.
Mitsubishi Heavy Industries, Ltd.
Mitsubishi Rayon Co., Ltd.
Mitsui Petrochemical Industries, Ltd.
Monsanto Company
Nippon Denso Co., Ltd.
Nippon Electric Co., Ltd.
Nippon Sheet Glass Co., Ltd.
Nippon Shinyaku Co., Ltd.
Nippon Telegraph and Telephone Public Corp.
Nissan Motor Co., Ltd.
Oki Electric Industry Co., Ltd.
Otis Elevator Co.
Sekisui Chemical Co., Ltd.
Shin-Etsu Chemical Co., Ltd.
Smithkline Corp.
Standard Oil Co. (Indiana)
Sumitomo Chemical Co., Ltd.
Sumitomo Electric Industries, Ltd.
Takeda Chemical Industries, Ltd.
Tanabe Seiyaku Co., Ltd.
Texas Instruments Incorporated
The Procter & Gamble Company
Tokyo Shibaura Electric Co., Ltd.
Toyota Central Research and Development Labs., Inc.
Toyota Motor Co., Ltd.
Ube Industries, Ltd.
Western Electric Company, Inc.
Westinghouse Electric Corp.
Yamanouchi Pharmaceutical Co., Ltd.

PROGRAM MINUTES



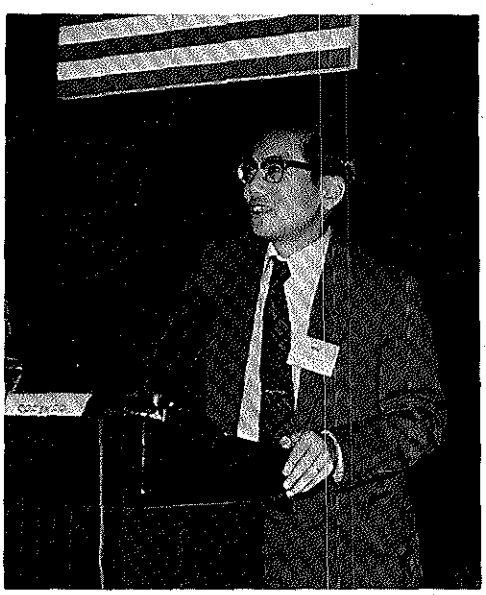
Harold Levine

First Day — November 9

The Seventh International Congress at Hakone, Japan, was opened by Mr. Ichiro Okano, Secretary-Treasurer of the Japanese Group, who welcomed the sixty-three representatives and alternates from forty member companies. Mr. Harold L. Levine, President of the United States Group, reviewed PIPA's 1975 activities including its participation in several international conferences relating to the protection of industrial property rights. He also discussed the many changes in the attitudes of the developing countries concerning the flow of technology and, in particular, the proposed revisions of the Paris Convention.

Mr. Takashi Aoki, President of PIPA and President of the Japanese Group, in conjunction with Mr. Levine, introduced the Board of Governors of PIPA and following the installation of PIPA officers, delivered the Keynote Address. Mr. Aoki referred to the ongoing activities of WIPO as part of the UN, the recent conference at Stockholm, the signing of the Patent Cooperation Treaty by the United States, the International Classification Agreement, the signing of the Trademark Registration Treaty, and the forthcoming European Patent Convention. He also referred to the changes being made in the national patent laws of many countries, all of which will have a great impact on those attending the PIPA Congress. Mr. Aoki indicated that he will attend the International Conference in Geneva on the Paris Convention and hopes to present a position paper on behalf of PIPA. He urged that PIPA become more active in international conferences.

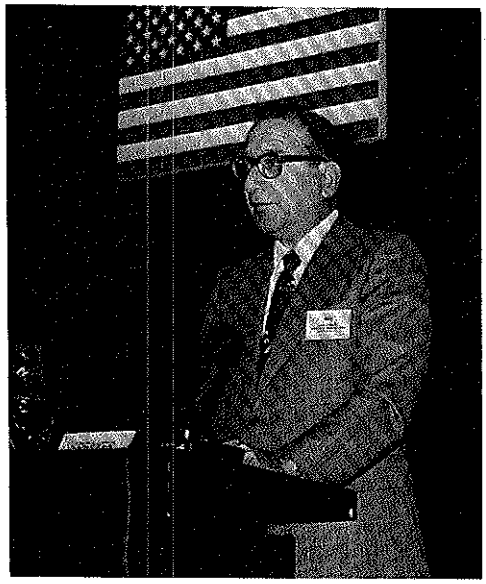
Mr. Aoki introduced the Honorary Chairman of the Seventh International Congress, Mr. Tsuguhide Fujiyoshi, President of Toray Industries Inc. and Chairman of the Japanese Patent Association. The theme of Mr. Fujiyoshi's address was the need for balancing the needs of the developing countries and the assets of the developed countries with respect to intellectual property. Mr. Fujiyoshi referred to the solution of this matter by Japan, which, following World War II, introduced Western technology into its economy in large part through the use of licensing arrangements. He stated that now Japan is introducing its technology into other less developed countries. Mr. Fujiyoshi suggested that discussions be held between industrialized and developing countries so that a proper atmosphere can be established in the receiving countries and also so that a set of rules can be prescribed for the transfer of technology. He complimented PIPA for having helped promote discussions on the transfer of technology and suggested that perhaps the organization should be expanded to other countries to assist in achieving the goals he outlined.



Takashi Aoki

The Seventh International Congress was privileged to be addressed by the Honorable John E. Mellor, Counselor for Commercial Affairs of the U.S. Embassy located in Tokyo. Mr. Mellor also discussed the subject of transfer of technology to the developing countries. He reviewed the United States' policies and programs initiated by Dr. Kissinger to achieve a dialogue with developing countries leading to the distribution of the fruits of technology on mutually bene-

ficial terms. After emphasizing that the private sector was a very important part of the solution to these problems, he mentioned that the United States Government is pursuing a policy which augments the benefits of private technology transfer by a series of programs to provide for the introduction of technological capabilities and resources from other sources.



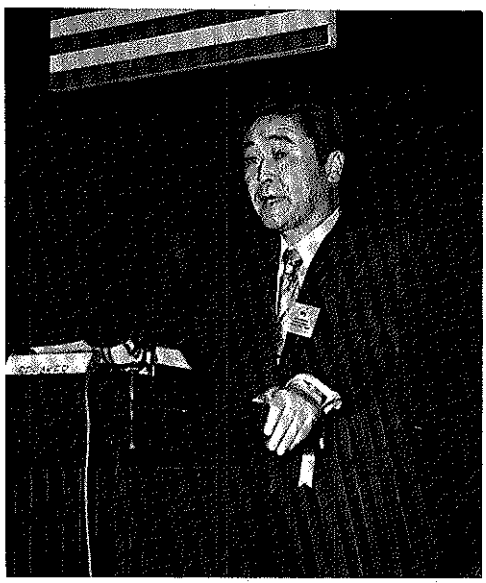
John E. Mellor

Next, Mr. Aoki introduced the Honorable Ishiro Katayama, Director-General of the Japanese Patent Office who reviewed some of the problems facing the Japanese Patent Office. He noted that Japanese law will have to be amended in order to conform to the requirements of the patent Cooperation Treaty (PCT) and for this purpose a survey team had been sent to other countries to identify the changes that will be required. Mr. Katayama also discussed changes in the Japanese Patent Office procedures to keep up with the ever increasing number of pending applications.

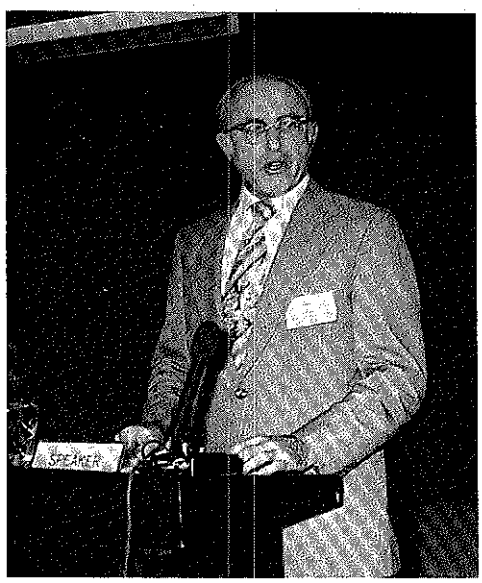
Following Mr. Katayama, Mr. Levine presented a message on behalf of the Honorable C. Marshall Dann, Commissioner of the United States Patent and Trademark Office. In Mr. Dann's remarks, he discussed the activities in the United States Patent and Trademark Office to accommodate the Patent Cooperation Treaty and the Trademark Registration Treaty. He also reviewed proposed rule changes which would permit the reexamination of the patents and other improvements to be made in the examining and appeal procedures of the United States Patent and Trademark Office.

Following the morning coffee break, Committee No. 1, Patent and Trademark Procurement Law and Practice, discussed three subjects: (1) inventorship discrepancies between foreign priority and United States applications, (2) problems facing the Japanese Patent Office and suggestions for improving them, and (3) status of the United States law revision.

The first paper, presented by Mr. Karl F. Jorda of Committee No. 1, discussed the consequences and remedies of inventorship discrepancies between foreign priority and United States applications. The topics discussed were the criticality of the proper joinder of inventors in the United States, the laxity of specifying



Ishiro Katayama



Karl F. Jorda

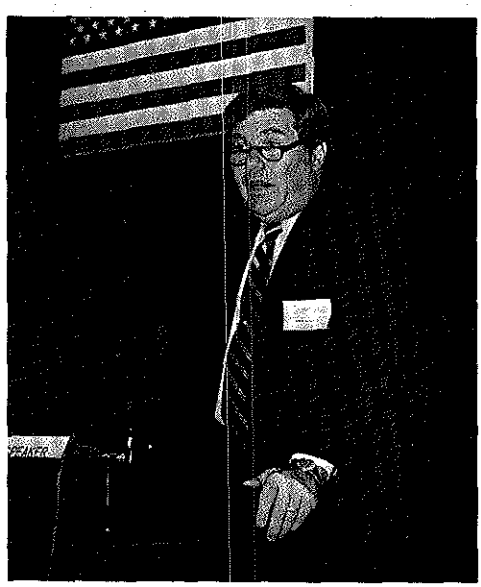
Koji Koseki

joint inventors in other countries, the compensation requirement under German Law, and problems arising from inventorship discrepancies under United States interference practice.

The second paper was presented by Mr. K. Koseki of Committee No. 1, Japanese Group, who discussed some of the problems facing the Japanese Patent Office and how to remedy them. The principal problem to the ever-increasing trend is the number of applications following the amendment of the Japanese Patent Law in 1970.

Under the circumstances, the pendancy of the applications has been extended and the inventions may not be reasonably protected – which is prejudicial to the basic purpose of the patent system. In view of this crisis the Japanese Patent Office has formulated a policy for rectifying the problem which includes (a) establishing a system of cooperation with industry, (b) improving and organizing examination standards in uniformity, (c) encouraging pre-appraisal and pre-search routines, (d) making better use of technical information disclosed, and (e) providing better training for attorneys. The main emphasis of cooperation requested from the private sector relates to the elimination of unnecessary applications and to providing publicly-available information to the Patent Office which, it was urged, should be disclosed by means other than the patent application.

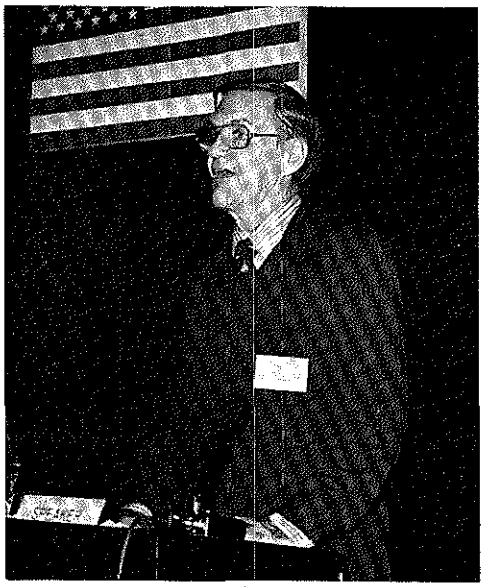
The final presentation of the morning of the first day was Mr. Rudolph J. Anderson's annual discussion of the status of the United States Patent Law revision. Mr. Anderson does not believe that there will be any patent law revision legislation passed in the United States during 1977. He indicated there is general agreement in the United States that the most significant single action which would be beneficial to the United States patent system would be the introduction of a system of reexamination of issued patents. Mr. Anderson reviewed the provisions of such a system recently set forth in H.R. 14632, known as the "Wiggins Bill." He also discussed proposed changes in the Rules of Practice of the United States Patent and Trademark Office which would permit a limited form of reexamination.



Rudolph J. Anderson

Robert T. Mayer

Yoshihiko Kachu



John R. Shipman

Committee No. 1 continued its presentation following lunch. Mr. Robert T. Mayer of the American Group discussed the development of the Standard of Conduct required in Patent and Trademark Office proceedings in the United States. He traced the evolution of the doctrine of fraud on the Patent Office during the past thirty years and indicated that in patent litigation in the United States the allegation of fraud on the Patent Office is frequently raised. If fraud is established, it can result in (1) the dismissal of an infringement suit and unenforcibility of the patent, (2) disbarment of the attorney involved and (3) dismissal of suits seeking reversal of an interference decision whereby the opponent is awarded priority and the application is removed from the active files of the Patent Office. Mr. Mayer emphasized that the United States courts were continuing to apply this doctrine where applicable.

Mr. Y. Kachu of Japanese Group, Committee No. 1, outlined the provisions of the Japanese Law, which require there be a "inventive step" in order to be granted a patent, and described the standards for judgment used by the Japanese Patent Office. His discussion included approaches used by the Japanese Courts including the concepts of aggregation, substitution, unattended effect, numerical limitation, differences of function and effect, nonobviousness and technical difficulty. He stated that the Japanese Courts have not yet adopted the concept of commercial success or long-felt but unresolved problems such as are frequently discussed in United States decisions.

Hiroshi Kataoka

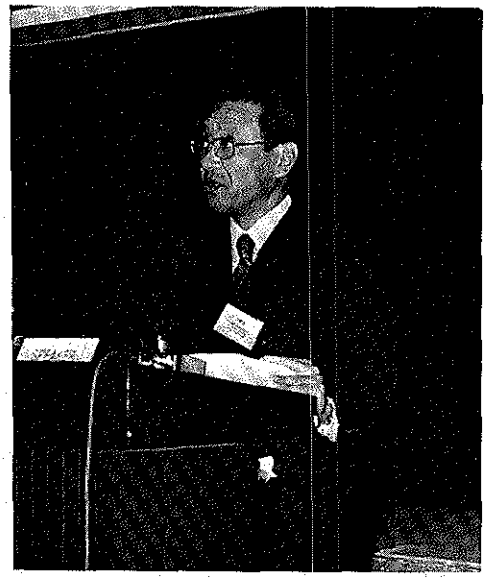
Mr. John R. Shipman of the American Group, Committee No. 1, delivered a paper on the current status of the protection of computer programs in the United States and Europe. He summarized the United States situation as follows: (1) a method claim covering a program for manipulating data solely for data processing purposes will be rejected, (2) an apparatus claim to a larger combination containing a computer as one element of the combination but in which the real novelty is strictly in the program will be rejected and (3) an apparatus claim having a programmed computer as an element of a larger combination might be patentable as a system if there is an end-use which relates to something not typically part of a data processing system.

Goji Tasaki

Dr. Pauline Newman

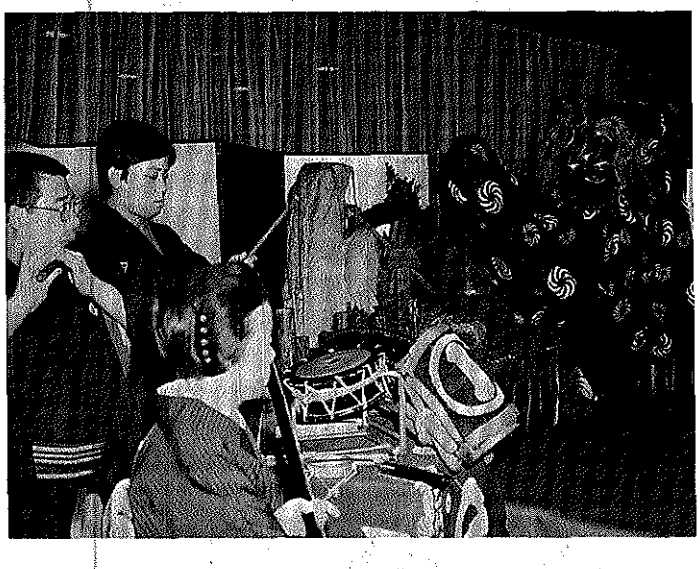
Acceptable end uses might be found in process control, graphic design, control of instrumentation, radiation therapy, etc. Mr. Shipman noted that in France, Germany, The Netherlands, Sweden and Switzerland there are decisions ruling against the patentability of computer programs. In Italy there are no decisions on the point, and in the United Kingdom there are decisions favorable to obtaining patents on programs. Mr. Shipman concluded his presentation by stating that a number of people and organizations have expressed the opinion that some form of protection greater than copyright but less than patents should be available. However, there is no proposal which as yet has universal support.

Following the afternoon coffee break, Mr. H. Kataoka of Committee No. 1 of the Japanese Group reported on recent decisions in Japanese patent cases. His presentation was followed by a discussion of United States patent protection for plants by Mr. John B. Clark of the American Group of Committee No. 1. The presentation on the first day of Committee No. 1 was concluded by a paper by Mr. G. Tasaki of the Japanese Group on the protection of well-known trademarks in Japan. He discussed trademark protection under the Trademark Law, Unfair Competition Law, and the Criminal and Civil Codes.



Sumio Shinagawa

The presentation of Committee 4 began with a summary by the Chairman of the Committee, Mr. T. Teshima, of the Japanese Group, on the status of the conciliation procedures that had been adopted at a previous PIPA Congress. Mr. Teshima reviewed the concerns of some that the conciliation system would conflict with the Laws of Japan governing attorneys at law. He stated that the PIPA conciliation procedure now has the approval of the Japanese Group. Dr. Pauline Newman, Chairman of the American Group of Committee 4, noted that the PIPA conciliation procedure provides a voluntary non-binding method of settling disputes in the industrial property field. It applies to disputes involving patents, trademarks, copyrights, know-how, technical information, and trade secrets, and could involve licenses or other types of agreements, as well as validity and infringement questions; all to the extent that the PIPA conciliation procedure does not conflict with national legal requirements. Dr. Newman stated that plans have been made to launch the procedure early in 1977.



Japanese Dancers

Following the presentations of Mr. Teshima and Dr. Newman, the Congress heard from an invited guest speaker, Mr. Sumio Shinagawa, who is an attorney at law in Japan and who will be a PIPA Conciliator. Mr. Shinagawa discussed the difficulty of settling disputes in Japan through the courts and indicated that, in general, the Japanese legal system favors such procedures as conciliation, arbitration and compromise. Certain of these procedures are set forth in the Japanese Code of Civil Procedure. Mr. Shinagawa indicated that the PIPA conciliation system should be acceptable under Japanese Law and, if any problems arise, adjustments can be made at a later point.

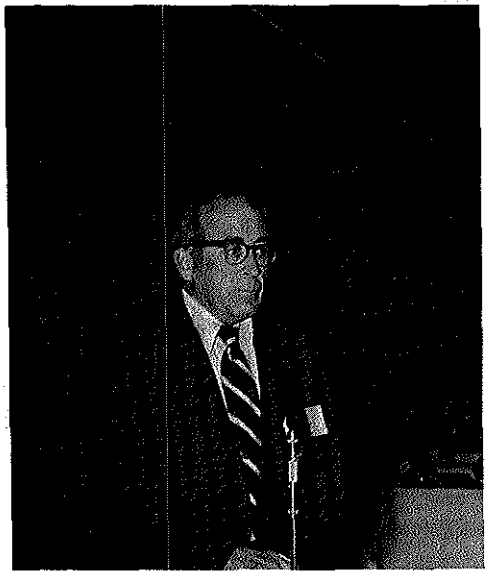
Following the first day's presentations, the attendees of the Seventh PIPA Congress attended a grand reception at a Sukiyaki Banquet in the Japanese Dining Room of the Hotel Kowaki-En. The Japanese hosts provided delightful entertainment, including traditional Japanese dancers and dragon ceremonies.

Second Day — November 10

The second day of the PIPA International Congress began with a presentation of Mr. E. W. Adams, Jr., Chairman, American Group of Committee No. 3. His paper discussed several recent developments in the world of intellectual property laws. He stressed that the developing nations have initiated in the United Nations an effort to create "a new world economic order," and these nations have seized upon revision of the world intellectual property system as a means of achieving their goal.

Mr. Shoji Matsui, Chairman of the Japanese Group of Committee No. 3, discussed the effects of the proposed revision of the Paris Convention on Japan. He emphasized that the Japanese industrial community would be harmed by any weakening of the Japanese patent system if, for example, importation could not be prevented or if patents become ineffective due to insufficient working under the Convention.

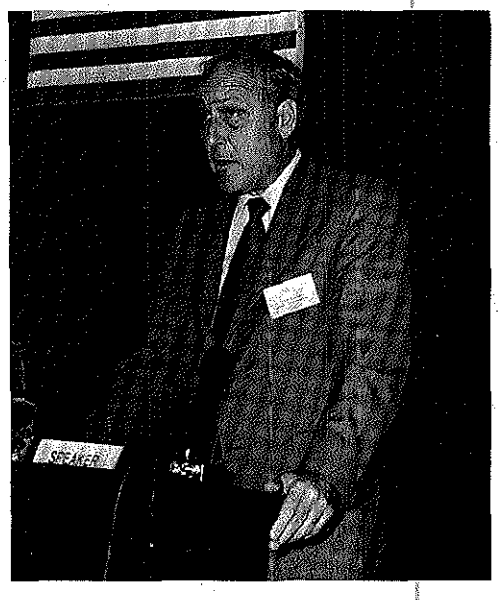
Mr. Harold Levine discussed the concept of preferential treatment without reciprocity and the voting requirements (unanimity v. majority rule) which are being demanded by developing countries as a means of using the Paris Union to achieve their goals. Under the preferential treatment concept, the applicants of developing countries would pay lower fees than nationals of developed countries. He emphasized that the spirit of the Paris Union is equal treatment of nationals and non-nationals by each country. As to the unanimity rule, it is basically a doctrine of fairness and has worked well throughout the history of the Paris Convention.



E. W. Adams, Jr.

Mr. E. W. Adams, Jr. then discussed the problems arising under the Paris Convention with respect to the proposal of the U.S.S.R. to equate inventors certificates to patents for all purposes. One of the fundamental features of the Paris Convention is the concept of reciprocity which provides equal treatment of nationals and non-nationals in each

country as regards industrial property rights. Since the inventors' certificate represents an exclusive right in the state whereas a patent represents an exclusive right in the inventor, it would be impossible to grant the two instruments full equivalence under the laws of a non-socialist state.

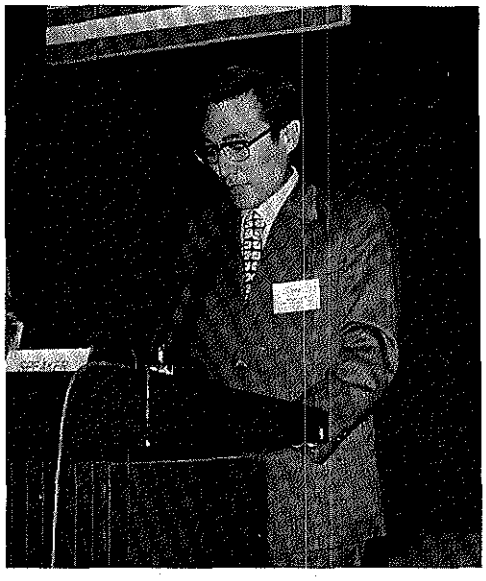


John Clark

Next, John Clark discussed some proposed revisions of the Canadian Patent Laws which have recently been circulated in Canada. These included (1) a patent term of nine years but, if worked in Canada, could be extended five additional years, (2) if the patent application contains omissions or misstatements which cause personal injury, applicant would be liable, (3) compulsory licensing for nonworking, (4) broad delegation to the Commissioner of the power to make regulations, (5) an employer must claim within three months the invention of an employed inventor and must work the invention within three years, (6) there is no infringement if Canadian goods made for export. Mr. Clark urged PIPA to make its position known to the Canadian Government with respect to the proposed changes.

Following the coffee break, Mr. Martin Kalikow of Committee No. 3, American Group, discussed operating procedures under the forthcoming Patent Cooperation Treaty (PCT) and European Patent Convention (EPC) from the viewpoint of the United States practitioner. Mr. Kalikow noted that the choice of the PCT, EPC or national route would depend on many considerations such as the location of the original search, time necessary for making foreign filing decisions, the number of countries involved, language problems, filing costs, difficulty of obtaining a patent, and the type of protection desired.

Mr. S. Matsui introduced Mr. T. Okabe of Committee No. 3, Japanese Group, who discussed recent developments in Japan in connection with the Patent Cooperation Treaty. He stated that a subcommittee of the Industrial Property Council in Japan has been formed for the purpose of proposing patent law modifications necessary to implement PCT in Japan. The recommendations of the subcommittee will probably be available in late summer 1977, and the final proposals by the Industrial Property Council will probably be submitted to the Japanese Congress in the latter part of 1977. Mr. Okabe also discussed improvements necessary in the Japanese Patent Office in order to facilitate processing international applications based on PCT.

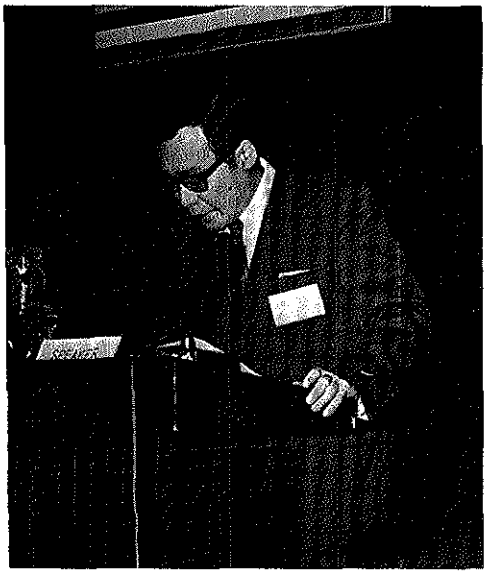


Takashi Okabe

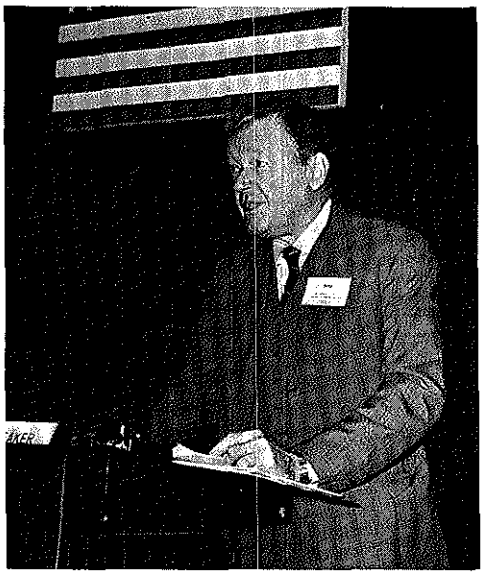
At the conclusion of the morning session of the second day, the attendees of the Seventh PIPA International Congress were treated to a tour of the Hakone National Park, Mt. Fuji, and Lake Ashinoko. Following the tour, the members of the Congress attended a reception followed by a Japanese barbecue dinner.

Third Day — November 11

The third day of the Seventh PIPA International Congress commenced with the reports of Committee No. 2, Patent and Licensing Law and Practice. Mr. K. Takayanagi, Chairman, introduced the members. Mr. M. Tomita discussed the recent *Novo Industries* case concerning a violation of the Japanese Antimonopoly Act. One of the impacts of the *Novo* case is the extra-territorial application of the Japanese Anti-monopoly Act.



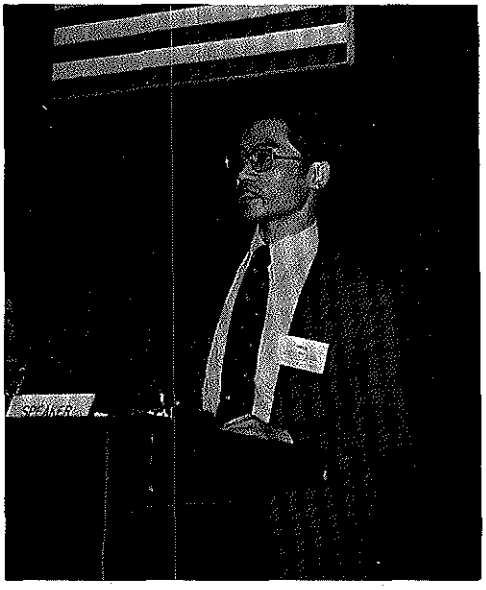
Masao Tomita



Arthur Gilkes

Mr. Arthur Gilkes of Committee No. 2, American Group, delivered a paper entitled "The Impact that the Developing Nations are having on International Licensing" which was prepared by Mr. Robert Benson, who was unable to attend the Congress. He stated that the developing countries are adopting laws and policies that reduce the protection afforded to intellectual property rights. He also noted that the developing countries have set forth various proposals aimed at acquiring technology from the developed countries free or at nominal costs. He contrasted this approach with the Japanese example whereby they have made great strides in economic development by importing technology which was protected by a strong patent system. He also stressed the fact that the Japanese were able to supply technically trained people capable of utilizing the technology. Consequently, the Japanese are now exporting their technology to every country of the world.

Mr. K. Takayanagi, Chairman of Committee No. 2, provided further comments concerning the success of the Japanese importation of technology from 1950 through 1968. He pointed out that the importation of technology, including licenses, was controlled by the government to insure that it is in the best interests of the Japanese economy in their drive for self sufficiency. He noted that when these goals were met the Japanese Government relaxed the restrictions in many areas. The success of the Japanese in these areas was founded on the framework of the Paris Convention and the assurance by the Japanese Government concerning the remittance of payments due. Mr. Takayanagi contrasted the Japanese experience with the demands of the developing nations which do not include the safeguards of the Paris Convention and the assurance of return on investment to the licensor.



Kazuo Takayanagi

Mr. I. Shimada of the Japanese Group discussed the secrecy provisions that are usually found in license agreements involving know-how. These agreements usually provide that the confidentiality does not apply to information already in the possession of the receiving party or known to the public or obtained from independent sources. The exceptions may also permit the receiving party to disclose the confidential information to contractors or other people necessarily involved in the performance of the project. He also noted that many countries have laws and regulations which require the disclosure of confidential information.

Mr. John B. Clark of the American Group, Committee No. 3, reviewed the recent changes in Industrial Property Laws of the developing countries. The developments are adverse to the interests of those involved with invention and innovation who want to invest in or license technology to developing countries and suggested that we should encourage our governments to express their concern over those developments. He also admonished all PIPA members to become involved in educating the developing countries on the reasons for maintaining a strong patent system and particularly suggested that the Japanese, as a result of their success, would be able to convince representatives of developing countries of the advisability of following the Japanese example.

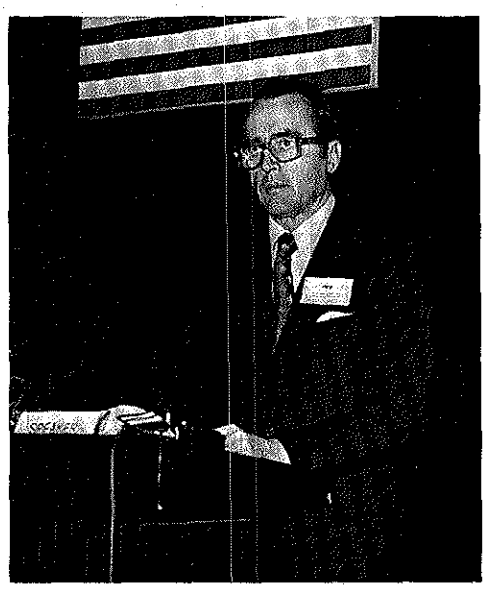
Iwao Shimada

Mr. T. Aoki, President of the PIPA introduced a resolution to the Seventh Internation PIPA Congress relating to the proposed changes in the Canadian Patent Law. The resolution if adopted would convey to the Canadian Government the concern of PIPA that the proposed revisions of the Canadian Law were inconsistent with the concept of strong laws protecting intellectual property rights. The resolution was adopted by the Congress.

Mr. M. Tsukamoto, Vice Chairman of Committee No. 1, introduced Mr. William J. Keating of the American Group, who discussed current developments in the United States Trademark Law. He discussed the "Lemon Tree", "Realemon," and "Big Foot" cases. He also described the *Monty Python* case wherein the court allowed recovery under Section 44 of the Trademark Act on the ground that CBS had changed the program sufficiently so that it was no longer a Monty Python product (and thus was a false product) by deleting obscene parts and subsituting commercials.

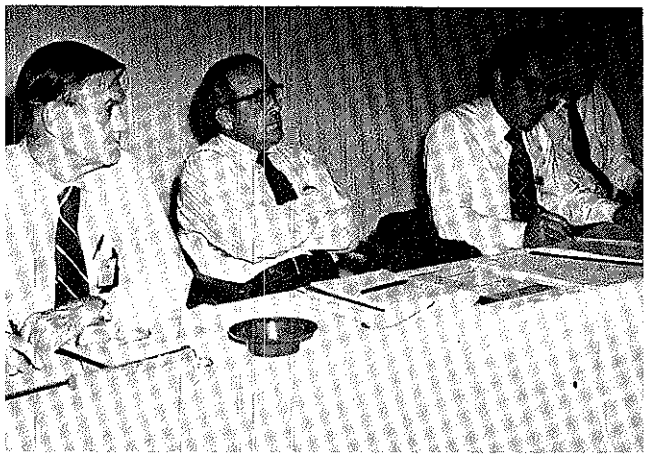
In his summation of the Seventh International Congress, Mr. Aoki declared the Congress an immense success attributable to the excellent preparations by both the American and Japanese members. He thanked the members of the various Committees and particularly Mr. Teshima and his Committee for arranging the facilities in the Hotel Kowaki-En at Hakone. Following Mr. Aoki's presentation, Mr. Levine delivered the closing address wherein he joined with Mr. Aoki in declaring the Seventh Internation PIPA Congress a complete success.

The Seventh International Congress concluded with a luncheon address by the Honorable Takefumi Shiroshita, Engineer-General, Japanese Patent Office.



William J. Keating

Takefumi Shiroshita

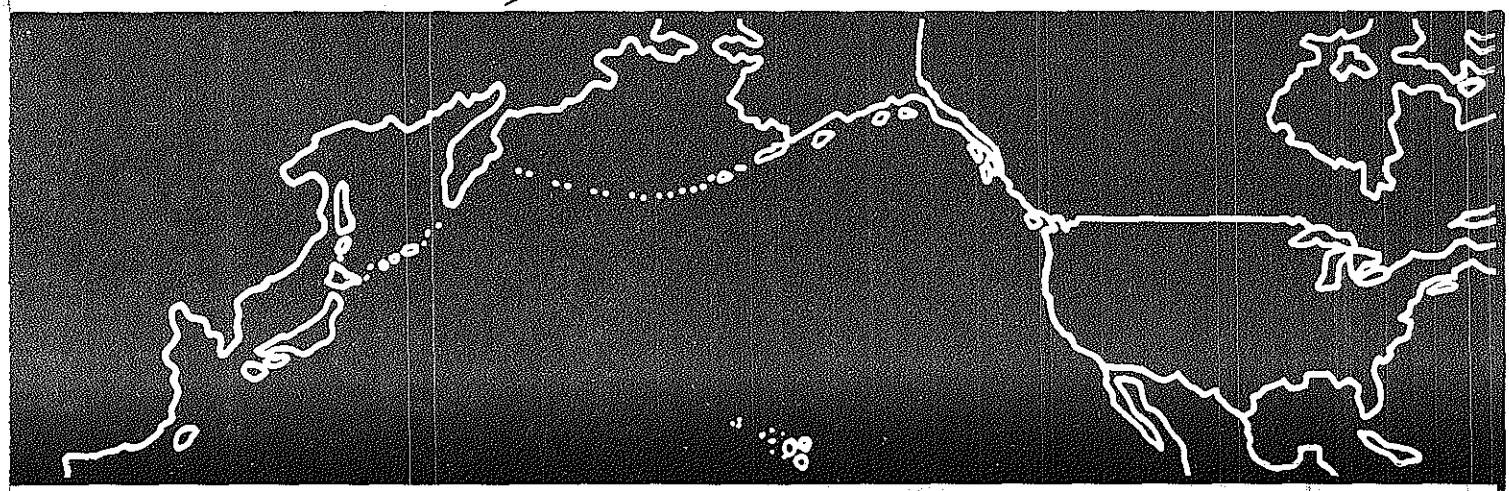


PANELIST
PANELIST

SPEAKER

PACIFIC INDUSTRIAL PROPERTY ASSOCIATION

太平洋工業所有権協会



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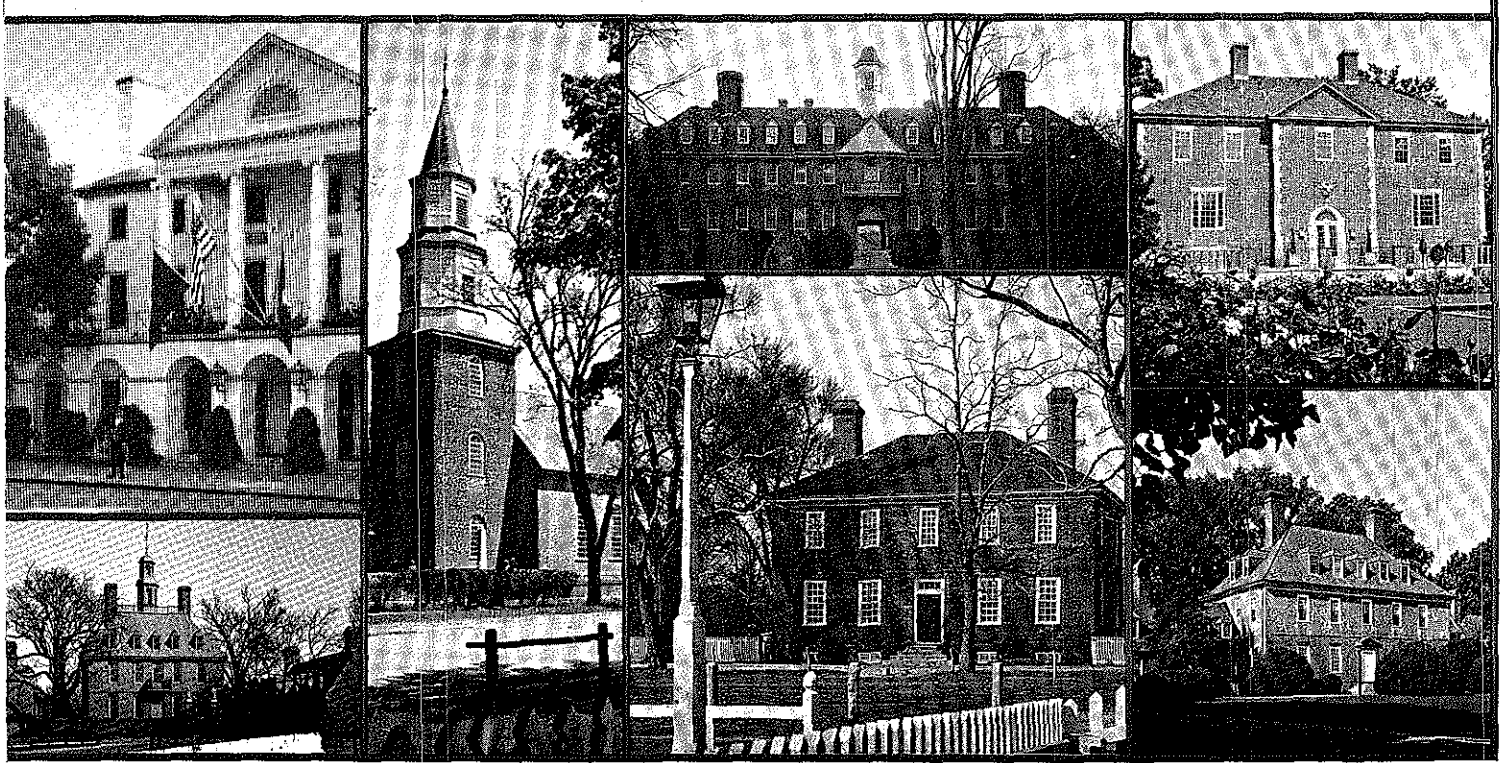
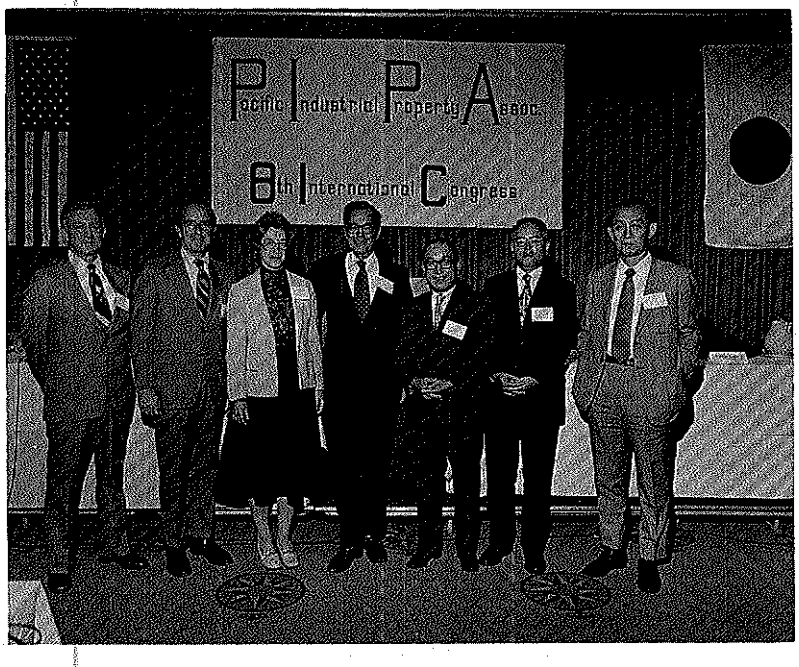
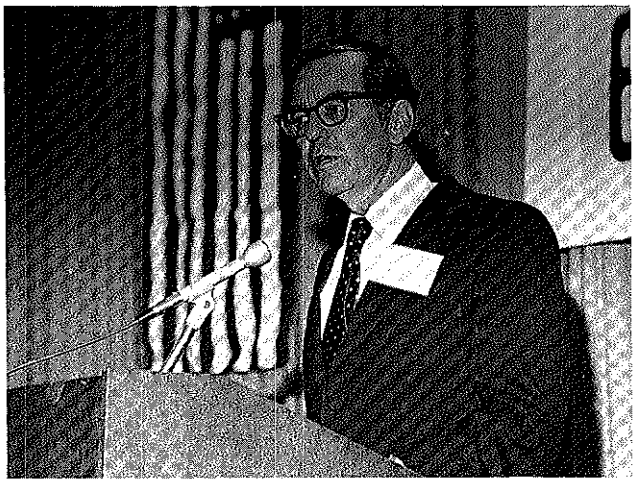




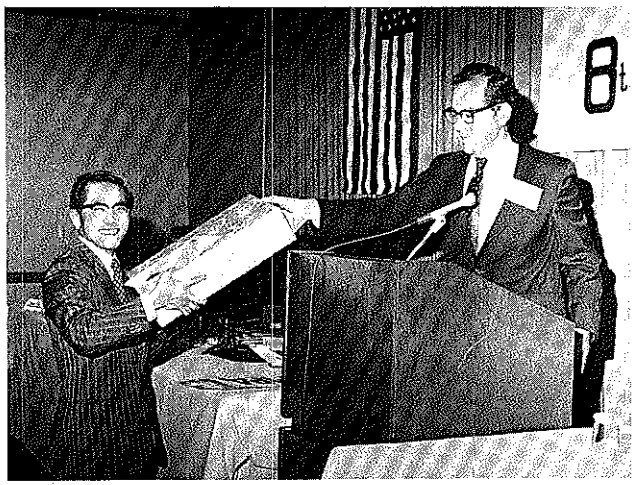
PIPA Officers left to right:

Edward Bell
Thomas O'Brien
Pauline Newman
Paul Enlow
Akira Hirano
Shusaku Toki
Takashi Ohno

President of Japanese Group Akira Hirano



U.S. Group and Association President — Paul Enlow



President Paul Enlow presents gift to past President Takashi Aoki

EIGHTH
INTERNATIONAL CONGRESS
WILLIAMSBURG, VA.
October 12-13-14, 1977
PACIFIC INDUSTRIAL PROPERTY ASSOCIATION

OFFICERS

Paul Enlow	Association and United States Group President
Akira Hirano	Japanese Group President
Pauline Newman	1st Representative United States Group
Shusaku Toki	1st Representative Japanese Group
Thomas O'Brien	2nd Representative United States Group
Takashi Ohno	2nd Representative Japanese Group

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Takashi Aoki	Japanese Group
John B. Clark	United States Group
Masaaki Suzuki	Japanese Group

SECRETARY TREASURER

Ichiro Okano	Japanese Group
Edward L. Bell	United States Group

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	Japanese Group	United States Group
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Committee 2 –	Kazuo Takayanagi	Arthur G. Gilkes
Committee 3 –	Shoji Matsui	Edgar W. Adams
Committee 4 –	Tomoatsu Teshima	Pauline Newman

Honorary Chairman Mr. Wallace Doud
Vice President-Commercial & Industry Relations
International Business Machines Corporation

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Ajinomoto Co., Inc.
Allied Chemical Corporation
American Telephone & Telegraph Company
AMP Incorporated
Asahi Glass Company, Ltd.
Bell Telephone Laboratories
Bristol-Myers Company
Carrier Corporation
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Chevron Research Company
Chiyoda Chemical Engineering & Construction Co., Ltd.
Ciba-Geigy Corp.
The Dow Chemical Company
E.I. Dupont De Nemours & Co.
Eastman Kodak Company
FMC Corporation
Foster-Grant Co., Inc. (Subsidiary) American Hoechst Corp.
Fujisawa Pharmaceutical Co., Ltd.
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The Singer Company
Smithkline Corporation
Sperry Univac
Standard Oil Co. (Indiana)
Sumitomo Chemical Co., Ltd.
Takeda Chemical Inc. Ltd.
Tanabe Seiyaku Co., Ltd.
Texas Instruments Incorporated
Toyota Central Research & Development
Toyota Motor Co., Inc.
Union Carbide Corporation
Universal Oil Products Inc.
Western Electric Company, Inc.
Westinghouse Electric Corp.

21 Jap Co
37 US Co.

PROGRAM MINUTES

First Day – Wednesday, October 12

The Eighth International Congress of PIPA was opened by President Paul Enlow at 9:00 a.m. In his opening remarks, President Enlow touched upon and emphasized the historical significance of Williamsburg, the site of the meeting, the function and continued growth of PIPA and its role in world-wide patent developments. On behalf of PIPA, he expressed the good wishes of the organization to former United States Commissioner of Patents and Trademarks, Marshall Dann, a strong supporter of PIPA, and read a letter of welcome from Luttrell F. Parker, the present Acting Commissioner.

Mr. Akira Hirano, President of the Japanese Group, in responding, brought a message from the Japanese Commissioner of Patents, who affirmed the significant role of PIPA in the field of industrial property rights. He also emphasized the importance of the Patent Cooperation Treaty and the steps that the Japanese Patent Office was taking in preparation therefor. Also emphasized were the steps that the Japanese Patent Office was undertaking to raise its over-all efficiency.

Takashi Aoki

Wallace Doud, Vice President-Commercial & Industry Relations IBM Corp.

Mr. Takashi Aoki, as over-all past President as well as past President of the Japanese Group, then reported on the 1976 activities of PIPA, emphasizing the part that PIPA had taken in international activities at some of which Mr. Aoki was the PIPA representative. He also reviewed the program of the successful Seventh International Congress at Hakone.

Following the formal introduction of officers and committee chairmen, special recognition was given to the immediate past Presidents, Aoki and Levine, by the presentation of traditional gifts.

The keynote address was given by the Honorary Chairman, Mr. Wallace Doud, Vice President of the IBM Corporation and active in international trade matters for that company. He deplored the unrealistic demands of the so-called Third World in international intellectual property matters, emphasizing that both the United States and Japan were themselves at one time developing countries but both of which by encouraging the patent system and the recognition of intellectual property rights had developed into their present positions of leadership in this field. It was his feeling that present developing countries would best be served by following the example of countries such as the United States and Japan. He also touched upon the various efforts which have been made to change United States patent practice and while recognizing that improvement was always desirable, urged that organizations such as PIPA should stand firm against any steps which would undermine the basic U.S. patent system.

The morning session concluded with reports presented on behalf of Committee No. 1, the first paper being that of Mr. Shoji Nakajima, Japanese Committee Chairman, entitled "Examination Standard for Division of Application". Apparently until recently, what could be the subject matter of a divisional application in Japan had not been too clear. Previously, claiming subject matter in a divisional application could be based upon what was originally disclosed in that divisional application, irrespective of whether or not it had been claimed. Under the new ruling now in effect, one can only claim in a divisional application subject matter which had also been claimed in the original application at the time of division.

Dr. Alan Lourie

Background facts respecting the new standard as well as representative decisions of the Patent Office Trial Board were given.

Mr. Karl Jorda, American Chairman of Committee No. 1, then introduced Dr. Alan Lourie, who presented his paper entitled "1978 U.S. Patent and Trademark Office Rule Changes Relating to Patent Examination". After pointing out that proposed legislation particularly directed to the problem of disclosure to the Patent Office so far had failed because of possible "overkill", he emphasized the rule changes promulgated by former Commissioner Dann and discussed in particular Rules 56, 65, 69, 97 and 291. Dr. Lourie believes that the new rules strengthen the patent system and then in considerable detail discussed the types of disclosure and other problems involved in the new rules.

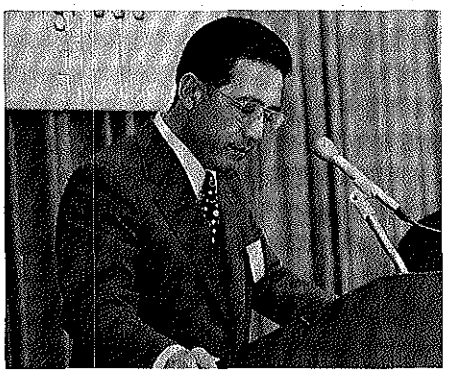
The final paper of the morning session was presented by Mr. Yukihiro Yamada and was entitled "Technical Scope Determination of Japanese Patent Considering its File History". While pointing out that in Japan there is no legal basis for the doctrine of "file wrapper estoppel" as in the United States, Mr. Yamada indicated that in reviewing the scope of patent claims, courts were reviewing the comments of applicants before the Japanese Patent Office. He, accordingly, warned that in prosecuting Japanese patent applications in eagerness to obtain a patent, one should not present arguments which may later tend to limit the scope of these claims.

Yukihiro Yamada

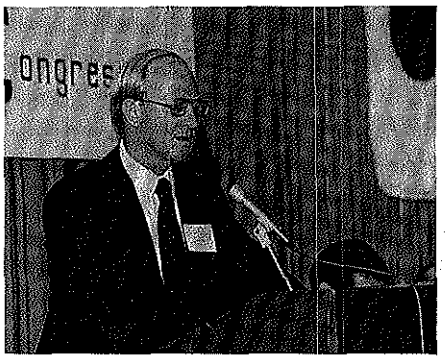
Leonard Prusak

The afternoon session opened with Dr. Leonard P. Prusak presenting a paper entitled "The Corporate Patent Lawyer in an International Environment". Dr. Prusak emphasized the role of the corporate patent lawyer in corporate R&D activity and the manner in which he can apprise corporate officers and employees of the importance of resisting attacks upon the patent system in many countries and enlist their assistance in resisting such attacks. In many ways, his paper was a philosophic appeal to all corporations and to all members of corporations to work together for a strong patent system.

The next paper presented on behalf of Committee No. 1 was by Mr. Toshihari Kawase entitled "Change of Gist of Invention in Amendment of Specification". He pointed out that in Japan the restrictions on the amending of the specification differed greatly depending upon whether the amendments are effected before or after the decision of publication. Before such publication, an applicant is allowed freely to make amendments within the scope as filed, and an amendment to expand, reduce or change the scope of a claim is not regarded as changing the gist of the invention. After publication, however, amendments can be made only to reduce the scope of the claim, correct a mistake or clarify an ambiguous statement.

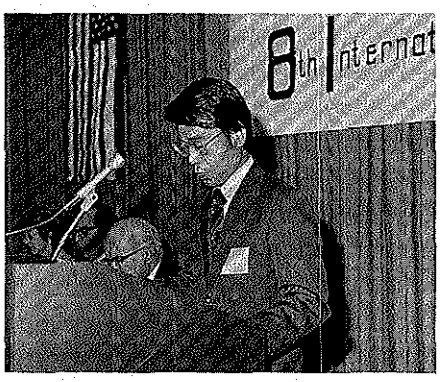


Toshihari Kawase



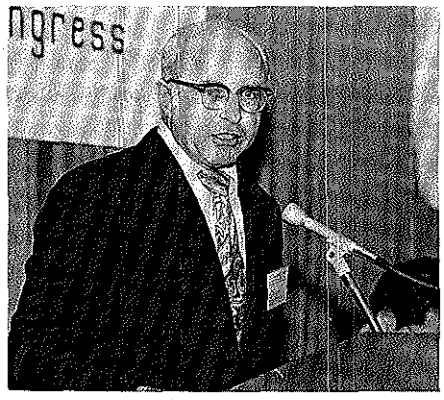
Leroy Sinn

Mr. Leroy G. Sinn covered an important subject in his paper entitled "The Reach of the U.S. State Long-Arm Statutes as to Alien Defendants in Patent Litigation". After analyzing in depth a series of court decisions relating to this subject, many of which decisions revolve around the patent facts in a case, Mr. Sinn summarized his paper by stating that courts in the United States require certain minimum contacts by the alien corporation defendant to fulfill "traditional notions of fair play and substantial justice". However, the courts do not require direct contact with the forum state or any substantial amount of contact with the forum state to find jurisdiction if the alien corporation has enjoyed the benefits and protection of the laws of that state.



Satoshi Konno

A paper entitled "Identity Interpretation in Actual Use of Japanese Registered Trademark", by Mesrs. S. Maeda and A. Kobayashi, was presented by Mr. Satoshi Konno. This paper points out that by an amendment to the Japanese Trademark Law made in 1975 a trademark registration will be cancelled or an application for renewal will be refused unless there is identity in form between the registered mark and the mark in actual use. Furthermore, the scope of protection of a registered mark by means of which a trademark owner can prohibit use by a third party is limited to the identity of the registered mark and the mark in actual use. Accordingly, this identity of marks is extremely important in the interpretation of trademark rights in Japan.



Karl Jorda

The final paper of the day was presented by Mr. Karl Jorda, American Chairman of Committee No. 1, and was directed to "New Developments in the Law of Importation of Foreign Inventions into the U.S." This paper deals particularly with the question of the sufficiency of an imported foreign invention to in effect result in a reduction to practice in the United States, particularly for interference purposes. Mr. Jorda discussed in detail two recent United States decisions, in one of which it was held that mere introduction of the invention was sufficient to constitute conception even though the disclosure was not communicated to a third party or understood by a person in this country. In a second decision, the principle was enunciated that analytical work with respect to the introduced invention was not required in the United States if the foreign analytical data was sufficient to identify the invention and apprise R&D personnel in the United States of the identity of the invention. While Mr. Jorda applauded the results of the first decision, he was not convinced that it would be generally sustained. The second decision does represent a significant advance in the law and he deemed this decision to be wholly sound.

Second Day – Thursday, October 13

The second day began with reports by Committee No. 2, under the co-chairmanship of Messrs. Arthur Gilkes and Kazuo Takayanagi.

The initial paper was presented by Mr. Roy H. Massengill and was a "Discussion of U.S. Department of Justice, Antitrust Division's Antitrust Guide for International Operations". For the convenience of the participants, copies of these guides were distributed. In this detailed paper, Mr. Massengill, by discussing and examining many exemplary situations, explained in depth how and if the U.S. guides would apply to various situations. He points out how the guides can be useful in developing corporate policies governing the transfer of industrial property rights involving U.S. and foreign commerce but warns that the examples given are of somewhat

Roy H. Massengill

Kazuo Takayanagi

limited factual scope and future actions of the Justice Department are in no way bound by the examples given. In summary, however, he points out that U.S. case law generally reveals that the U.S. Government seldom attacks extraterritorial licensing arrangements except in classical cartel cases where patents and know-how of the parties contribute to the division of international markets in violation of U.S. antitrust law.

Mr. Takayanagi presented a paper entitled "Comments on EC Commission's Draft of Regulations on Patent Licensing Agreement", that had been prepared by Messrs. F. Uchimaru and Mr. I. Shimada. The paper points out that the draft regulation will in general be welcome since it offers a unified view of the EC Commission and will simplify the procedure of exemption, since agreements will be automatically exempt if certain conditions are met, thus facilitating technology transfer. On the other hand, in the judgment of the writers, the draft regulations contain various undesirable points which were discussed in some detail, these points being the block exemption clause for (1) exclusive license for manufacture, (2) exclusive license for sales, (3) field-of-use restriction and (4) grantback.

Mr. William E. Cleaver, in a paper entitled "Intellectual Property Problems Related to a Divestiture", traced the problems which he had to face in the intellectual property area in the course of a divestiture procedure. In particular, he covered the divestiture and reassignment of a substantial number of trademarks to and from a plurality of European corporations situated in different countries; the problems involved in transfer of technology, the problem of indemnification against the improper use of transferred trademarks and possible infirmities thereof; the drafting of necessary license agreements; and the tax problems resulting from all of these activities.

Mr. Kou Kunieda presented an "Outline of the Newly Amended Japanese Antimonopoly Act", which concerned the first substantial amendment of the Act in 24 years. He pointed out that several years after its original enactment, the act was twice amended to relax controls as priority was given by the Japanese Government to industrial development measures instead of antitrust policy. Such relaxation, however, eventually produced harmful effects so that in 1977, to correct the situation, tightening of controls, regulatory controls of market structure and especially measures for elimination of monopoly situations were introduced. Mr. Kunieda concludes that while amendments to the act appear to have no direct impact on licensing activities per se, some points remain outstanding and have to be considered, including (1) changes in Government ordinances, regulations and guidelines, (2) harmony between antitrust and industrial policies and strict observance of corporate trade secrets, and (3) consumer remedy measures and possible tighter guidelines concerning merger controls.

Kou Kunieda

Mr. E. W. Adams, in discussing "PIPA Participation and Positions Taken at WIPO Meetings for Revision of the Paris Convention" emphasized that one of the primary purposes of PIPA was participation in meetings of international bodies regarding treaties and laws affecting industrial property. Although substantially unknown in 1970, when it first participated as an observer at the PCT Diplomatic Conference held in Washing-

ton, D.C., since then by participation in international meetings relating to the WIPO Model Law for Patents, the Diplomatic Conference for the Trademark Registration Treaty, the revision of the Paris Union Convention and others, PIPA has become a respected spokesman for the interests of industrial property owners.

Mr. R. Anderson, speaking for Mr. B. J. Kish, presented the latter's "Report on the Recent Paris Union Revision and Model Law Meetings at Geneva". Mr. Kish, who has been a PIPA representative, concerned himself particularly with the June 29 – July 8, 1977 Preparatory Intergovernmental Committee meeting for the revision of the Paris convention. He reported how the sessions were almost continually interrupted for special meetings of the three major country groups and for meetings of working and drafting groups and that PIPA representatives and other observers were barred from these special meetings and had little opportunity to present comments prior to adoption of proposed articles. Particularly objectionable was a new Article 5A relating to the granting of compulsory exclusive licenses in the event of nonworking. Pointing out that this was virtual expropriation, a proposal that the Board of Governors of PIPA prepare a resolution for presentation to the United States and Japanese Governments demanding removal from the text of exclusive compulsory licenses was submitted. The matter was referred to the Board of Governors for appropriate action.

In the final paper of the day, Mr. E. H. Valance reported on the "Status of the Trademark Registration Treaty". He pointed out that this is not a self-executing treaty and cannot be ratified by the United States unless and until enabling legislation is passed by the U.S. Congress. Although President Ford forwarded the treaty to the Senate in 1975, enabling legislation has thus far not yet been proposed. The legislation would have to change U.S. law to permit registration of trademarks without an allegation of use. There is some concern that such type of registration would result in flooding the USPTO with a large number of trademarks, but on the other hand, freedom of registration by foreign applicants under the "Lemon Tree" decision already permits this by foreign applicants.

Third Day – Friday, October 14

On the third and final session, the first order of business was further consideration of the wording of a resolution to be sent to the appropriate representatives of the United States and Japanese Governments condemning the provision of an exclusive compulsory license (Article 5A) in the proposed new text of the Paris Convention. It was agreed that the Board of Governors would prepare a suitable resolution and forward the same on behalf of the Association.

The next paper submitted on behalf of Committee No. 3 was prepared by Mr. Hiroshi Ono and Mr. Takashi Okabe and dealt with "Japanese Patent Law Revisions for Implementing the Patent Cooperation Treaty". This paper, delivered by Mr. Ono, discussed the Japanese patent law revisions proposed by the Japanese Law Revision Committee and in particular was directed to the treatment of translations to be submitted to the Japanese Patent Office under Article 22 of the PCT, and their amendments, a subject of particular importance to the Japanese. Other important issues were briefly touched upon. In the absence of Mr. Matsui, Japanese Chairman of Committee No. 3, Mr. E. W. Adams, Jr., the American Chairman of this Committee, presided.

Dr. Pauline Newman, speaking for herself as Chairman of the American Committee No. 4, and for Mr. Tomoatsu Teshima, the Japanese Chairman, who was unable to be present, then reviewed the status of the conciliation procedures which have been adopted by the Association. She reported that all formalities in respect of these procedures have been completed; distribution of the procedures has been made and, in effect, use of the procedures is now being awaited. Dr. Newman then introduced Mr. Gerald Aksen, General Counsel of the American Arbitration Association, who spoke on "East-West Arbitration and Conciliation Procedures". Mr. Aksen, speaking from the experiences of the AAA, first reviewed what has taken place in

the arbitration field in East-West agreements and then discussed in some detail the increasing use of conciliation of disputes between companies in these trade areas. He explained how conciliation procedures operated, and distributed an exemplary copy of the actual conciliation rules with Bulgaria. In some instances, the Foreign Trade Arbitration Commission administers the conciliations and in others it is the Foreign Chamber of Commerce. To a large extent, he stated that these conciliations had proven successful and believed conciliation procedures such as adopted by PIPA would be equally successful.

The next paper to be presented by Committee No. 3 was delivered by Mr. N. E. Willis and was entitled "Experiences of the U.S. Corporation with the Industrial Property System of Taiwan". More particularly, Mr. Willis directed his paper to the problem in that country which arose when its Ministry of Economic Affairs decided that patent applications for specific use of chemical compounds would not be considered as new inventions. This caused great concern to U.S. companies engaged in the development of herbicidal inventions for agricultural use, particularly since chemicals as such were not patentable under Taiwanese law. As the result of the work of the delegation of U.S. Government officials and representatives of industry, pointing out the dependence of agricultural yields upon high technology herbicides and showing the effects of withdrawing the protection of patents for such technology, an interpretation of the previous directive was obtained under which claims to uses of chemicals would be considered patentable where the use is novel, useful and nonobvious.

Messrs. E. H. Valance and R. C. Winter then presented two divergent views on "Preparing for Operations under the Patent Cooperation Treaty and the European Patent Convention". According to Mr. Valance, while PCT affords an opportunity to file a single international application which may include a European Patent Application, for a multinational company which confines its foreign filing to European countries and to those other countries in which it has installations or in which use by others is established, the complexities, cost and possibilities for bureaucratic error inherent in PCT will limit its use to exceptional cases. Under such circumstances, the time for reflection, the postponement of translation costs and National fees are not sufficiently important to justify the delay and expense involved. Mr. Winter, on the other hand, speaking for his employer, welcomes the adoption of PCT and EPC, since together they should provide the long-desired advantages of flexibility, uniformity and economy — flexibility in the time available to determine the optimum approach to foreign filing — world-wide uniformity in the form and content of the patent application — economy through deferral and possible avoidance of high initial costs and consolidation of search and examination activities.

Hideo Ozawa

Mr. Hideo Ozawa then presented a paper on "Problems on Industrial Property System in Southeast Asian Countries". The paper was directed specifically to trademark activities in respect of China, Korea and Taiwan, all in relation to Japan. Negotiations have been completed for a trademark agreement between Japan and China. The Korean Patent Office has been expanded so that improvement can be expected in examination procedures, and in Taiwan the trademark law has been amended and the licensing of trademarks approved.

In the absence of Mr. Suzuki, his "Report on the Symposium held in Colombo" was distributed but not read.

Mr. Dieter Hoinkes, International Intellectual Property Specialist, Office of Legislation and International Affairs of the USPTO, then presented a discussion of the UNCTAD negotiations, particularly with respect to the proposed international Code of Conduct. He reported on the difficulties involved in attempting to come up with a draft acceptable to all parties, noting that the Group B countries all insist that such a code be not legally binding, that it be applicable to all countries and any agreement must be mutually satisfactory

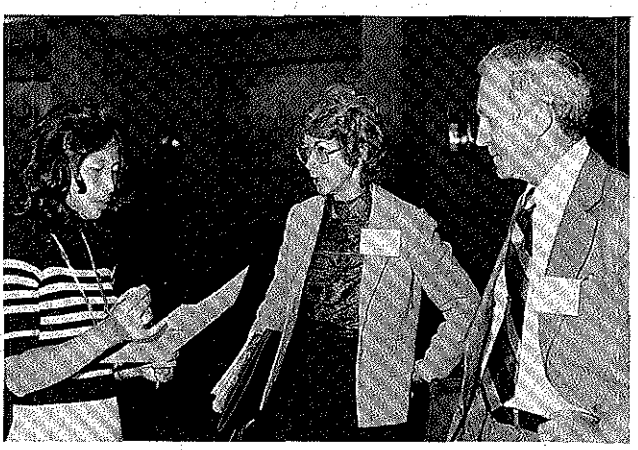
to both parties. These conditions have not yet been accepted by the group of 77. He also pointed out that no agreement has as yet been reached on Restricted Business Practices and emphasized the difficulties involved in the negotiation. He pointed out that the group of 77 has never agreed to a single substantive point proposed by other parties.

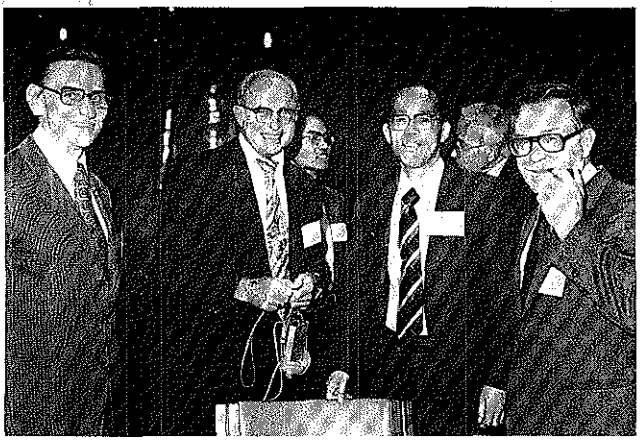
In an address by the Honorable Bernard A. Meany, Assistant Commissioner for Trademarks, USPTO, entitled "Trademarks Across the International Dateline", he spoke of his experiences in attempting to obtain mutually acceptable trademark and copyright policies and referred, among other matters, to the negotiation with Taiwan regarding chemical patents as previously reported by Mr. Willis. Particularly with regard to trademarks, he referred to possible necessary changes in U.S. law, and with respect to foreign trademark applicants indicated that they must show evidence of intent to use to have a validly enforceable trademark in this country.

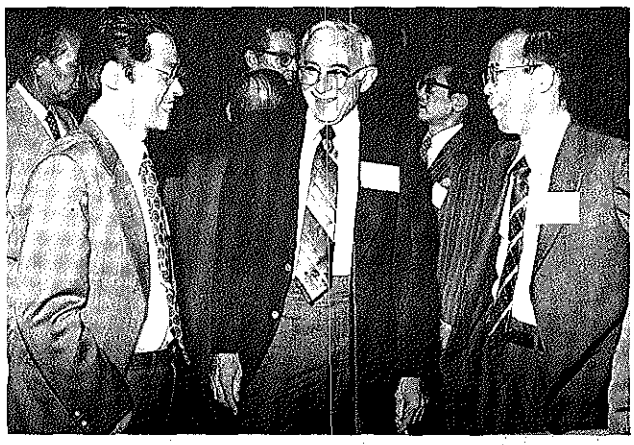
In his closing remarks, Mr. Hirano thanked the American Group for its hospitality in Williamsburg, emphasized the important part played by the interpreters and announced that the next Congress would be in Nagoya in 1978.

William Keating


Pacific Industrial Property Assoc.
8th International Congress





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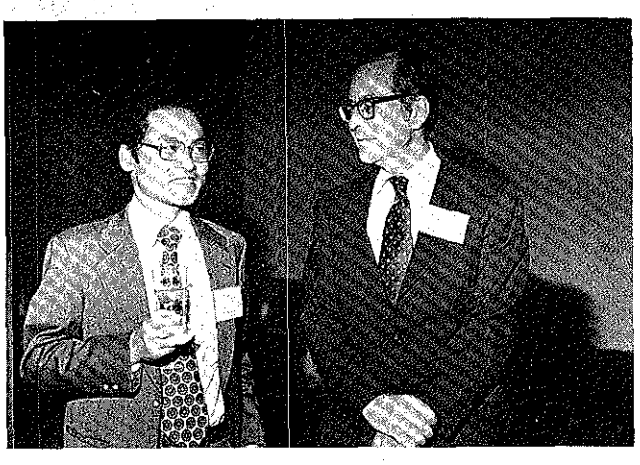

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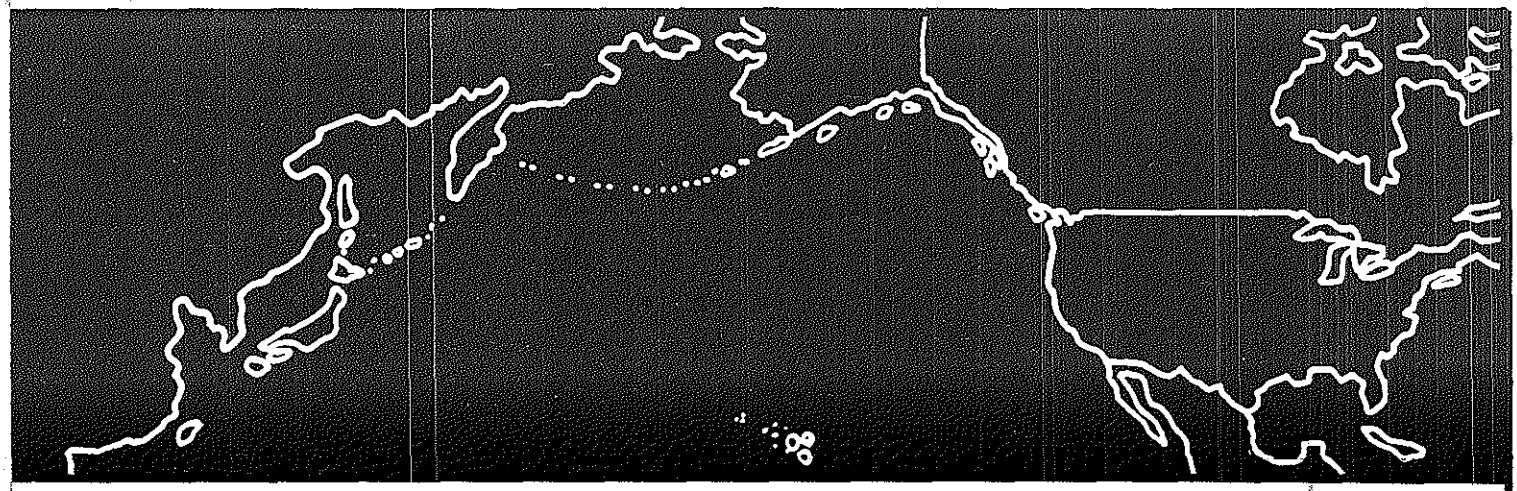

Ninth International Congress Nagoya October 4-5-6, 1978

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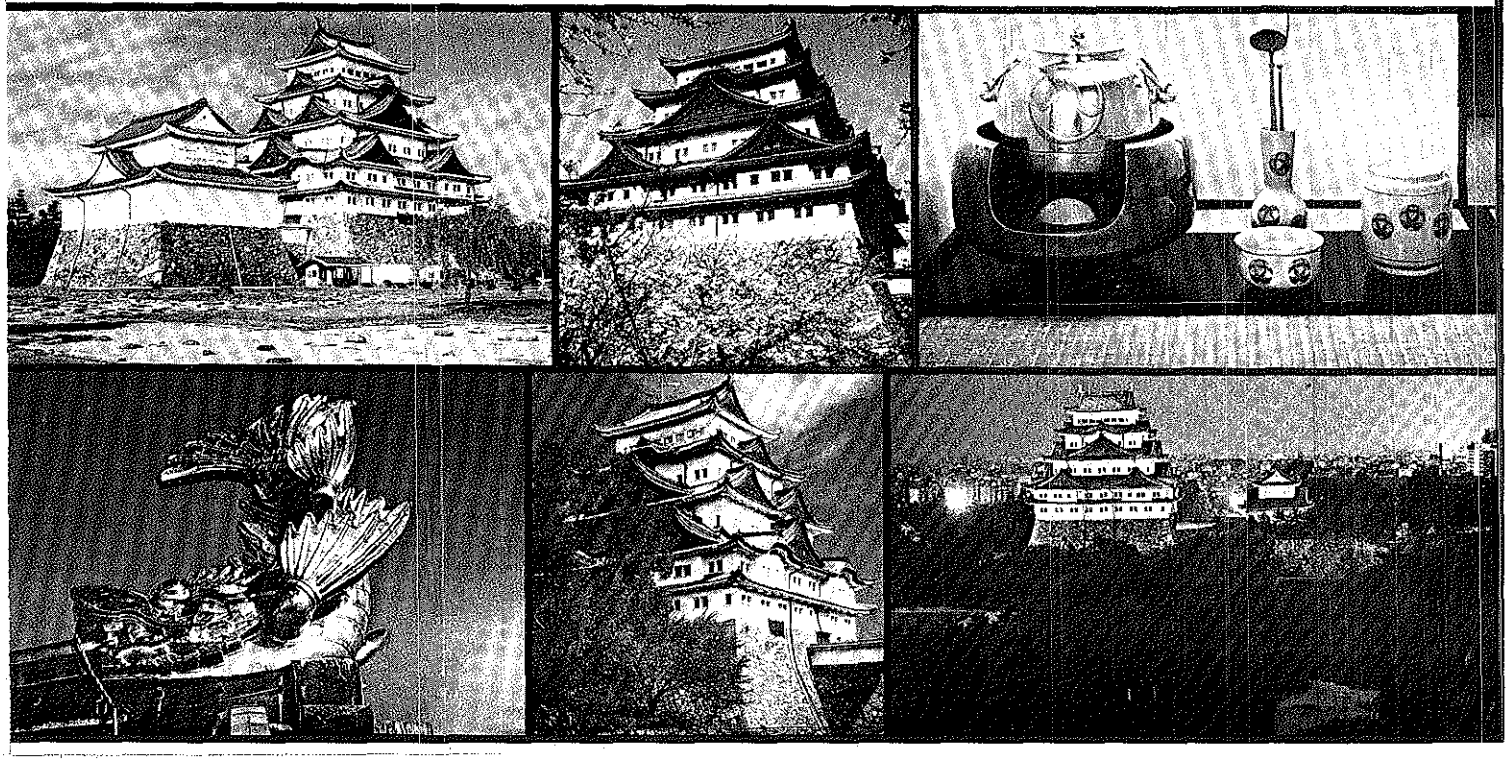
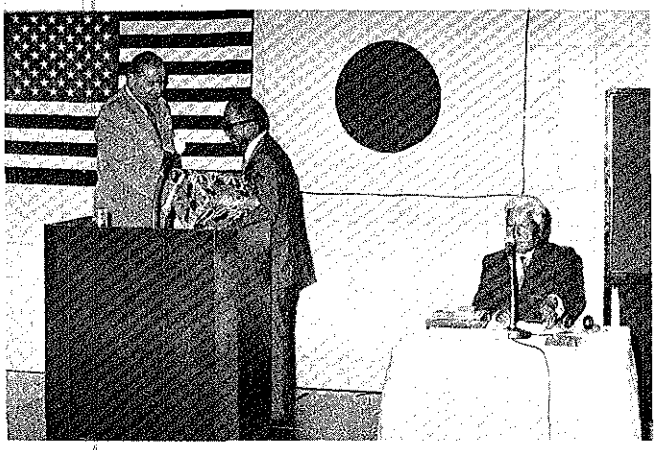




HON. Donald W. Banner
Commissioner
U.S. Patent and TM Office

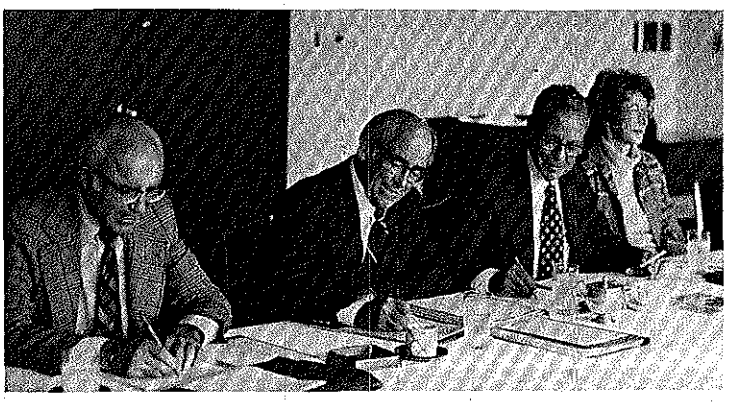
Akira Hirano, Association and Japanese Group President

Shoichi Saito
Honorary Chairman

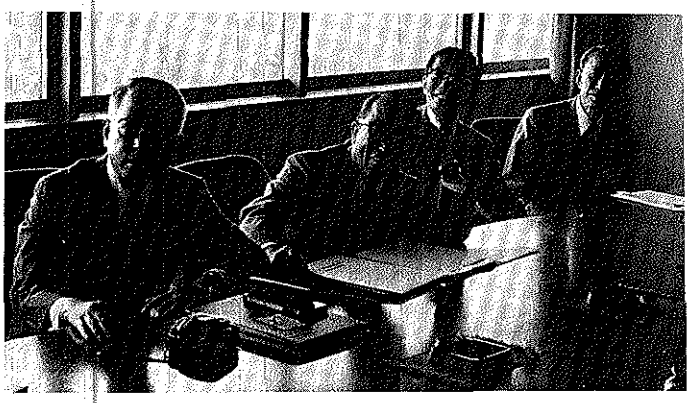
Officers and Board of Governors

Standing: L. to R. – E. Bell, E. Adams, Jr., P. Newman, M. Suzuki, S. Toki, T. Aoki, I. Okano

Seated: P. Enlow, A. Hirano



K. Jorda, E. W. Adams, Jr., P. Enlow, P. Newman



S. Toki, A. Hirano, T. Aoki, I. Okano

E. L. Bell, E. W. Adams, Jr., P. Enlow, P. Newman

NINTH
INTERNATIONAL CONGRESS
NAGOYA
October 4-6, 1978
PACIFIC INDUSTRIAL PROPERTY ASSOCIATION

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Akira Hirano	Association and Japanese Group President
Paul Enlow	United States Group President
Shusaku Toki	1st Representative Japanese Group
Dr. Pauline Newman	1st Representative United States Group
Tomoatsu Teshima	2nd Representative Japanese Group (Acting)
Thomas I. O'Brien	2nd Representative United States Group

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Edward L. Bell	United States Group

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Committee 2 —	Kazuo Takayanagi	Arthur Gilkes
Committee 3 —	Shoji Matsui	Edgar W. Adams
Committee 4 —	Tomoatsu Teshima	Dr. Pauline Newman

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Toyota Motor Co., Ltd.

Honorable Guests — Honorable Zenji Kumagai
Director-General
Japanese Patent Office

Honorable Donald W. Banner
Commissioner
United States Patent and Trademark Office

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American Telephone and Telegraph Company
AMP Incorporated
Asahi Glass Co., Ltd.
Bell Telephone Laboratories, Inc.
Brother Industries, Ltd.
Chevron Research Co.
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The Singer Company
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Sumitomo Chemical Co., Ltd.
Sumitomo Electric Industries, Ltd.
Takeda Chemical Industries, Ltd.
Tanabe Seiyaku Co., Ltd.
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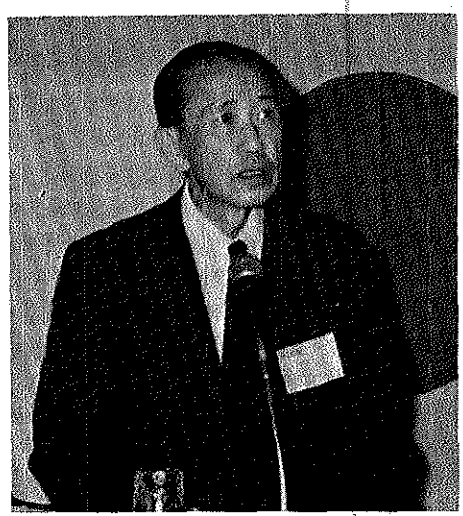
Yamanouchi Pharmaceutical Co., Ltd.
Yoshitomi Pharmaceutical Industries, Ltd.

PROGRAM MINUTES

First Day — Wednesday, October 4, 1978

The Ninth International Congress of PIPA was opened by the Secretary-Treasurer of the Japanese group, Mr. Ichiro Okano, at 9:00 a.m., at the Hotel Nagoya Castle, in Nagoya City, Japan. In his opening remarks, Mr. Okano noted a record of 104 attendees – 22 representatives from the United States group and 82 representatives from the Japanese group, including 8 observers from the Japan Patent Association. The Congress was honored by both the Honorable Zenji Kumagai, Director-General of the Japan Patent Office, and the Honorable Donald W. Banner, United States Commissioner of Patents and Trademarks.

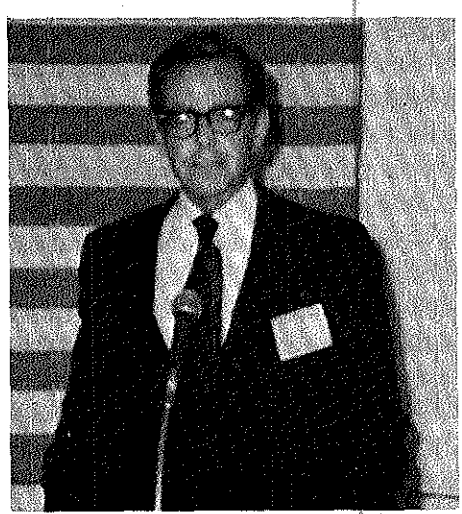


Ichiro Okano

The address to the Congress by the Honorable Zenji Kumagai stressed the importance of the Patent Cooperation Treaty, which was implemented in Japan on October 1, and which is significant as a step in the internationalization of industrial property rights. Mr. Kumagai characterized the Patent Cooperation Treaty as having three main characteristics: true international cooperation, the elimination of examination duplication in different countries, and cooperation with developing countries in the patent field. Mr. Kumagai further stated that more international cooperation in industrial property matters would be beneficial to Japan, citing as an example the Trademark Registration Treaty. Domestic patent matters were also discussed including an attempt by the Japanese Patent Office to reduce the backlog of cases being processed by encouraging applicants for patents to make more thorough preliminary investigations. The Patent Office is also making further efforts in the use of computers for more effectively handling the more than one million items which are added to the fund of patent data each year.

Zenji Kumagai

In his report on the 1977 activities of PIPA, Paul Enlow, President of the United States Group and past President of the Association, emphasized the contribution of PIPA as a force in orchestrating changes worldwide in industrial property rights systems. PIPA is the only organization qualified to send observers to the current series of WIPO-sponsored conferences in Geneva to consider the proposed texts of various worldwide treaties governing industrial property rights. An important activity of 1977 was the resolution presented to the governmental representatives of the United States and Japan requesting that Article 5a of the proposed revision of the Paris Convention be reconsidered by WIPO. This article provides for exclusive compulsory licenses under patents in countries which are members of the Paris Convention. Mr. Enlow also reviewed the program of the successful Eighth International Congress at Williamsburg, Virginia.



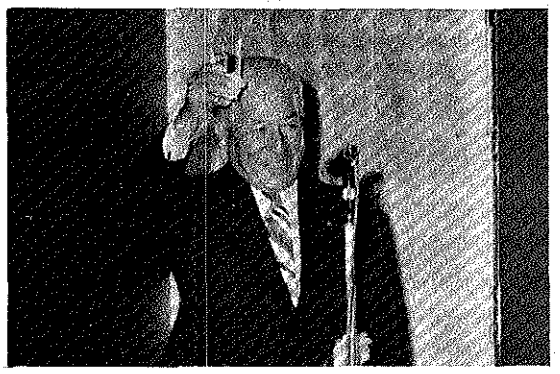
Paul Enlow

Mr. Enlow introduced the PIPA Officers and the Chairmen of the United States Group, and Mr. Akira Hirano, President of the Japanese Group and the 1978 President of PIPA, introduced the Chairmen of the Japanese Group.

The keynote address was given by Mr. Hirano. He noted that the increased number of participants at this conference is an indication of the progress being made in the internationalization of procedures for handling industrial property rights and expressed his gratitude to those who have had a hand in bringing the PCT to fruition. He also stressed the importance of reconsidering the revision of Article 5a of the Paris Convention and indicated his feeling that the developing countries should show more respect for industrial property rights originating in the developed countries.

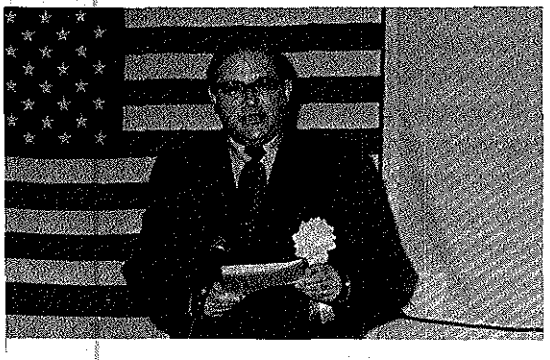
Akira Hirano

Mr. Shoichi Saito, Honorary Chairman of the Congress, extended his welcome to all participants and his thanks to the Honorable Commissioner Banner and Director-General Kumagai. He stressed the importance of studying the problems of international cooperation and presenting the views of PIPA to WIPO and other governmental organizations.

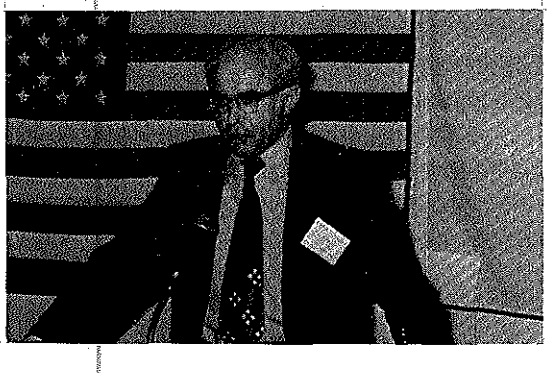


Shoichi Saito

In his address to the Congress, the Honorable Donald W. Banner, United States Commissioner of Patents and Trademarks, stressed the importance of Japanese and United States cooperation with respect to industrial property rights as illustrated by the PCT, which was supported by PIPA. In the area of industrial property rights, the interests of Japan and the United States are identical and he encouraged PIPA to continue to participate actively and effectively on such matters.



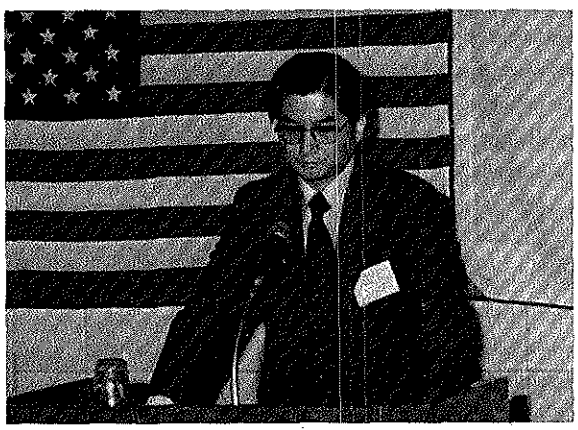
Donald W. Banner



Upon the conclusion of the opening and business matters, the morning session continued with reports presented on behalf of Committee No. 1. Mr. Shoji Nakajima, Japanese Committee Chairman, introduced Mr. Karl F. Jorda who presented his paper entitled "That Discriminatory United States Patent Law!". Mr. Jorda questioned whether and to what extent the United States law is unfair and discriminatory to foreign applicants and pointed out that the situation is not as bad as it is made out to be abroad and in some respects is more favorable to foreigners than to Americans. For example, Section 104 in terms precludes use of foreign data to establish earlier invention dates but can be neutralized by importation of foreign inventions. Also, Sections 102(a), (b) and (g) have a favorable impact on foreigners because public knowledge, use or sale abroad does not raise a statutory bar, and a foreign invention has no anticipatory relevance to someone else's invention as does a domestic invention under the *Bass* rule.

Karl F. Jorda

Mr. Nakajima introduced himself and presented his paper entitled "New Law Relating to International Application Under PCT". The revisions of the Japanese law that were necessary for implementing PCT in Japan were compiled in a single independent new law which consists of two parts. Sections 1 to 21 prescribe the procedures between the Japanese Patent Office and international applicants at the international stage, and supplementary Sections 3 to 7 prescribe the procedures at the national stage in Japan as a designated state. The explanation focused on the contents of supplementary Sections 3 to 7 which modify the existing patent law, since Sections 1 to 21 are substantially the same as the counterparts in the treaty. In particular, the translation and the legal status of it, new grounds for rejection and invalidation based on incorrect translation, matters relating to so-called self-designation, and the treatment and effect of amendments after filing were discussed in detail.



Shoji Nakajima

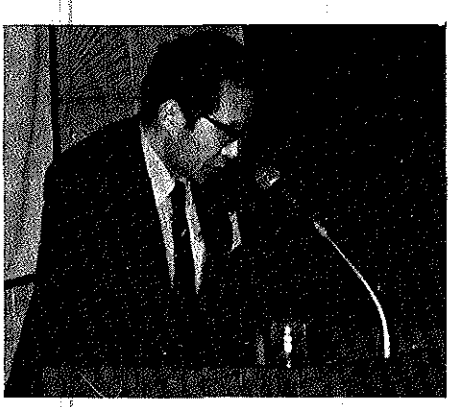
Osamu Nishiyama

Takami Aoyama

The final paper of the morning session was presented by Mr. Osamu Nishiyama who was introduced by Mr. Nakajima. This paper was entitled "New and Revised Japanese Patent Rules Relating to PCT Implementation" and focused on three areas: unity of invention; international application in foreign languages; and fees.

The afternoon session was opened by Mr. Nakajima introducing Mr. Takami Aoyama who spoke on "Court Decisions Concerning Incomplete Inventions". Mr. Aoyama pointed out that in 1977 the Supreme Court held that in Japanese Patent Law conception confers no right upon an inventor unless supported by evidence of completion of the invention. An incomplete invention, according to the Japanese Patent Office, is a nonstatutory invention which does not meet the requirements of Section 29 of the Patent Law and is therefore rejected on Section 29. Even a complete invention may be rejected as incomplete if it is not adequately disclosed in the specification and the drawing as prescribed in Paragraph 4 of Section 36. Mr. Aoyama advised that an invention be disclosed with as much detail as possible to support the completeness of the invention.

Mr. Nakajima again introduced Mr. Karl F. Jorda who presented his second paper, entitled "The Best Mode Doctrine", in which he reviewed the recent wave of court decisions and articles dealing with the best mode requirement of Section 112 of the United States Patent Law. He concluded that the safest practice is to disclose the best mode known at the time the application is filed, whether it be a foreign priority, an original United States application or a continuation in-part, continuation or divisional application. The best mode has to be identified as such and the best mode requirement must not be narrowly construed as requiring only disclosure of the preferred embodiment of the invention as claimed.



Hiroshi Kataoka

Mr. Hiroshi Kataoka was introduced by Mr. Nakajima to present his paper entitled "Requirement for a Divisional Patent Application After Examiner's Decision to Publish the Original Application – Recent Adjudications of the Tokyo High Court". Quite recently, an important part of the new Japanese MPEP concerning "Division of Application" was abrogated by several decisions of the Tokyo High Court. The decisions held that an application can be divided at any time provided that it is done before final decision of the Examiner or before the trial judgment becomes final and binding. The Patent Office is now appealing the cases to the Supreme Court.

Edward H. Valance

Helen P. Gravino

After a break, Mr. Jorda introduced Mr. Edward H. Valance and Ms. Helen P. Gravino who presented a paper entitled "Patent and Trademark Procurement in View of EPC, PCT, and TRT". The paper concerned Mobil Oil Corporation's policy and procedures on filing applications for patents in the European Patent Office as well as its decision to refrain from filing under PCT except in rare cases and the attitude of Mobil on the Trademark Registration Treaty. The patent management information system in Mobil's Office of Patent Counsel was described and plans for using this system have been implemented so as to pay annual patent taxes due in most of the countries where Mobil obtains foreign patents. A similar system is being developed to assist in direct handling of renewal of trademark registrations.

Mr. Nakajima next introduced Mr. Goji Tasaki who spoke on "Requirements for the Renewal of a Registered Japanese Trademark". Under a 1975 amendment of the Japanese Trademark Law, it is necessary to show use of a registered trademark or justification for non-use at the time of filing any application for renewal of a trademark that is filed after June 25, 1978. Since the justification of non-use must be filed simultaneously with the renewal application, it is more necessary than before for a trademark owner to monitor the use of the mark. He indicated that it is to early to tell what use will be considered to be sufficient at the time of renewal but he expected that there will be flexibility in the use requirement to reflect the actual conditions in the trade.

Goji Tasaki

The final paper of the day was presented by Mr. William J. Keating, who was introduced by Mr. Jorda. Mr. Keating discussed "Current Developments in United States Trademark Law" including the "Lemon Tree" case which permits foreign applicants to file a U.S. trademark application under Section 44 of the Trademark Act. The applicant must have some use of the mark on the goods, although it need not be use in com-

merce. Several cases relating to a broad interpretation of Section 43 of the Trademark Act were also discussed. The Courts are inclined to use the statute as a broad prohibition against unfair competition. He also discussed cases where trademark rights were being eroded to promote competition. The "ReaLemon" case required compulsory trademark licensing; the "Formica" case is an attempt to have a popular trademark declared generic; and Berkey Photo vs. Kodak requires the trademark owner to sell products without the trademark. He concluded that these cases do not give enough weight to the consumer protection benefits of a trademark.

William J. Keating

Second Day — Thursday, October 5, 1978

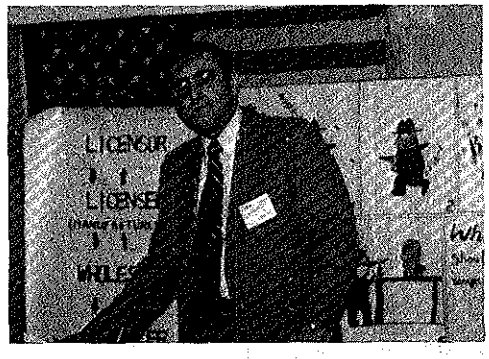
The second day was opened by Mr. Hirano who introduced Mr. Kazuo Takayanagi, Japanese Chairman of Committee No. 2. Mr. Takayanagi then introduced Mr. Arthur G. Gilkes, U.S. Chairman of Committee No. 2, and the first speaker of the day, Mr. Kou Kunieda, who spoke on "The Problem of Product Liability Act in Japan". There is no specific product liability statute in Japan and the legal principles to date have evolved through interpretation under the civil code. Mr. Kunieda spent some time discussing aspects of licensee/licensor product liability.

Kazuo Takayanagi

Mr. William R. Norris then commented on Mr. Kunieda's paper, having received an advance copy. Although there is no contractual relation between the licensor and the customer of the licensee, there is a duty of the technology supplier to supply a technology which is safe for use.

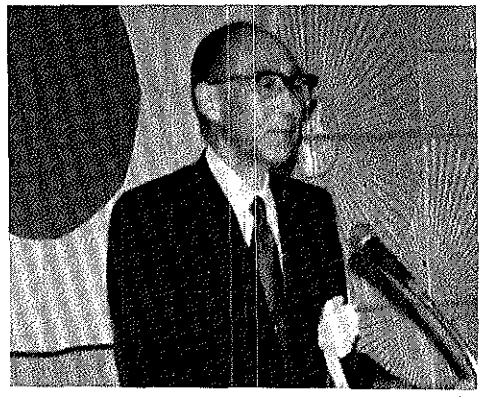
Mr. Gilkes congratulated Mr. Kunieda and then introduced Mr. William T. McClain, who spoke on the subject of "Proposed Changes in the Transfer of Technology: The Impact of Know-How". Mr. McClain informed the Congress that UNCTAD is currently discussing an international code of conduct on the transfer of technology and WIPO is drafting a revised model law for developing countries on inventions and know-how. The European Economic Community Commission has prepared a third preliminary draft of the proposed regulation which would grant a "bloc exemption" under Article 85(1) of the Rome Treaty for certain patent license agreements. Each of the above contain objectionable provisions relating to the protection of secret know-how and would reduce the incentives for a technology licensor to license secret know-how. The objectionable provisions for the most part are contrary to established law and commercial practices of developed countries.

Kou Kunieda



William T. McClain

Sadao Suzuki

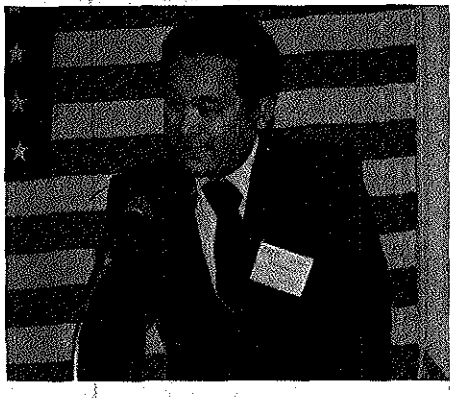


Dr. Susumu Uzawa

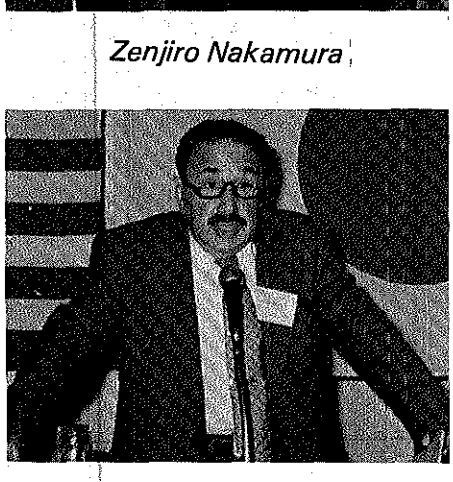
Mr. Takayanagi introduced Mr. Sadao Suzuki, who spoke on "Problems Concerning Technology Transfer to East-European Nations". Mr. Suzuki provided some insight into differences between transferring technology to East European Nations and transferring technology to Western Nations. It is important to understand these differences in order to agree upon reasonable conditions for the technology transfer.

After a break, Mr. Tomoatsu Teshima introduced guest speaker Dr. Susumu Uzawa, who spoke on "Features of the PIPA Conciliation System". Dr. Uzawa discussed the history of the arbitration systems of Europe, the United States, and Japan, and the differences between these systems and the general civil court and mediation systems. Key features of the PIPA conciliation system were explained in detail.

The Congress enjoyed an afternoon tour featuring the ceramics history and industry of the Nagoya area and an informal evening that afforded the opportunity for many individual discussions.



Zenjiro Nakamura



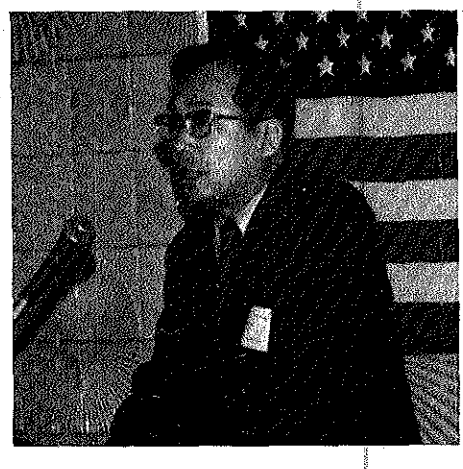
Reuben Spencer

Third Day — Friday, October 6, 1978

The first paper of the morning was delivered by Mr. Zenjiro Nakamura who was introduced by Mr. Shoji Matsui, Japanese Chairman of Committee No. 3. Mr. Nakamura spoke on "Development in Industrial Property Laws of South East Asian Countries". He discussed changes in the laws in the Philippines, Taiwan, India, and Thailand.

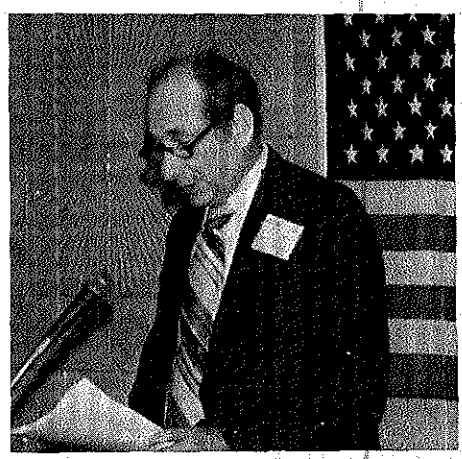
Mr. Reuben Spencer presented his paper on "Trademark Developments – The Trademark Registration Treaty and the Proposed Model Law on Trademarks". Mr. Spencer informed the Congress that the Trademark Registration Treaty requires one ratification or one more accession to enter into force and legislation designed to implement the treaty has been prepared by the U.S. Patent and Trademark Office. With respect to "The Model Law for Developing Countries on Marks and Trade Names", two sessions have been held in Geneva by the Working Group.

Mr. Kazuhisa Imai then discussed "Plans of Japanese Companies for the Foreign Filing Under EPC and/or PCT". This talk was a report of a survey of sixty-one companies. The statistical results of the survey as reported showed that 56% of the surveyed companies either have already filed an EPC application or would do so within a year. The major reasons for EPC filings were to save filing expenses, simplify filing procedures, and select English as an official language. The PCT application was reported as not being used except for special cases by 56% of the respondents.



Kazuhisa Imai

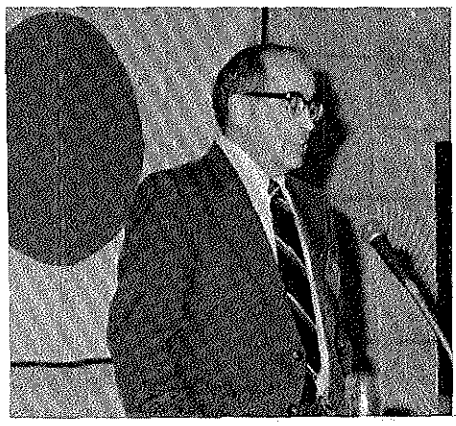
After a break, Mr. Martin Kalikow addressed the Congress with a "Report on the Revision of the Paris Convention". The report covered the status of the deliberation of WIPO's preparatory intergovernmental committee on the revisions of the Paris Convention with respect to general matters, trademark matters, and patent matters. The report also evaluated the importance and likelihood of adoption by the forthcoming diplomatic conference of each item discussed.



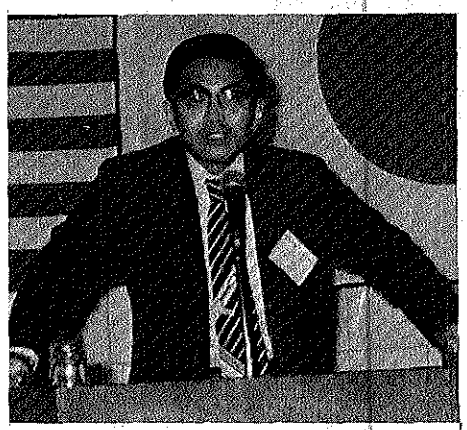
Martin Kalikow

Mr. Takashi Aoki reported on "Some Main Topics and Recent Developments on WIPO Meetings for Revision of the Paris Convention". He discussed the fourth intergovernmental preparatory committee and working group meetings that he attended in Geneva in June, 1978, and discussed the subjects for the fifth committee meeting which will be convened in November-December, 1978.

The last paper of the day was delivered by Mr. Edgar W. Adams, Jr., on "WIPO and the Model Laws". The current WIPO effort is an ambitious undertaking to draft a model law for developing countries on inventions. This effort began in 1975 and has involved the work of a so-called committee of experts who are stated to be acting as individuals, not as official representatives of governments. A draft model law is presently available.



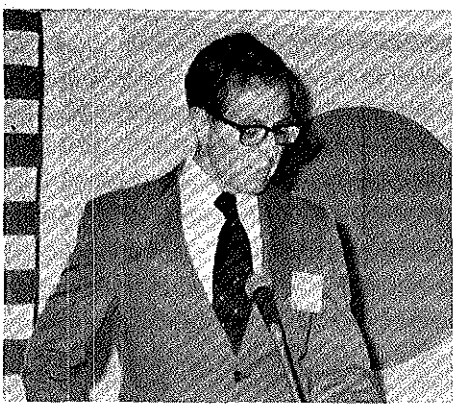
Edgar W. Adams, Jr.



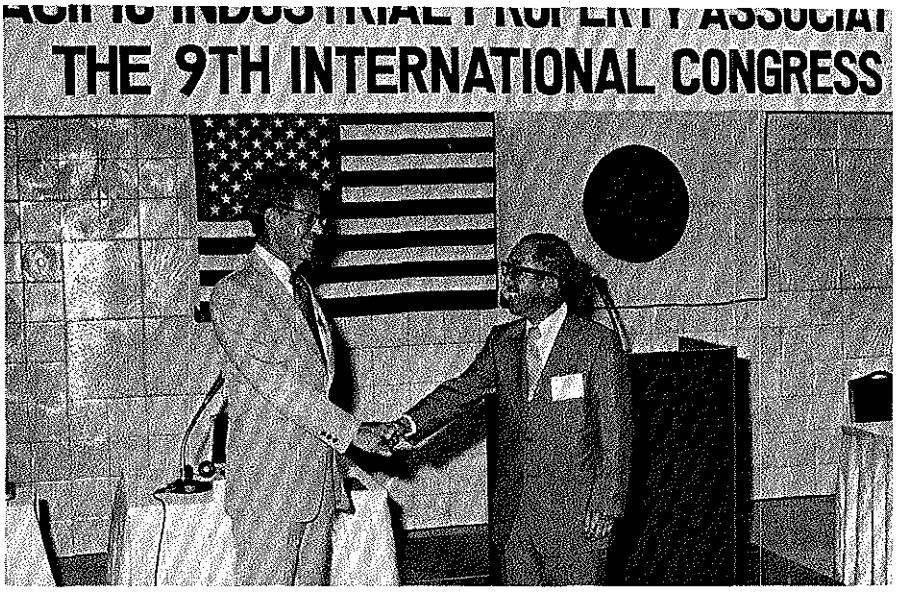
Takashi Aoki

The closing address was delivered by Mr. Enlow. He commented on the success of the Congress, as evidenced by the high quality of the papers presented and congratulated the Chairmen of the Japanese and United States Committees on the cooperation and selection of topics. He also complimented the speakers on their preparation and delivery. Special thanks were given to the arrangers of the Congress, who were responsible for obtaining the honorary speakers, Messrs. Saito, Kumagai, Banner, and Uzawa, as well as making all preparations, including arranging for the interpreters.

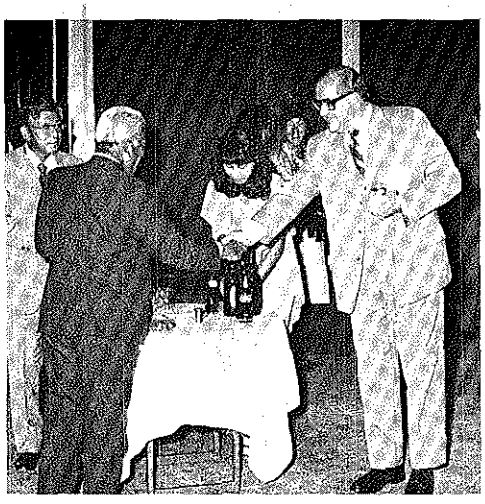
The Congress was closed by Mr. Hirano who announced that the next Congress would be in the United States in 1979.

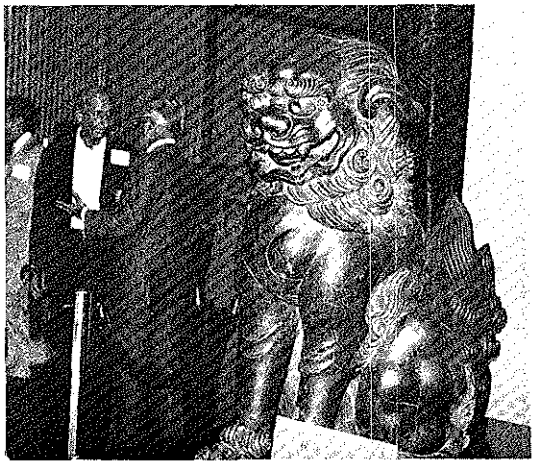


Paul Enlow

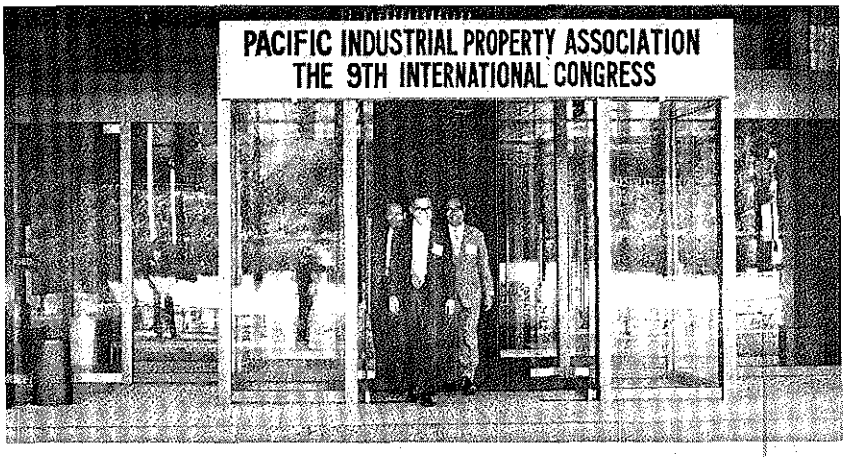


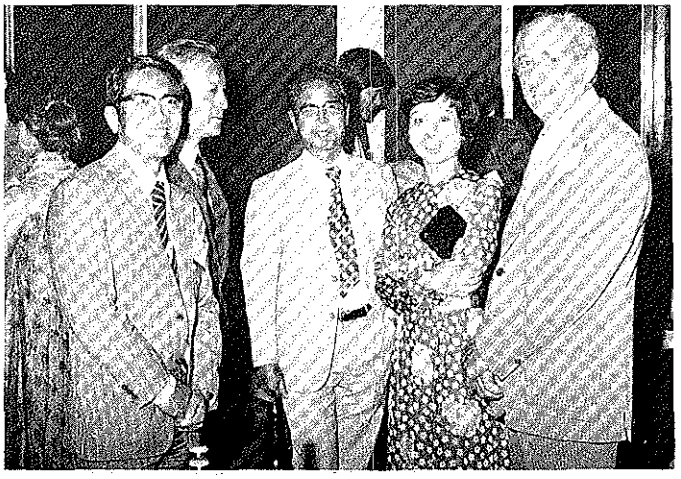
Presidents – Paul M. Enlow and Akira Hirano






TRIAL PROPERTY
ITERNATIONAL

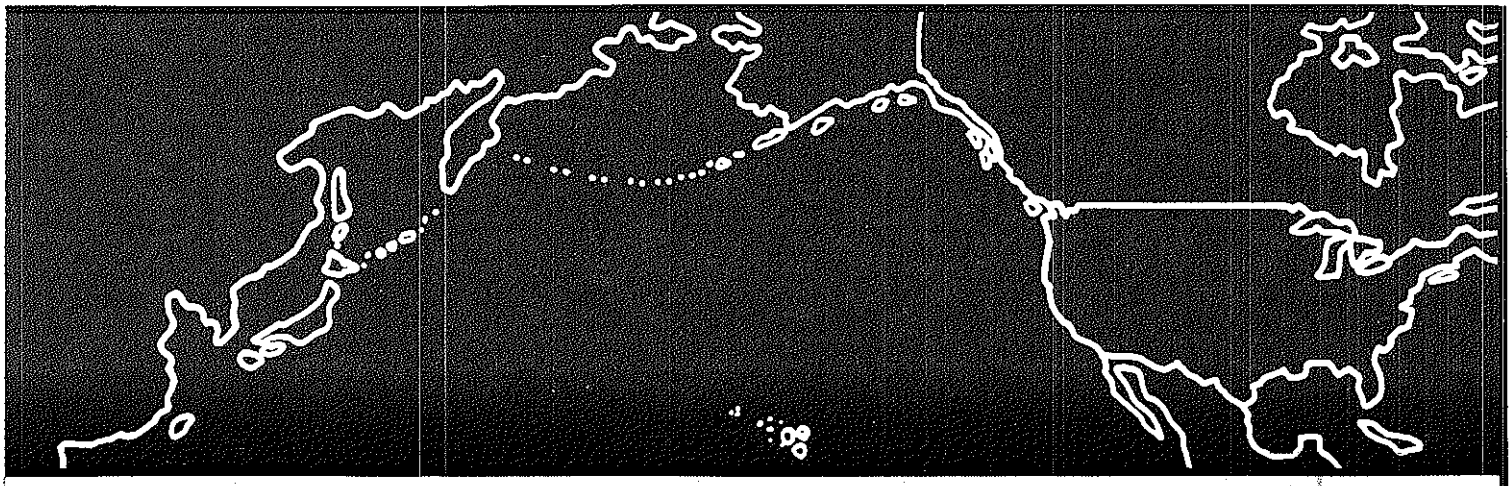

PACIFIC INDUSTRIAL PROPERTY ASSOCIATION
THE 9TH INTERNATIONAL CONGRESS



PIPA

PACIFIC INDUSTRIAL PROPERTY ASSOCIATION

太平洋工業所有権協会



Tenth International Congress Philadelphia October 24, 25, 26, 1979

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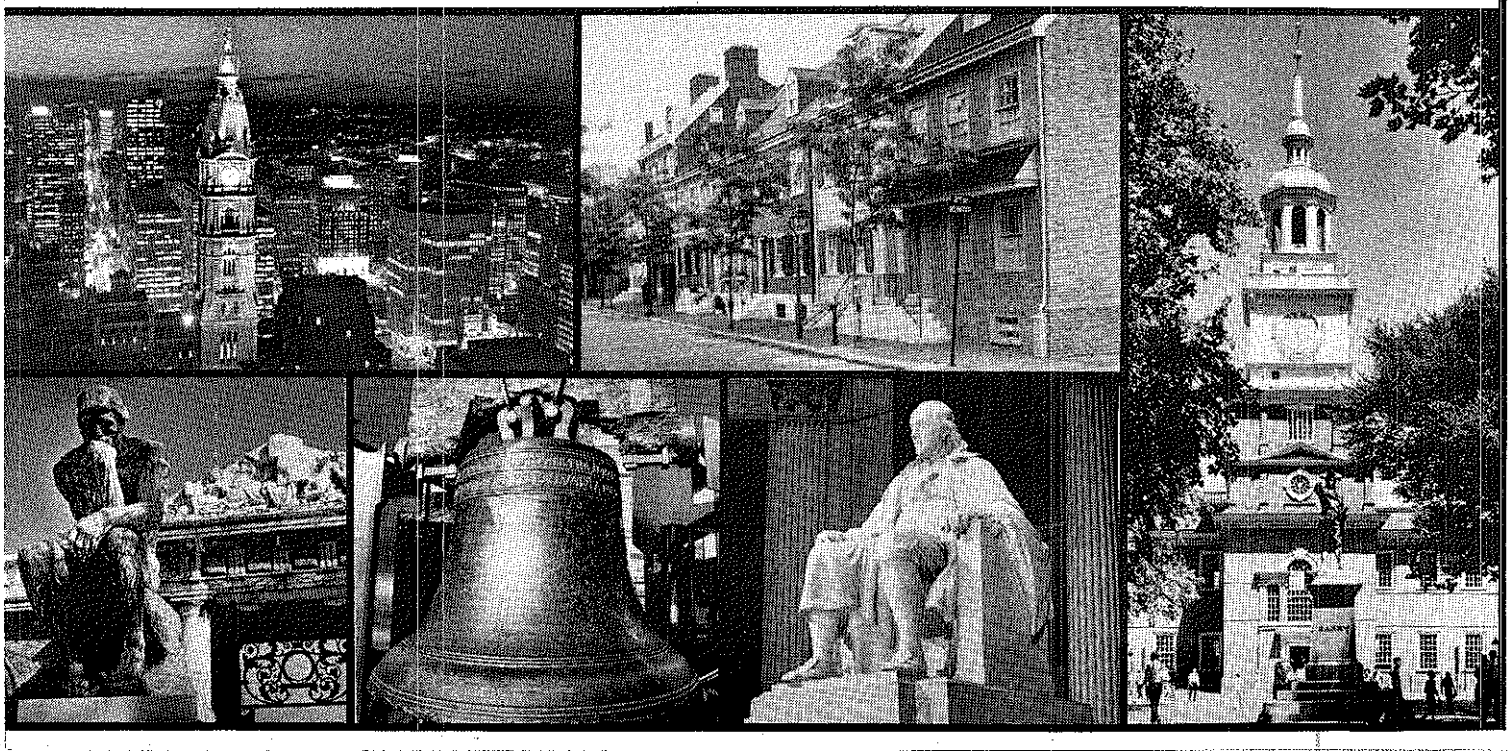

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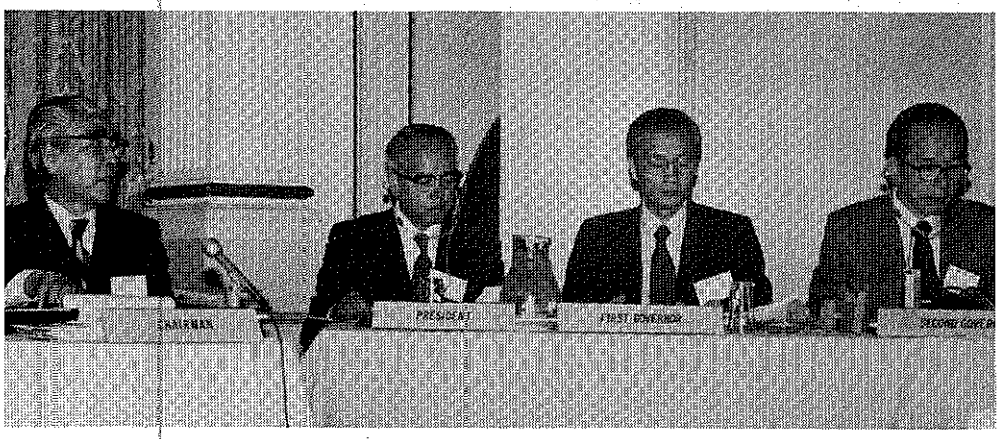
Presidents Pauline Newman and Shusaku Toki

William Keating, Thomas I. O'Brien, Pauline Newman, Karl F. Jorda



Hiroshi Ono, Shusaku Toki, Koichi Ono, Hisataka Ono

Tenth
International Congress
Philadelphia
October 24-26, 1979
Pacific Industrial Property Association

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Committee 2	Kou Kunieda	William R. Norris
Committee 3	Hiroshi Ono	John E. Maurer
Committee 4	Yutaka Yamada	Thomas I. O'Brien
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Honorary Chairman — Henry Wendt, President
SmithKline Corporation

Companies Represented

Aisin Seiki Co., Ltd.
Ajinomoto Co., Inc.
Allied Chemical Corporation
American Cyanamid Company
AMP Incorporated
Asahi Glass Co., Ltd.
Bell Telephone Laboratories
Brother Industries, Ltd.
Carrier Corporation
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Polaroid Corporation
Sekisui Chemical Co., Ltd.
Shin-Etsu Chemical Co., Ltd.
The Singer Company
SmithKline Corporation
Sperry Univac Division, Sperry Rand Corp.
Standard Oil Co. (Indiana)
Sumitomo Chemical Co., Ltd.
Sumitomo Electric Industries, Ltd.
Takeda Chemical Industries, Ltd.
Thiokol Corporation
Toshiba Corporation, Ltd.
Toyoda Machine Works, Ltd.
Toyota Central Research & Development Labs., Inc.
Toyota Motor Co., Ltd.
Union Carbide Corporation
Uniroyal Chemical Company
Western Electric Company
Westinghouse Electric Corp.

Program Minutes

First Day — Wednesday, October 24, 1979

The Tenth International Congress of PIPA was opened by the President of the United States Group, Dr. Pauline Newman, at 9:00 a.m., at the Hotel Barclay in Philadelphia. In her opening remarks, Dr. Newman expressed her hope that the tradition of PIPA Congresses, with their fine mix of congenial atmosphere and valuable exchanges of information, will be continued for another decade. Dr. Newman introduced Mr. Shusaku Toki, President of the Japanese Group, who, on behalf of the previous year's President, Mr. Akira Hirano, reported on the 1978 activities of PIPA.

Following the installation of PIPA Officers for 1979, Dr. Newman introduced Mr. John Shipman, who, in commemoration of its 10th anniversary, had prepared a history of PIPA's founding and achievements 1970-1979.

Keynote Address

The keynote address was given by Dr. Newman. She directed her remarks to a subject of concern in the industrial property area, the developing countries. She pointed out that it is the multinational companies who create, develop and use most of today's technology, and who transfer technology to other industrial countries and the Third World. She sees no benefit to the Third World as a result of proposed changes in the Paris Convention, and the UNCTAD Code, only harm to the companies and countries in the forefront of technology. Dr. Newman suggested that the private sector must look to its own resources, and in a spirit of enlightened self-interest seek the most effective methods of technology transfer and investment in Third World industry, recognizing that a world without the present enormous differences between rich and poor nations is a more stable world, today and in the future. To achieve this greater industrial interdependence would require a more profound understanding by Third World countries of the need for financial return to the investor and the need to safeguard and use industrial property rights as a tool for industrial development. She warned that the problem areas we are now seeing in the patent and trademark fields are just the beginning, and that as the holders of technology, we must seek ways to help resolve these problems, and not leave it entirely in the hands of governments.

Morning Session

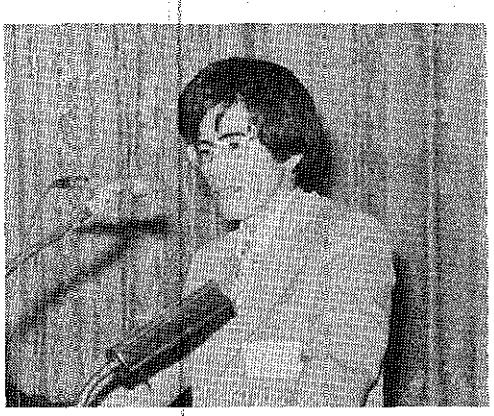
Upon conclusion of the opening ceremonies, the morning session continued with reports presented on behalf of Committee No. 1, chaired by Mr. Karl F. Jorda and Mr. Toshiharu Kawase. The first paper was entitled "Recommendations of the Subcommittee on Patent and Information Policy of the Domestic Policy Review of Industrial Innovation" and was presented by Mr. Rudolph J. Anderson. Mr. Anderson, as well as other members of the United States Group, served on the Subcommittee, which examined the effect of the U.S. patent system on the innovation process. Mr. Anderson reported that a major overhaul of the U.S. patent system was not recommended by the Subcommittee although some problems were identified, and recommendations, including the following, were made on how to deal with those problems. First, the reliability of the patent grant should be improved by upgrading the Patent and Trademark Office, providing for reexamination of patents, and establishing a specialized appellate court for patent cases. Secondly, the cost of judicial enforcement of the patent grant should be reduced by requiring each Federal Court to exercise a high degree of control over the conduct of patent litigation, with particular concern

Pauline Newman

Shusaku Toki

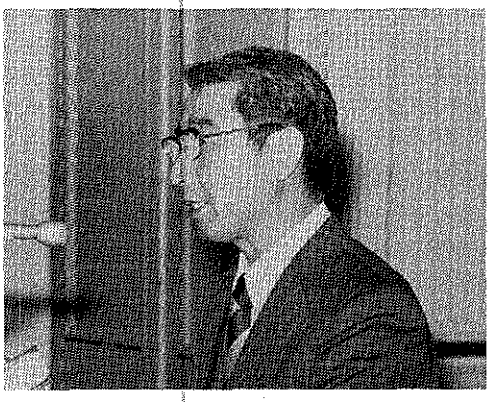
John Shipman

Rudolph J. Anderson



Naoyuki Sudoh

George W. F. Simmons



Yutaka Yamada

Reuben Spencer

for the time and expense of discovery. Thirdly, commercial rights to government-supported research should be transferred to the private sector to ensure capital investment in their development. Such transfer should be subject to a license right reserved to the government to guarantee no further payment for government use of the invention.

Following the morning coffee break, Mr. Naoyuki Sudoh continued the reports of Committee No. 1, with a paper on the "Japanese Situation on the Trademark Registration Treaty." Mr. Sudoh described the reasons for Japan's not signing the TRT as twofold: the big differences in content between the TRT and the Japanese trademark system, and the large backlog of outstanding trademark applications awaiting examination. He explained, however, that as Japan is agreeable to the basic idea of the TRT, the Trademark System Study Committee was set up by the Patent Office in December 1978 as a step toward entry into the TRT, and is presently studying the matter. Therefore, Mr. Sudoh predicts that Japan's entry into the TRT will not be very far in the future.

The presentation by Mr. George W.F. Simmons, "Enforcement of a Popular Trademark", focused on the problem of the potentially generic trademark, the situation which arises where a mark becomes synonymous with goods rather than denoting their origin, resulting in the loss of rights to the mark. Mr. Simmons warned that since the FTC is now pursuing use of the Lanham Act to declare marks generic, it behooves everyone owning a popular mark to examine its current usage and take vigorous action if the mark is in danger of becoming generic. Mr. Simmons discussed three approaches of the courts toward this situation: only complete success in eliminating generic usage will be effective in rehabilitating a mark (Bayer Co. v. United Drug Co.), a mark will be protected where the possibility of some deception remains real and the need of competitors to describe their products is satisfied by the availability of several suitable common nouns or adjectives (Marks v. Polaroid Corp.), and the "Thermos" approach. In American Thermos Products Co. v. Aladdin Industries, Inc., the court held "thermos" generic, but that "Thermos" was a valid mark which would be enforced against infringers. Mr. Simmons explained that while the "Thermos" solution is far from ideal from the standpoint of the trademark owner, that more courts may be tempted to go this route if the FTC continues its crusade.

The subject of the paper by Mr. Yutaka Yamada was "Contradiction Between PCT and Japanese Patent Law: Especially in Regard to the Unity of Invention". One of the PCT's requirements for an international application is unity of invention. The Japanese Patent Law applies a stricter interpretation to this concept than does the PCT. In his presentation, Mr. Yamada discussed the treatment of an international application in which Japan is designated, which might be rejected because of the unity not conforming to the requirements set by Japan, even if the same case has conformed to international specifications.

The final paper of the morning session was presented by Mr. Reuben Spencer and entitled "Analysis of a Survey of the New York Patent Law Association Concerning the Use of the PCT & EPO". In putting together this questionnaire, Mr. Spencer used the questionnaire prepared by Committee No. 3 of the Japanese Group and reported at Nagoya in 1978. From the results of the survey, Mr. Spencer concluded that the respondents were reluctant to use PCT as a normal filing route, although there appears to be some indication that more plan to try PCT in the future. The responses showed that the reasons for this are basically economic and that those filing paths that provide the greatest cost advantage will have the greatest usage in the future.

Afternoon Session

Mr. Katsuhisa Toyama opened the afternoon session with his presentation on "Effective Utilization of Outside Agents." Mr. Toyama reported on the results of a survey of the PIPA Japanese Group, by questionnaire, regarding the utilization of outside agents in corporate patent departments in Japan. The investigation focused on the actual conditions of utilization and measures for creating a more effective cooperation system between the patent departments and the outside agents. Mr. Toyama concluded that in looking at effective utilization of outside agents from the company's viewpoint, the standard pattern of such utilization should be compared with the actual conditions of each particular company. Once the difference from the standard pattern is recognized, the way to effective utilization of outside agents will be opened for the corporate patent department.

Katsuhisa Toyama

Mr. Rene D. Tegtmeyer, Assistant Commissioner for Patents, U.S. Patent and Trademark Office, addressed the Congress on "The New Reissue Rules and Guidelines: Overview and a View from the Patent and Trademark Office." Mr. Tegtmeyer directed his remarks to the new rules and practice adopted by the Patent and Trademark Office in 1977, to improve the quality and reliability of issued patents. He noted that these changes are important to both domestic and foreign parties filing patent applications, or enforcing or attacking patents in the U.S. Mr. Tegtmeyer discussed the implementation of the new rules and how the courts have been reacting to them, and reviewed some of the precautions that might be taken to minimize or avoid duty of disclosure or fraud problems.

Rene D. Tegtmeyer

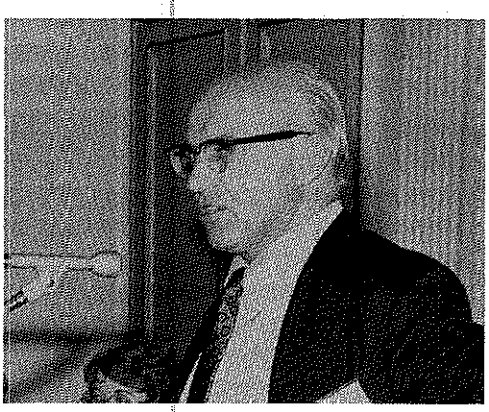
U.S. reissue rules were further explored in the paper presented by Mr. Stanley Marcus, entitled "The New Reissue Rules and Protest Practice from the Corporate Vantage Point." Mr. Marcus examined the new strategies which the 1977 rule changes have added to U.S. patent practice. He pointed out that the ability to have a patent reissued in proceedings in the Patent and Trademark Office, places the patentee in a far better position than he would be in the courts. The courts provide an all or nothing situation for the patentee, while the reissue procedure places the patentee in the Patent and Trademark Office where he enjoys the ability to amend the claims. Mr. Marcus also discussed those issues to be considered when deciding whether to participate in a reissue situation as a protester.

Stanley Marcus

Following the afternoon coffee break, Mr. Yoshiyasu Takahashi spoke on "Criteria for Judgment of 'Novelty of an Invention'—Mainly in View of Recent Court Decisions". In his discussion of the criteria for judgment of novelty in Japanese Patent Law, Mr. Takahashi introduced the attendees to past academic doctrines and court decisions relating to problems involved in such criteria, and considered recent significant court decisions. His report specifically mentioned the court decisions in the "Grinder" case, based on which the Japanese Patent Office revised its examination standard, and the "West German Specification" and "Belgian Specification" cases, which show the situations under which a patent specification laid open for public inspection in a foreign country is treated as "a publication distributed".

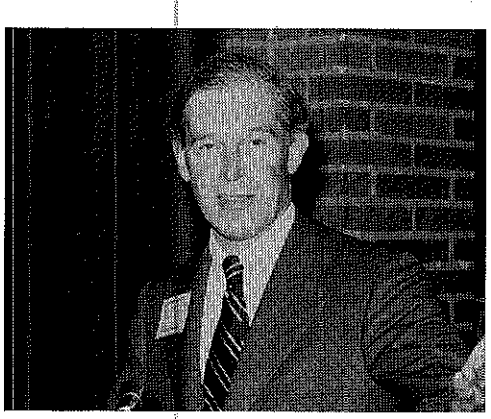
"Selected Inventorship Designation and Correction Problems" was the subject of Mr. Karl F. Jorda's presentation. Mr. Jorda reiterated his belief that there should be no real objection or obstacle to a practice of discrepant inventorship designation between foreign priority and U.S. counterpart applications. His discussion focused on three complex issues in this inventorship discrepancy

Yoshiyasu Takahashi



Karl F. Jorda

Hajime Takahashi



Henry Wendt III

Edward H. Valance

topic: whether all designated joint inventors must be coinventors of all claims, whether the respective contribution of each coinventor must amount to inventive contribution, and when conversion from sole inventorship to a different sole inventorship can be effected.

The final paper of the day was presented by Mr. Hajime Takahashi and entitled "Construction of Indirect Infringement in Japan — on Acts Deemed to be Infringement". Mr. Takahashi pointed out that there were not many Japanese court decisions with respect to indirect infringement, and that Japan has not yet established such a juridical doctrine. Subcommittee 4 of Committee 1 reviewed these decisions and found that the majority did not admit the existence of indirect infringement. However, recent decisions, exemplified by the landmark "Temporary Fixing Nail" case, appear to admit indirect infringement on the basis of a liberal interpretation of the Patent Law provision. Mr. Takahashi's presentation focused on this decision and its relation to future development of the doctrine of indirect infringement in Japan.

Following the first day's presentations, the Congress participants went to the Museum of the University of Pennsylvania, which houses the most extensive collection of ancient and primitive cultures in the U.S. A reception, held in the Chinese Rotunda, preceded a banquet in the Upper Egyptian Gallery.

After dinner, Dr. Newman introduced the Honorary Chairman of the Tenth International Congress, Mr. Henry Wendt III, President and Chief Operating Officer of SmithKline Corporation, a Philadelphia-based, high technology company, which is a PIPA member. Mr. Wendt has had a long personal relationship with Japan, after living in Japan for two years while starting his company's consumer products business there. He addressed those gathered on the topic "Quantum Leaps and Cold Feet", and focused on the issue of whether or not technological innovation in the U.S. is lagging. Mr. Wendt pointed to those factors which, according to some, have caused a decline in industrial innovation in the U.S., such as the runaway inflation of the 70's; the federal government's often excessive and unnecessary regulation; taxes which penalize basic research; numerous unfortunate byproducts of the antitrust laws and the patent system; and industry itself, which often hedges its bets on the future by insisting on sure-fire, short-term payoffs in the interest of short term survival. In spite of the current state of affairs, Mr. Wendt is very optimistic about the future of U.S. technological innovation, but he believes that there are three areas in which the U.S. must improve: an educational system must be developed that reinforces creativity and rewards innovative thinking, there must be strong financial incentives, and the government must modify some regulations, while keeping those that still assure socially acceptable corporate behavior. Mr. Wendt is also optimistic about the technological innovation of the rest of the world and believes that we are entering a period of healthy and vigorous competition.

Second Day — Thursday, October 25, 1979

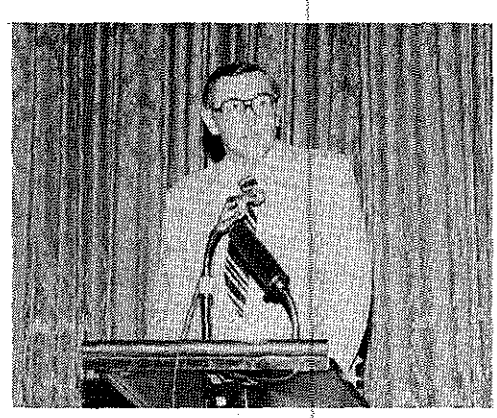
The second day began with reports by Committee No. 2, under the co-chairmanship of Messrs. Kou Kunieda and William R. Norris.

Morning Session

The first speaker of the day, Mr. Edward H. Valance, discussed some recent developments in U.S. case law on the subject of "Implied Warranties Attaching to Intellectual Property Licensing: Liability of Franchisors and Trademark Licensors." In his presentation, Mr. Valance mentioned two cases decided in 1979 involving implied warranties by licensors of trademarks. In Connelly v. Uniroyal, Inc., the Court held that participation in the chain of distribution of a defective product by the licensor is not an essential element in the product

liability claim. In Koster v. Seven-Up Co., the plaintiff recovered from a franchisor for breach of implied warranty of fitness in a product sold by a franchisee.

Mr. William R. Norris presented a paper entitled "Premerger Notification As Applied to Industrial Property". In 1976, Congress enacted the Hart-Scott-Rodino Antitrust Improvements Act which calls for "Premerger Notification" as administered by the Fair Trade Commission. Although primarily directed to mergers and consolidations of corporations, notification requirements extend generally to all asset transfers contemplated by Section 7A of the Clayton Act. Thus sales and exclusive licenses of industrial property that alone or in combination with other assets exceed threshold monetary limits, require notification to the FTC. Mr. Norris pointed to special problems that attend placing value on such assets for determination of whether monetary limits are exceeded. Often, compensation for industrial property intangibles is in the form of running royalty for a term of years. A good faith effort to place a current value on the projected income is required for compliance with the Act. Failure to comply with the requirements of the Act renders the officers and directors of the non-complying party amenable to civil penalties up to $10,000 per day. There is also some risk that a contract subject to notification will not be enforceable unless proper notices have been filed.



William R. Norris

Ms. Marcia D. Pintzuk discussed "Unfair Trade Practices: Section 301 of the Trade Act of 1974," which empowers the President of the U.S. to take positive action to obtain the elimination of certain unfair foreign trade practices. Ms. Pintzuk explained that the President may act on his own initiative or on petitions presented by interested parties. Section 301 may be used in response to the action, policy or practice of any foreign country or instrumentality, that is unjustifiable, unreasonable or discriminatory and burdens or restricts U.S. commerce. Ms. Pintzuk pointed out that the goal of §301 is to insure fair and equitable considerations for U.S. commerce.

Marcia D. Pintzuk

Mr. Juro Ichimura reported on "Joint Research and Problems on Working of the Results." Mr. Ichimura examined, from a practical point of view, a joint research program which two or more entrepreneurs launch in close collaboration with one another. He explained, in particular, how the entrepreneurs should enjoy the results of the research and put them to work to achieve commercial merits. Mr. Ichimura went on to discuss the significant points in concluding an impartial joint research agreement between the concerned parties, with emphasis on the protection of the rights of the party inherently weak on the negotiating table.

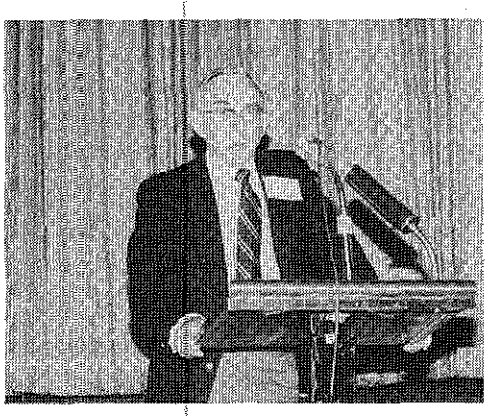
Juro Ichimura

The next paper submitted on behalf of Committee No. 2 was by Mr. Homer O. Blair on the subject of "Technical Collaboration between Large and Small Organizations." Mr. Blair suggested that problems which often arise in such technology transfers, can be attributed to the different concepts and methods of operation of each of the parties and to disparities in financial strength and marketing ability. He explained that these problems are avoidable, and described an actual situation to show that, by being creative and flexible, large corporations may very well be able to utilize some of the innovative concepts developed by individuals or very small companies, in such a way that the product is developed in a reasonable time and both parties receive substantial benefits.

Homer O. Blair

After a coffee break, the final topic of Committee No. 2, Technology Transfer to the People's Republic of China, was addressed. This was first discussed from the Japanese perspective in a report by Messrs. Sadao Suzuki and Kaichi Fukuda, which was delivered by Mr. Fukuda. Japan's technical export to China has been sharply increased in the past two or three years, and since it is the

Kaichi Fukuda



William H. Hooper

John Crook

Michio Nichi

current fundamental principle of China to actively promote any technological import from foreign countries which will help carry out their modernization plans, it can be assumed that this trend will continue. However, there is a general lack of experience and information on dealing with China in such situations. With this in mind, Mr. Fukuda discussed issues of licenses in plant export contracts including China's readiness to receive technical assistance, characteristics of technical exports to China, principal problems of licensing terms and conditions, and the patent situation in China.

Mr. William H. Hooper looked at this same issue from the U.S. perspective and discussed "Technology Transfer to the People's Republic of China, An American Experience". In his paper, Mr. Hooper related his personal experiences in license negotiations involving the transfer of petroleum processing technology to the PRC in 1978-79. He focused on a basic complete plant supply contract between the China National Technical Import Corporation (CNTIC) and the Japanese CPC contractor, and the separate patent and technical information license flowing from the U.S. licensor (Chevron Research Company) to CNTIC as the licensee. Mr. Hooper discussed some specifics of the latter license relating to technology definitions and grants, cross-grants, confidentiality, arbitration, force majeure, and other contractual provisions and negotiation problems.

The final presentation of the day was made by Committee No. 4, under the co-chairmanship of Messrs. Thomas I. O'Brien and Yutaka Yamada.

John Crook, a lawyer for the U.S. Department of State, who served as Legal Advisor for the U.S. delegation that negotiated the agreement, presented a review of the 1979 Agreement on Trade Relations Between the U.S. and the People's Republic of China. The Agreement followed President Carter's normalization of U.S.-China relations and deals with several aspects of trade between the two countries, including most-favored-nation treatment of imports and exports, financial transactions and business facilities in China. The Agreement heralds a dramatic turn toward the U.S. for technology transfer, and PIPA was especially interested in the provisions of the Agreement for reciprocal and equivalent protection of patents, trademarks and copyrights, and also in the provision for conciliation as the first action to be taken for resolving problems arising out of trading arrangements.

Mr. Crook stated that in his judgment the Chinese attached great importance to stable long-term mutually beneficial relations with the "foreign friends". He closed with some personal observations on the negotiating tactics of the Chinese. The Chinese do not negotiate in a straightforward start-at-beginning and work-to-the-end style. Much time is spent on generalities and principles, sizing up the authority, ability and determination of the other side. They test your patience and hold out on major issues until the last. Nevertheless, Mr. Crook believes that with patience and pragmatism, a balanced and mutually beneficial deal can be struck with them.

At the conclusion of the morning session, the attendees enjoyed an afternoon tour of Historic Philadelphia. Following the tour, the members and guests of the Congress went to the Franklin Institute, and attended a reception in the Hall of Energy and dinner in the Benjamin Franklin National Memorial.

Third Day — Friday, October 26, 1979

The third day was opened with introductory remarks by Mr. Hiroshi Ono, Japanese Chairman of Committee No. 3. Mr. Ono and Mr. John E. Maurer, American Chairman, in turn introduced each speaker from their respective countries. The question of what position PIPA should take concerning several proposed changes to the Paris Convention made up most of the morning's program.

Morning Session

On the matter of "Exclusive and Non-Voluntary Licenses (Article 5A)", Mr. Michio Nichi set forth his committee's opposition to any amendment of the Paris Convention which would permit a member country of the Paris Union to provide in its national law for the establishment of patent licenses that are exclusive and non-voluntary. Such proposed revisions are of such serious nature as to permit Paris Union countries to make patent rights virtually valueless. Since enforcement of patent rights in many countries already presents serious difficulties, further weakening of those rights could be disastrous for those who make substantial investments in research.

Mr. Hiroshi Ono next discussed "Full Assimilation of Inventor's Certificates" and expressed his committee's position on this subject. Presently, the Paris Convention requires that applications for inventor's certificates give rise to a right of priority only if they are filed in a country in which an applicant also has the right to apply on the same invention at his option for either a patent or for an inventor's certificate. Committee No. 3 opposes any amendment to eliminate this requirement.

On the question of "Process Patents (Article 5 quater)", Mr. William T. McClain set forth opposition to any amendment to the Paris Convention which would delete Article 5 quater, or any modification of Article 5 quater which would involve violation of the principle of national treatment. Under such proposed deletion, nationals of other countries could be denied the same scope of protection as that accorded to the nationals of the developing countries. This would entail violation of the Convention requirement that nationals of another country must be given the same treatment with respect to the protection of industrial property as that given by a country to its own nationals.

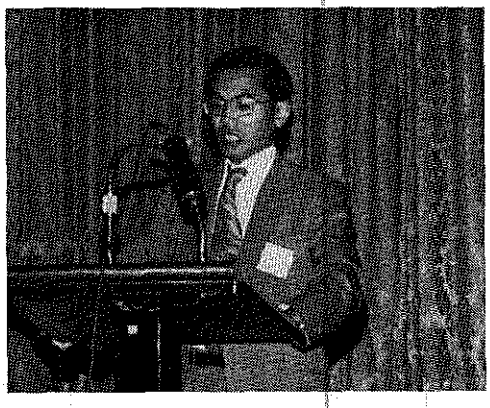
In his discussion of "Appellations of Origin (Article 10 bis)", Mr. L.M. Gibson proposed that PIPA oppose any revision of the Paris Convention which would require member countries to prohibit the use of a geographical indication or refuse or invalidate its registration as a trademark, except where such use misleads the public as to the true country of origin, or the indication is the subject of a trademark or registration, and its use is of a nature as to mislead the public as to the true country of origin.

Mr. Takashi Aoki took up the subject of "National Treatment/ Non-Discriminatory Treatment (Article 2)". Mr. Aoki expressed his opinion that granting preferential treatment to the nationals of developing countries with respect to the term of priority should be strongly opposed. The extension of the priority term is not merely a deviation from the principle of "national treatment", but apparently creates critical problems in the operation of the national patent systems of many Union countries, as well as in the administration of regional and international patent treaties including PCT and EPC.

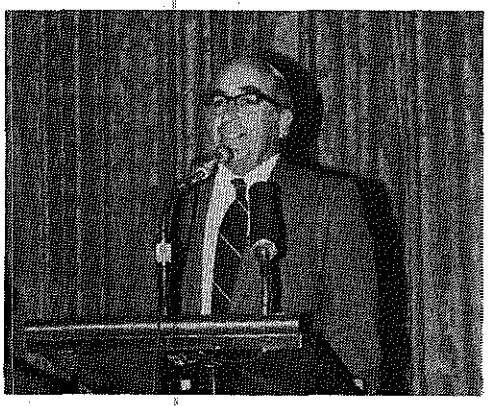
Hiroshi Ono

William T. McClain

L. M. Gibson

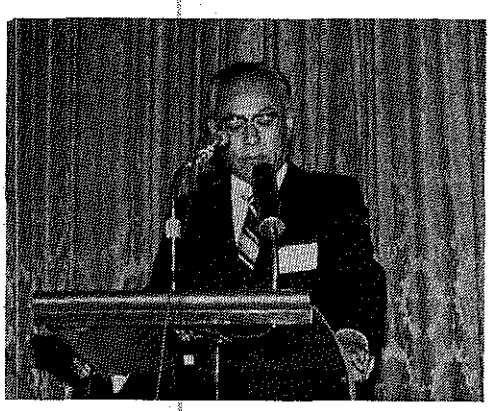


Takashi Aoki

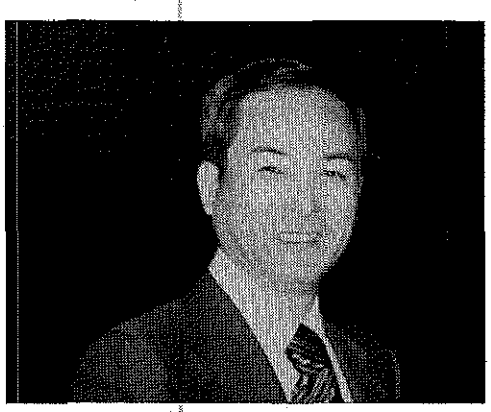


Edgar W. Adams, Jr.

Cyril G. Wickham



Tei Kawaguchi



Zenjiro Nakamura

"Unanimity or Majority Voting" was the subject discussed by Mr. Edgar W. Adams, Jr., who described several proposals to change the voting rule for revision of the Paris Convention. Mr. Adams concluded that PIPA should adopt a position that requires that no revision of the Paris Convention shall be by less than the unanimous vote of member countries of the Union present and voting, and, further, that the adoption by the Revision Conference of the Paris Convention of any voting rule for revision shall not be by other than the unanimous vote of the member countries of the Union present and voting.

To conclude the presentations of Committee No. 3, Mr. Cyril G. Wickham, Chairman of the Property Panel of the Confederation of British Industry, set forth his views on "The European Outlook on the Proposed Revisions to the Paris Convention". The European attitude toward the proposed modifications is the same as that of Japan and the U.S. European industry entirely supports the U.S.-Japanese view that almost all the proposals for change should be refused, and hopes this view will not be weakened at Geneva. It was Mr. Wickham's feeling that the introduction of certain special provisions for the developing countries may be the only way of proceeding. However, he felt that the Convention should not be weakened between the developed countries prepared to honor it, in the belief that this might make the system more acceptable elsewhere.

Messrs. Edgar W. Adams, Jr. and Takashi Aoki served as co-chairmen of the Special Treaty Committee. Mr. Adams gave a brief summary report of the Committee including the procedures that would be followed at Geneva, and asked for volunteers to represent PIPA, either for some or all of the sessions. The meeting then adjourned for a coffee break.

The balance of the morning's session was devoted to a discussion of recent developments in industrial property laws of the Southeast Asian countries. Mr. Tei Kawaguchi dealt with the question of "Technology Transfer, Franchise and Trademark Agreements in the Philippines". Mr. Kawaguchi discussed the new policy guidelines on franchise and trademark agreements and renewals of technology agreements proposed by the Technology Transfer Board of the Philippines. This new policy has been strongly opposed by the American, European, and Japanese chambers of commerce and Mr. Kawaguchi dealt at length with the reasons behind this opposition.

In his discussion of "Developments in Industrial Property Laws: Korea, People's Republic of China, and Taiwan", Mr. Zenjiro Nakamura briefed the members on the status of the industrial property systems in those countries. He pointed out that with regard to the PRC, the Chinese Government recognizes the necessity for establishment of a patent system and is energetically instituting the studies necessary for such establishment. In April of this year, a delegation from the Japanese Patent Office visited China, and Mr. Nakamura's report outlined the present situation of the Chinese patent system under consideration, based on the report of the Japanese delegation.

A comprehensive review of "The New Thai Patent Law" was presented by Mr. Hideo Kondo. He concluded that its establishment is a great advance and is expected to be an incentive to facilitate the transfer of technology from developed countries, although there may be some insufficiencies in the protection afforded for the rights of patent holders.

Afternoon Session

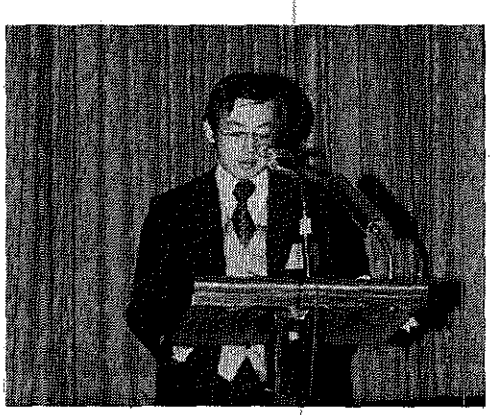
After lunch, the attendees reconvened to hear an address by the Guest Speaker, Honorable Lutrelle F. Parker, Acting Commissioner of Patents and Trademarks, who was introduced by Dr. Newman. Commissioner Parker directed his remarks to the problems that will be discussed at the upcoming Geneva Diplomatic Conference on the Revision of the Paris Convention, including three issues that he felt to be of major concern.

First among these issues is the proposal of Group D, the socialist countries, to further accommodate the inventor's certificate in the Paris Convention. They propose that inventor's certificates be recognized not only for priority purposes, but for all purposes under the Convention. Group B, the developed market economy countries, is willing to give some further recognition to inventor's certificates, provided that for all areas for which it is available, applicant could instead obtain a patent, and that certain other conditions be met to more nearly equate inventor's certificates to similar forms of protection for industrial property which the Paris Convention already covers. To date, significant agreement has been achieved but some major negotiating points remain.

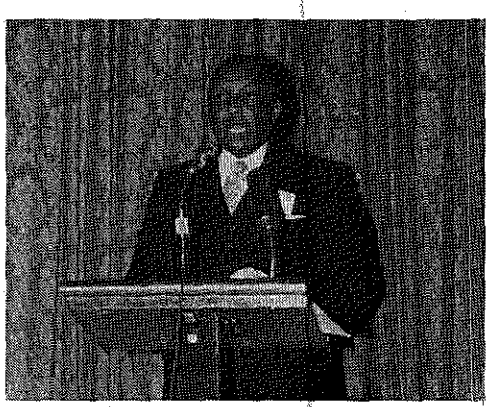
The second major issue, according to Commissioner Parker, is the giving of enhanced protection to geographic indications of source. This was originally raised by the developing countries to preserve use of their various geographic indications despite the fact that they might not yet be associated with products, or goods, from the locale of the geographic indication. At present, Groups B, D and the developing countries are fairly well agreed that some enhanced protection will be given to geographic indication of source, requiring each country to provide for refusal or invalidation of registration of trademarks which contain geographic indication which mislead the public. The European Economic Community, however, wants to extend the protection to situations where the public is not misled, but merely if the indication has acquired a reputation and is known to trade circles. This proposal is opposed by the U.S. and a number of non-EEC countries, and Group D. The developing countries support the EEC on this issue.

Commissioner Parker pointed to the proposal to amend Article 5A of the Paris Convention as the third major problem to be dealt with at the Conference. The developing countries want to reduce the length of time after which a license for non-working may be awarded, and to grant an exclusive rather than non-exclusive license if necessary to insure local working. Canada also is in favor of having the right to grant exclusive licenses for non-working. Commissioner Parker advised that an attempt will be made at the Conference to arrive at a less harsh, acceptable provision to replace the proposed exclusive provision.

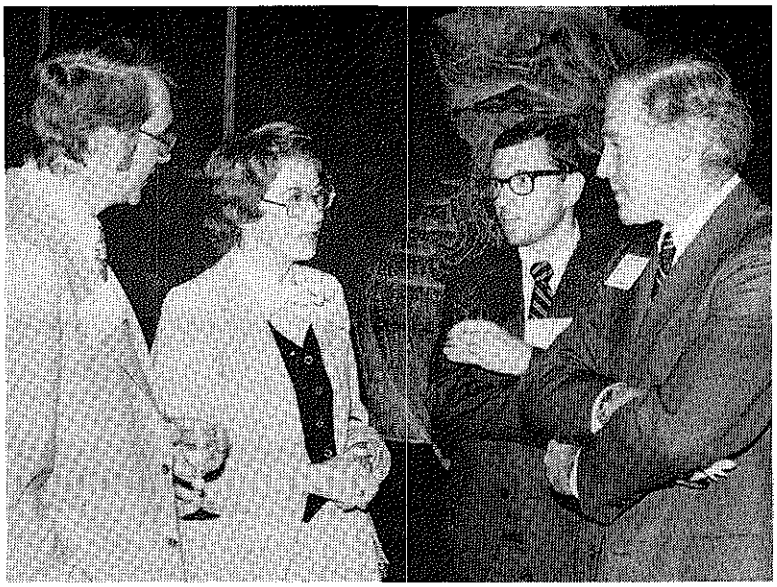
Mr. Shusaku Toki, President of the Japanese Group, concluded the proceedings by thanking all involved for making the Tenth International PIPA Congress a success.

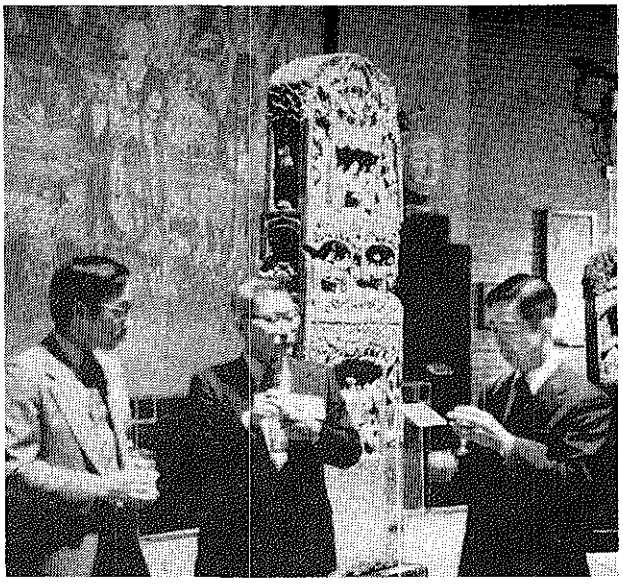


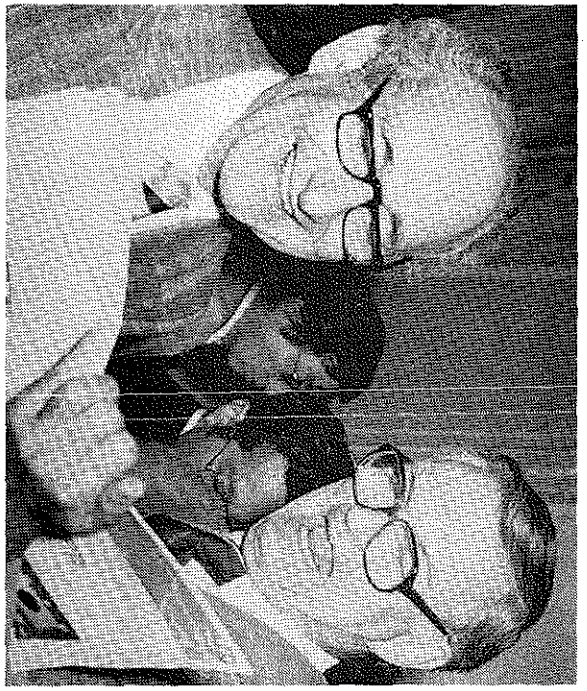
Hideo Kondo

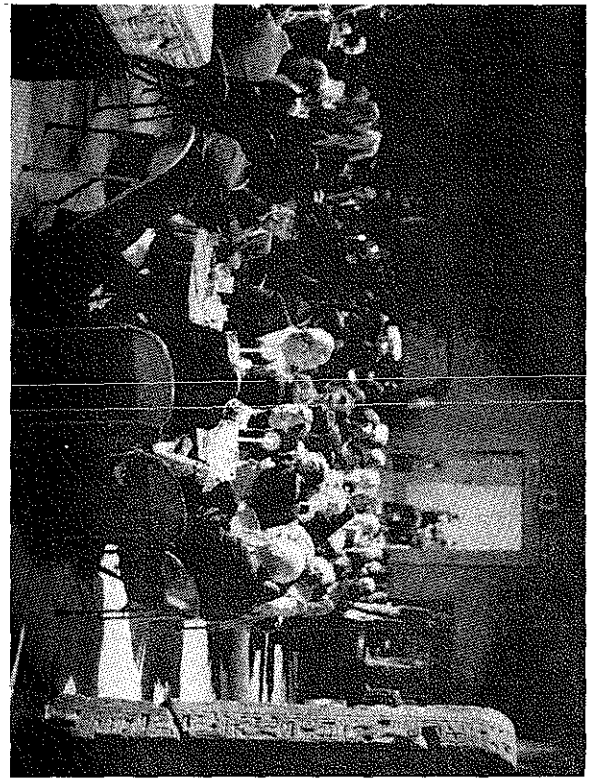


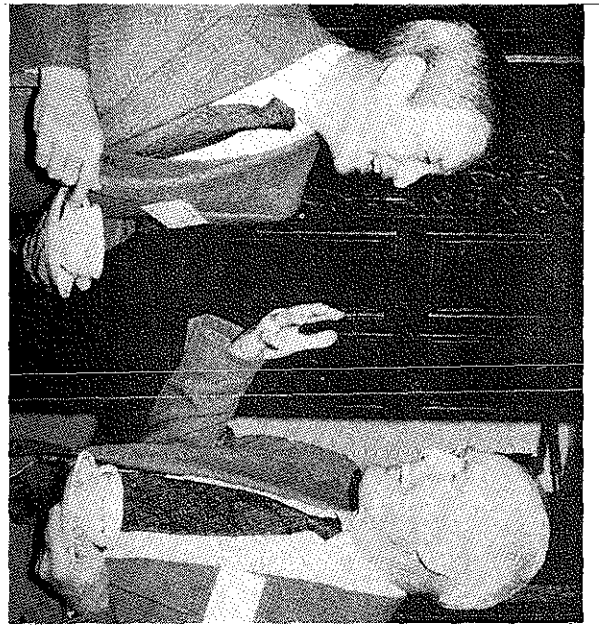
Lutrelle F. Parker

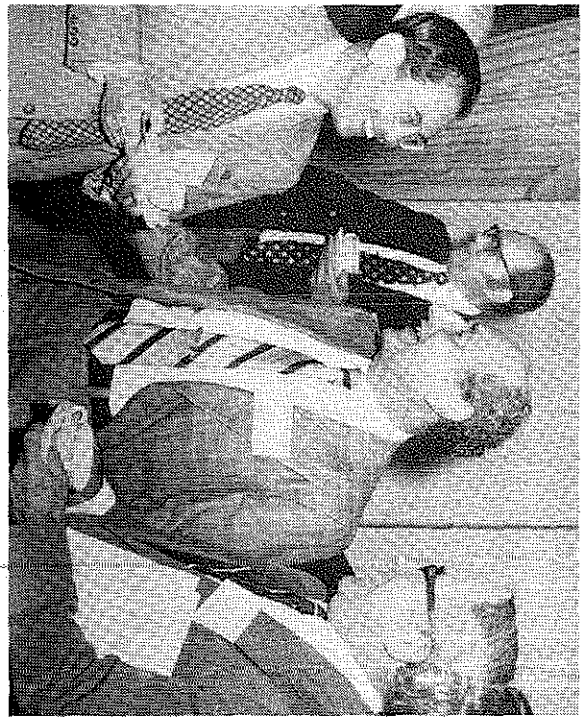


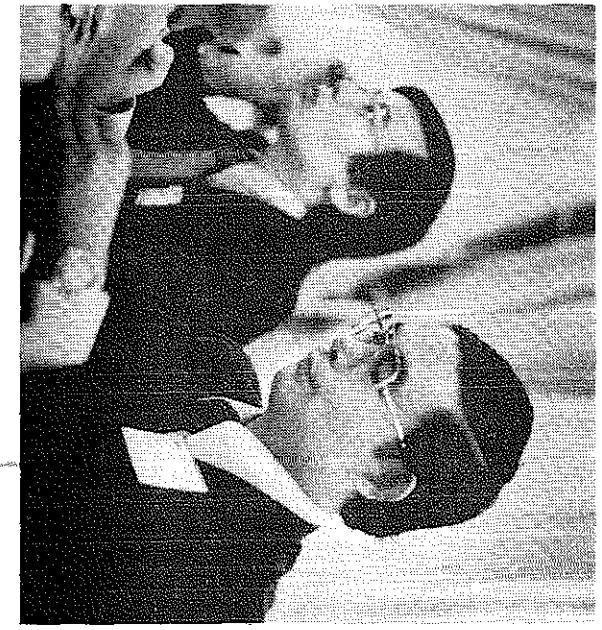


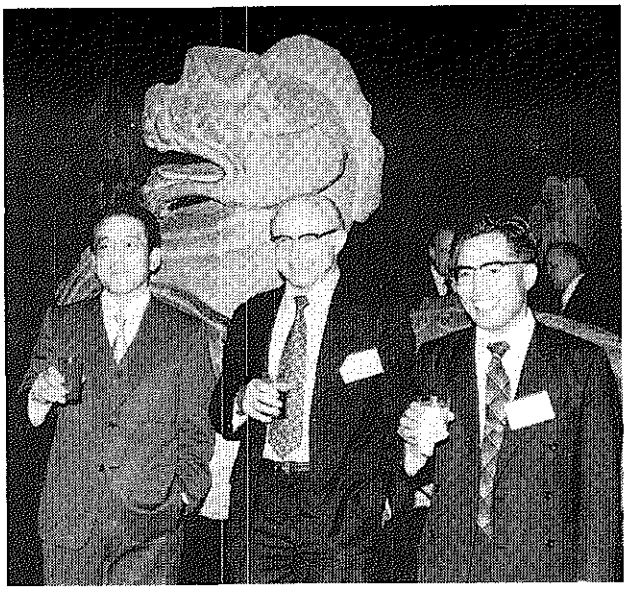


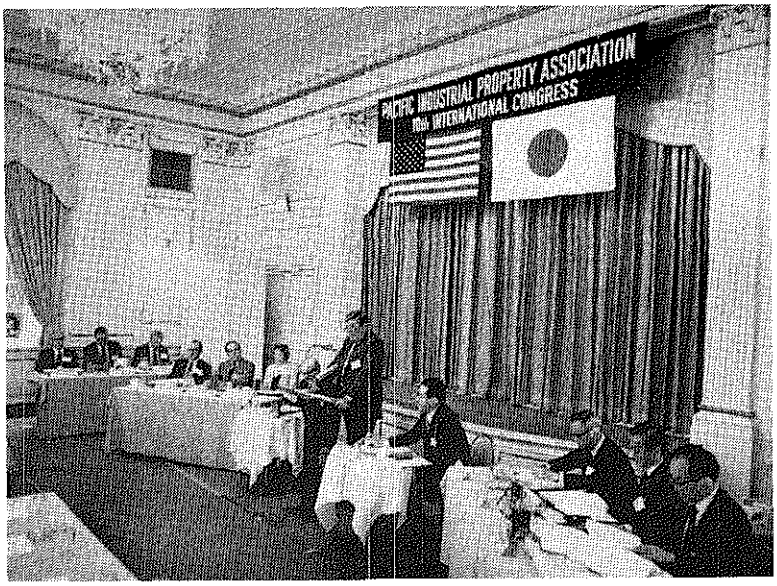








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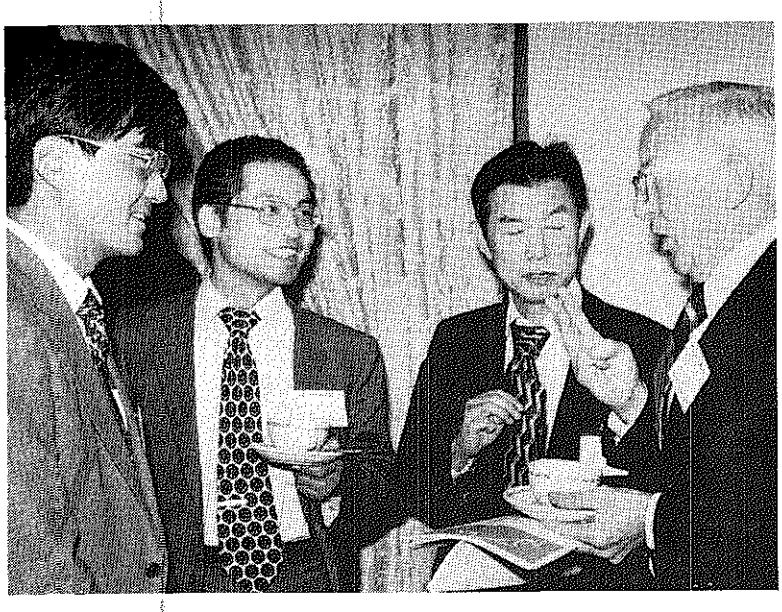

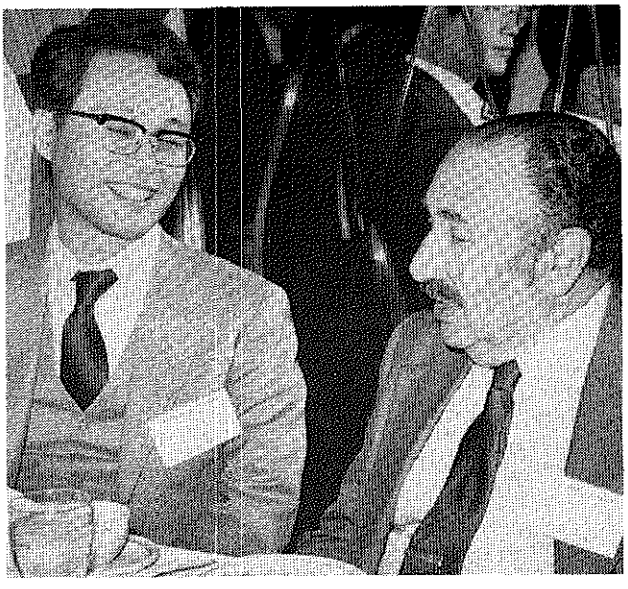

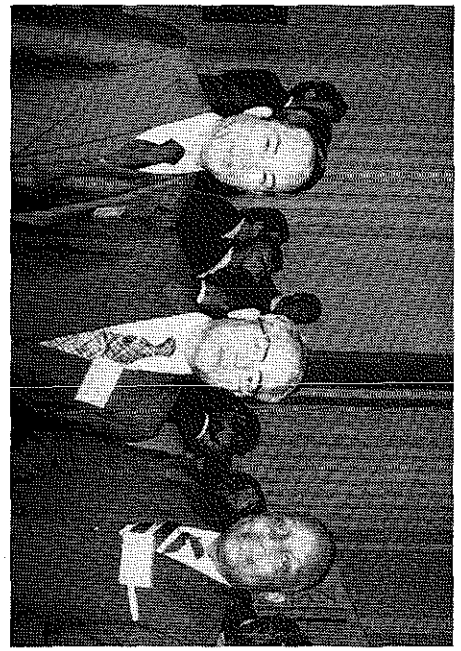

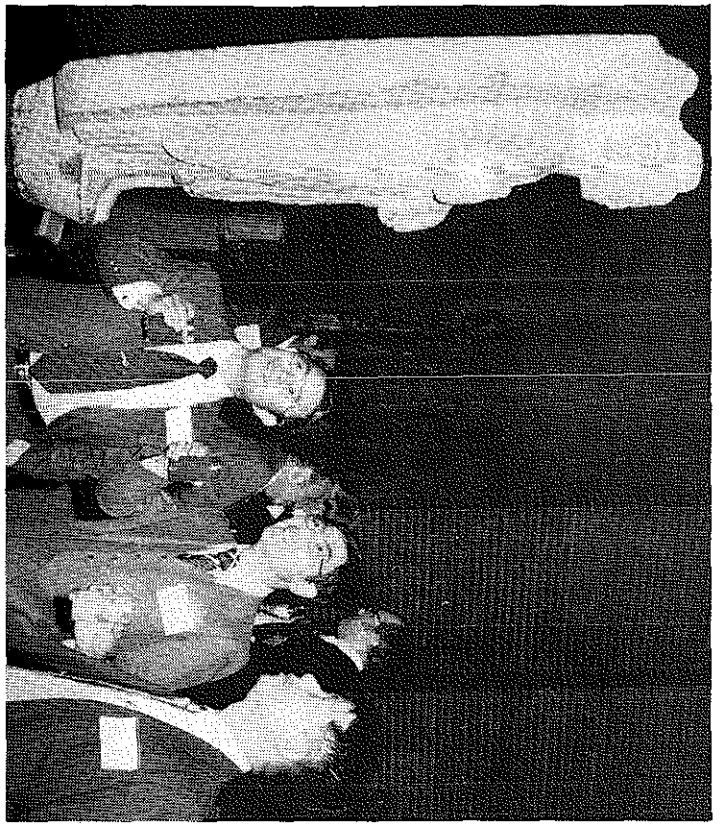

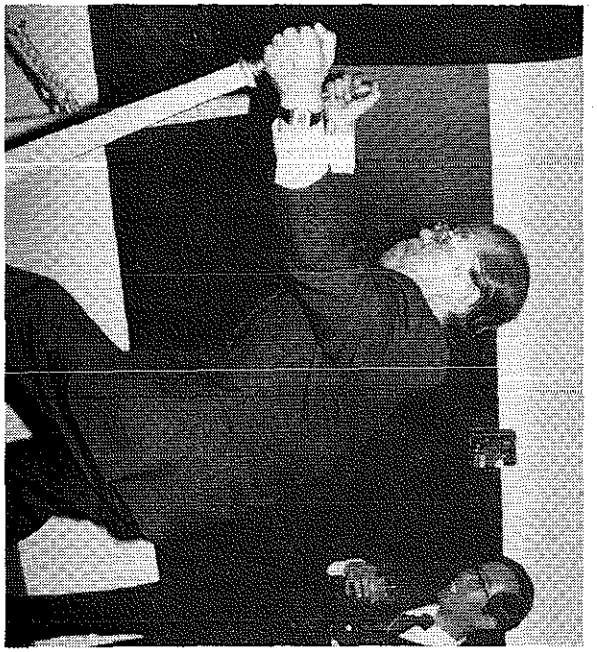

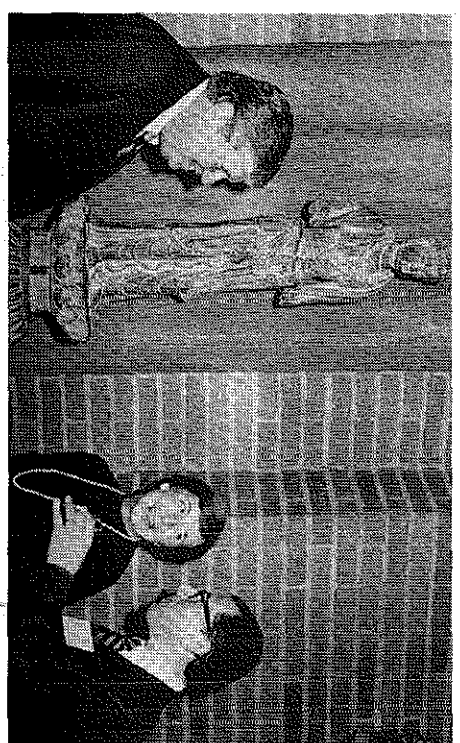

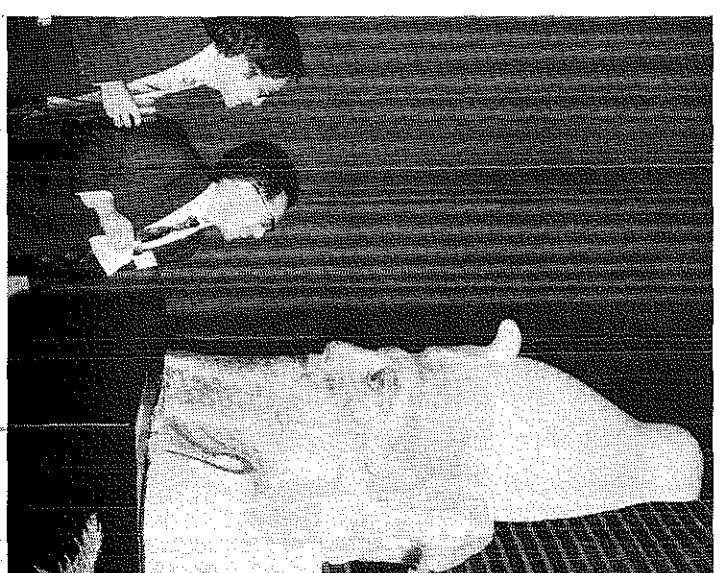

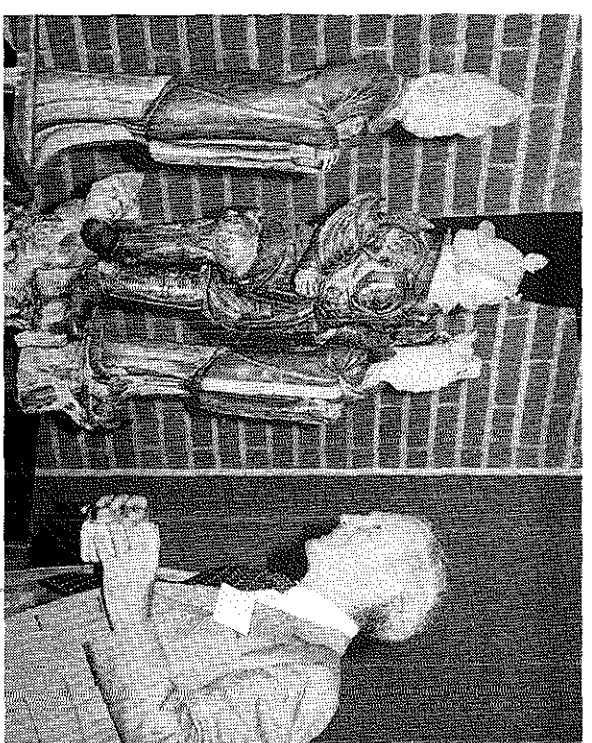

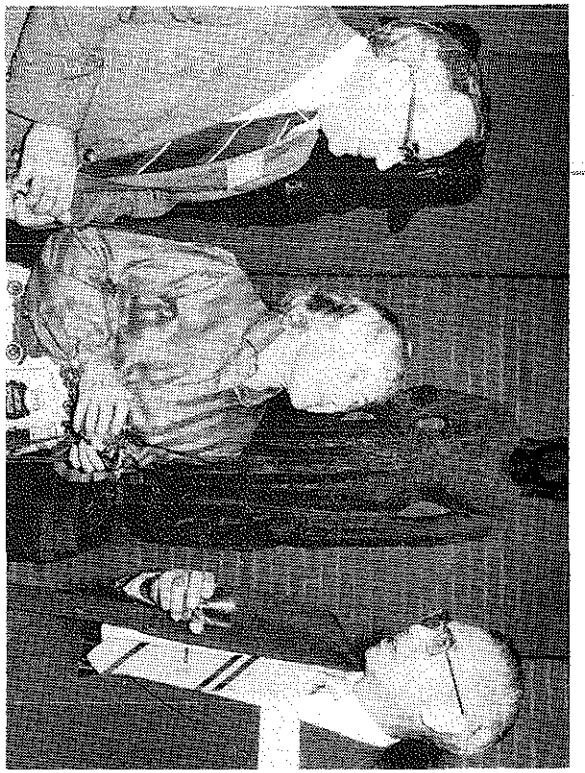

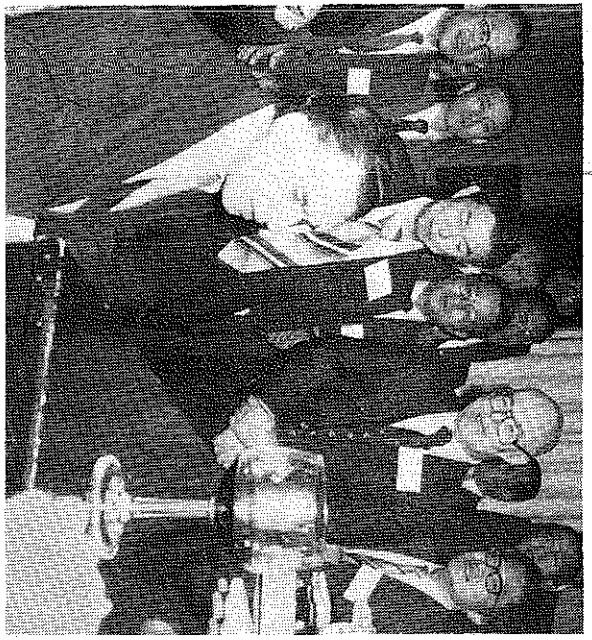

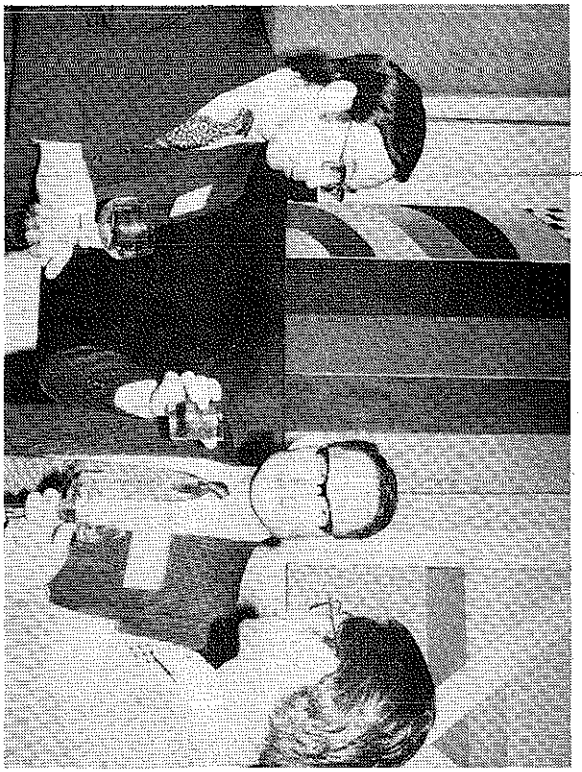

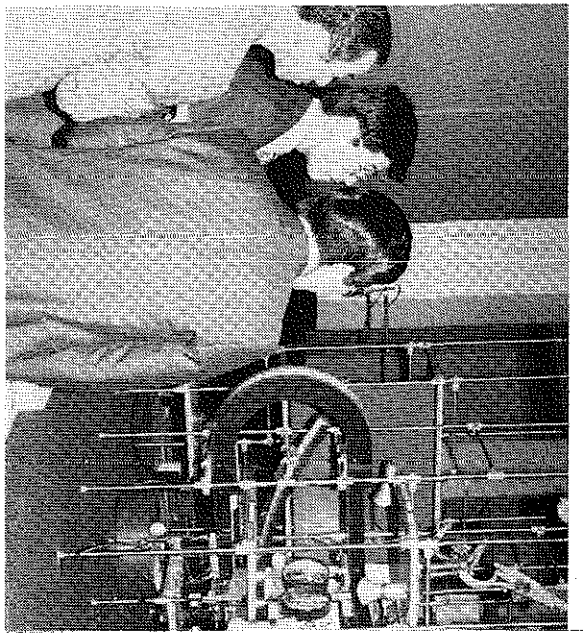

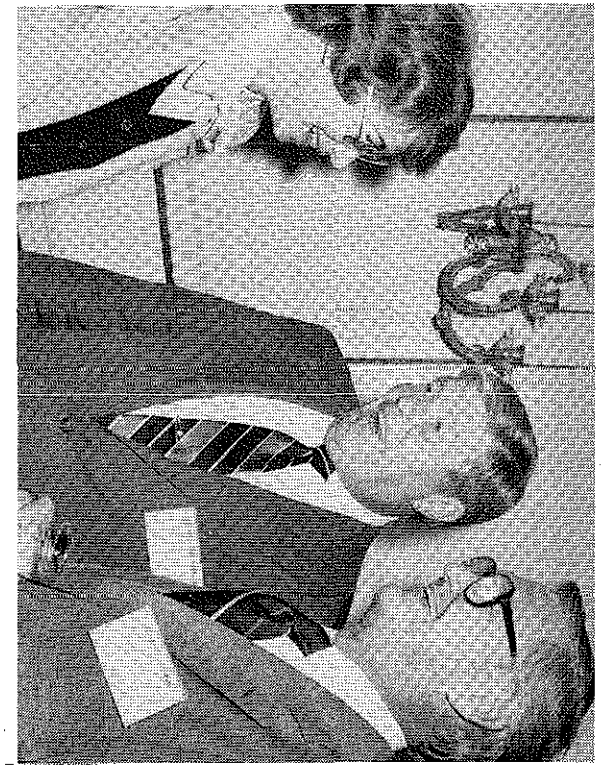

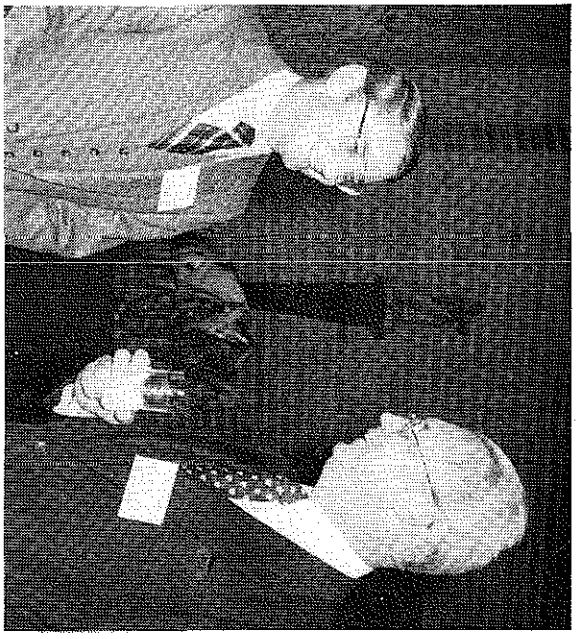

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太平洋工業所有権協会

Eleventh
International Congress
Tokyo
October 22, 23, 24, 1980

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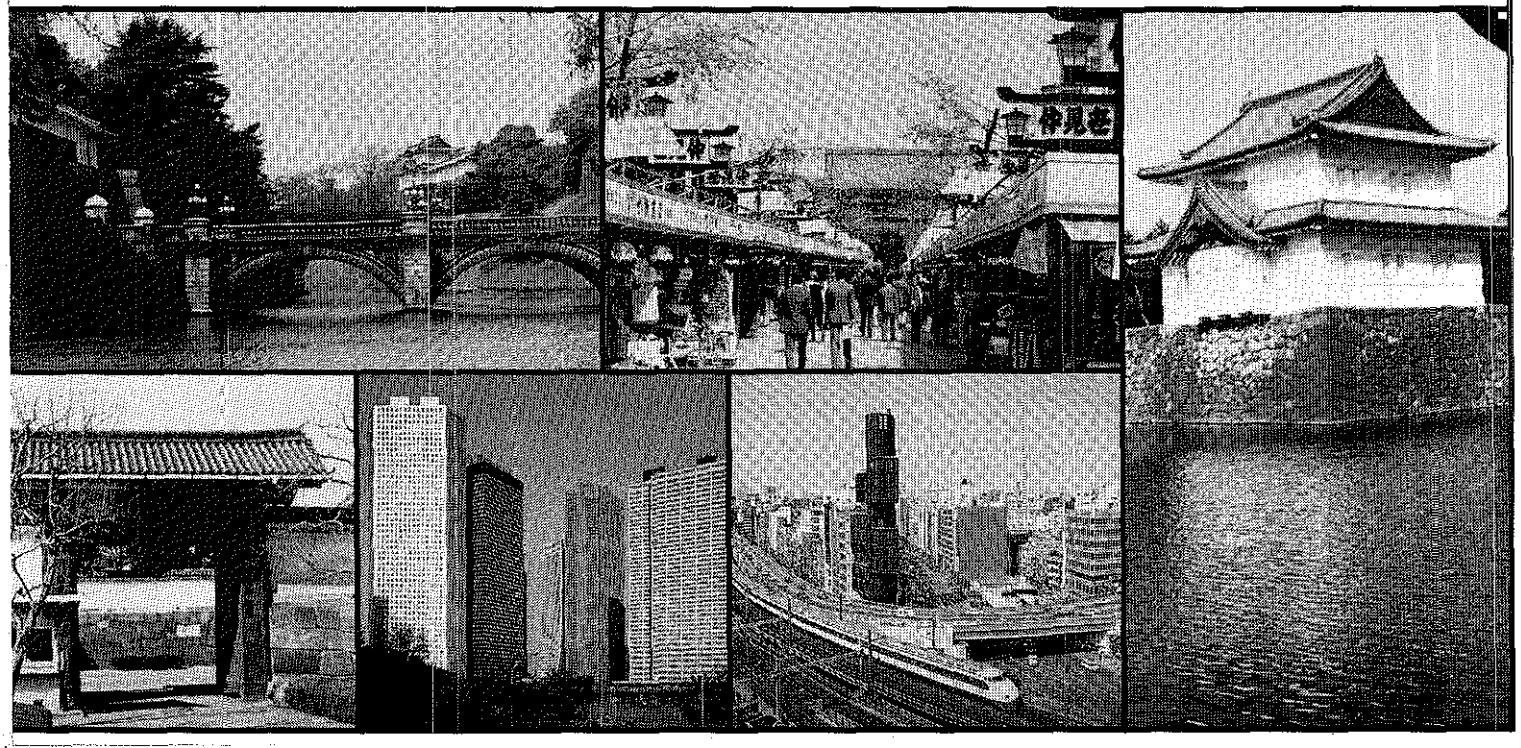

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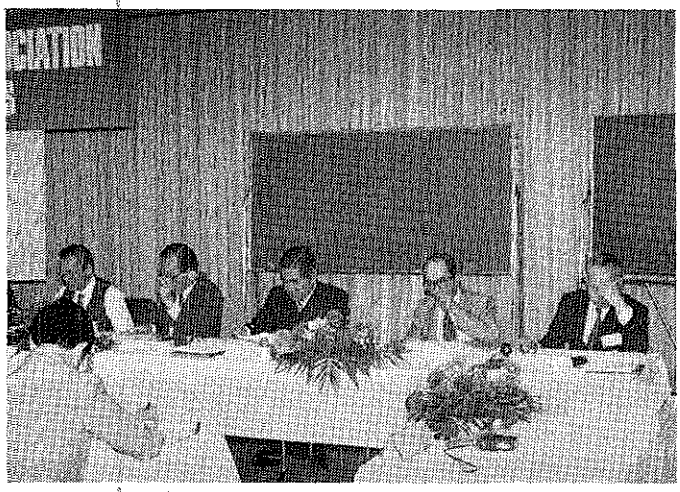
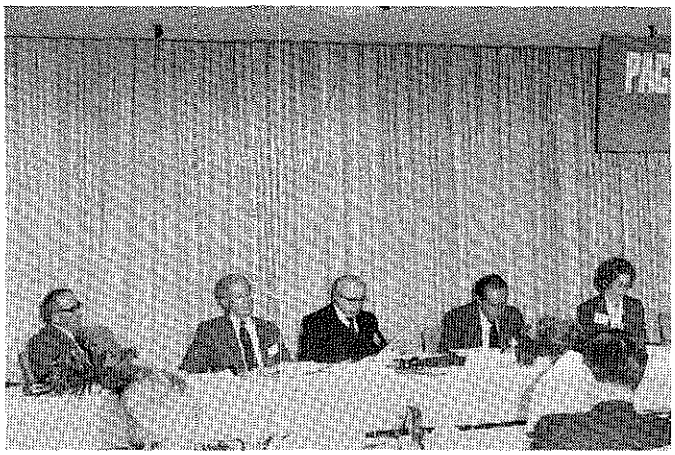
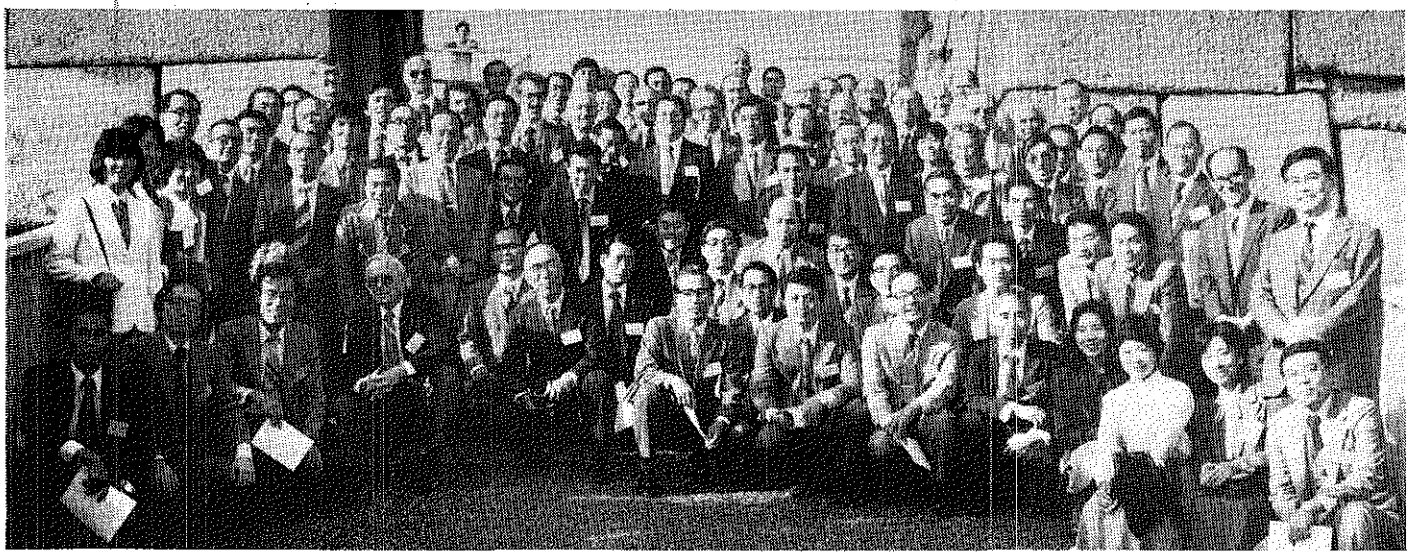
Standing: L to R — E. W. Adams, Jr., E. L. Bell, K. F. Jorda, T. I. O'Brien, S. Toki, H. Ono, K. Ozu, A. Hirano. Seated: L to R — P. Newman, K. Ono.



K. Ono, H. Ono, K. Ozu, A. Hirano, S. Toki



E. W. Adams, Jr., E. L. Bell, K. F. Jorda, T. I. O'Brien, P. Newman



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Eleventh International Congress
Tokyo
October 22-24, 1980
Pacific Industrial Property Association

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Pauline Newman	United States Group President
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Committee 3	Tei Kawaguchi	John E. Maurer
Committee 4	Yutaka Yamada	Thomas I. O'Brien
Special Treaty Committee	Takashi Aoki	Edgar W. Adams, Jr.

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Chairman of Japan Patent Association

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Shin-Etsu Chemical Co., Ltd.
The Singer Company
Standard Oil Company
Sumitomo Chemical Co., Ltd.
Sumitomo Electric Ind., Ltd.
Takeda Chemical Industries, Ltd.
Tanabe Seiyaku Co., Ltd.
Teijin Ltd.
Tokyo Organic Chemical Industries, Ltd.
Toshiba Corporation
Toyoda Machine Works, Ltd.
Toyota Central Research & Development Laboratories, Inc.
Toyota Motor Co., Ltd.
Ube Industries Ltd.
Union Carbide Corp.
Western Electric Company
Yamanouchi Pharmaceutical Co., Ltd.

Program Minutes

First Day — Wednesday, October 22, 1980

Morning Session

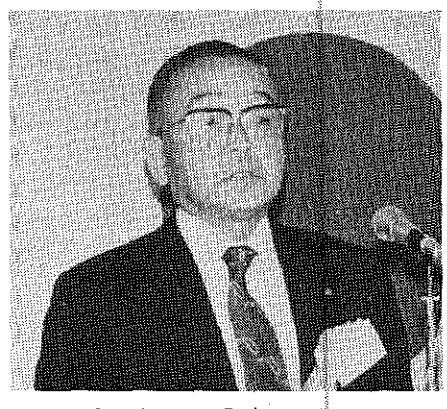
The Eleventh International Congress of PIPA was opened by the President of the Japanese Group, Mr. Koichi Ono, at 9:00 a.m., at the Keidanren Kaikan in Tokyo. In his opening address, Mr. Ono noted that the third PIPA Congress had been held at this same location, and he spoke of the changes which had occurred in the intervening eight years. Mr. Ono commented that those changes have influenced the industrial property system in many ways, in many countries. It is therefore quite meaningful for representatives of companies in Japan and the U.S., in the industrial property field, to get together every year to exchange information and opinions, and develop a mutual understanding.

Mr. Koichi Ono

Mr. Ono introduced Dr. Pauline Newman, President of the United States Group, who reviewed the activities of PIPA during 1979. Dr. Newman spoke of the work accomplished during the Tenth International Congress held in Philadelphia, particularly the strong position of PIPA on all major issues involved in the renegotiation of the Paris Treaty — The International Convention for the Protection of Industrial Property. She noted PIPA's status of "official observer" at the Diplomatic Conference, and that, as a nongovernmental organization, PIPA's position paper was distributed at Geneva. Throughout the Conference, PIPA was represented by both Japanese and American delegates. Although dismayed by the Conference's lack of accomplishment, PIPA continues to be a spokesman for the views of the industrial users of patent and trademark systems. Dr. Newman mentioned that another forum for this role was the WIPO meeting to be held in Geneva in November, which would also be attended by PIPA representatives.

Dr. Pauline Newman

Following the introduction of PIPA officers for 1980, Mr. Ono delivered the keynote address, in which he discussed the many complicated and serious problems facing the industrial property system. Mr. Ono noted that the solutions to these problems may greatly influence the activities of companies. One such problem is the controversy between developed and developing countries on the subject of technology transfer. Mr. Ono commented that the proposed revision of the Paris Convention sets out a lofty ideal, and the question is how to realize that ideal. It is a matter of course that the transfer of technology from developed to developing countries is to be made under fair and reasonable conditions. However, any condition which deteriorates the protection of inventions would never be reasonable. Mr. Ono next discussed domestic questions common to both the U.S. and Japan. One such question is whether the present patent system provides sufficient, fair, and reasonable protection for new types of inventions which result from rapid technical innovation, as exemplified by computer software and genetic engineering. Another question for consideration is whether present practices and legislation still provide fair and appropriate protection of inventions, such as pharmaceuticals, where the time required for government approval may take years off the effective period of protection. Mr. Ono concluded the address by saying that it is our responsibility to seek fair and reasonable protection of inventions and thereby develop industries on both international and domestic levels.

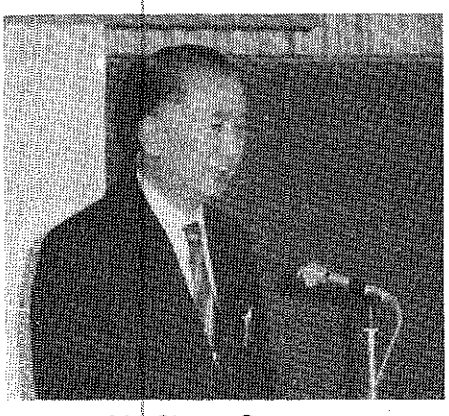


Mr. Isamu Sakamoto

Hon. Justin L. Bloom

Hon. Haruki Shimada

Hon. Sidney A. Diamond



Mr. Shozo Saotome

Mr. Karl F. Jorda

The Congress was honored by guest speakers from both the U.S. and Japan.

The Honorary Chairman of the 11th International PIPA Congress was Mr. Isamu Sakamoto, Chairman of the Japan Patent Association and Chairman of Sumitomo Electric Industries. Mr. Sakamoto discussed the worldwide recognition of the need to establish a new international order regarding the transfer of technology. He advised transferors of technology to deal with such transfer in earnest and in fairness, to meet the expectations of the transferee. Mr. Sakamoto encouraged both the U.S. and Japan to join efforts for revision of the Paris Convention that is beneficial to both developed and developing countries.

Mr. Justin L. Bloom, Counselor for Scientific and Technological Affairs at the American Embassy in Tokyo spoke next. He explained that as a government scientific official, he was engaged in matters concerning industrial property because of the enormous flow of scientific and technical information between the U.S. and Japan. Mr. Bloom commented that it was encouraging to observe the functioning of PIPA, since it is devoted to reaching an understanding of the complexities of the patent process and its effect on Japan and the U.S., and on the broader process of technology transfer.

The address to the Congress by the Honorable Haruki Shimada, Director-General of the Japan Patent Office, stressed the contributions made by PIPA in this era of internationalization of the industrial property rights system. Mr. Shimada's discussion focused on recent developments in the industrial property field in Japan, especially Japan's response to various international trends. He noted that although Japan has signed the Patent Cooperation Treaty, the Japanese are not yet accustomed to a completely new system, and thus, are not making full use of it. Japan is also a signatory to the Budapest Treaty on the International Recognition of the Deposit of Microorganisms for the Purposes of Patent Procedure. International cooperation with the developing countries in the field of industrial property protection has been actively promoted by Japan. Mr. Shimada pointed out that the revision of the Paris Convention was a problem faced by both the U.S. and Japan. He commented that it is an example of the growing need to solve problems through international cooperation, to meet the changes that have taken place in the environment surrounding systems of industrial property rights.

The Honorable Sidney A. Diamond, Commissioner of Patents and Trademarks in the U.S. discussed the new international politics of intellectual property law, as exemplified by the first session of the Diplomatic Conference for the revision of the Paris Convention. Mr. Diamond noted that most of the time of the Conference was taken up with wrangling over the Rules of Procedure, specifically the vote needed for the adoption of the revised text. The U.S. supported the historical position that unanimity is required. The Conference ultimately adopted a rule which the U.S. does not support. Mr. Diamond called for a consensus of the Group B countries on the difficult substantive issues which will be discussed at the second session of the Diplomatic Conference scheduled for Nairobi in 1981. He commented that he could think of no better partners to begin to build a consensus than Japan and the U.S. His hope was that the result of this Conference would be that the countries of the world, united in their support of a strong industrial property system, would reaffirm the fundamental principles of the Paris Convention.

The Opening Ceremonies ended on a solemn note with a Memorial Address delivered by Mr. Shozo Saotome for the late Mr. John R. Shipman, a founder and past president of the Pacific Industrial Property Association.

Following a coffee break, the morning session continued with reports presented on behalf of Committee No. 1. The first paper was entitled "Significant Recent Developments in U.S. Interference Law and Practice" and was presented by Mr. Karl F. Jorda. Mr. Jorda reported that the most noteworthy recent developments occurred in the areas of corroboration requirements regarding reduction to practice; abandonment, suppression or concealment; and filing of interference settlement agreements. Three recent cases illustrate significant turning points in these areas. In *Berges v. Gottstein* the CCPA held that the corroboration rule does not require witnessing the reduction to practice, and thus virtually accepted the shop-book rule of evidence, and pushed the "rule of reason" to a new limit. In *Shindelar v. Holdeman* the CCPA based a holding of suppression on a mere filing delay and opined that three months were sufficient to prepare a patent application. Mr. Jorda stated that the most disturbing development is the civil suit brought by the Justice Department against FMC wherein the court is being petitioned to hold that §135(c) of the patent act was violated by failure to file certain agreements in addition to a U.S. interference settlement agreement and that the patent at bar is therefore unenforceable.

Mr. Goji Tasaki

Mr. Goji Tasaki's report focused on "Protection of Configuration of Goods in Japan — from the Viewpoint of Unfair Competition." Mr. Tasaki noted that the configuration itself does not initially function as an identification of the source of the goods. However, when the configuration has singularity, or is advertised throughout the country, it sometimes comes to have that function. In such a case, can the configuration be protected by the Unfair Competition Prevention Law? In other words, does the configuration of goods fall upon "the indication to identify the goods of others" of Law Art. 1(1) No. 1? Mr. Tasaki advised that while judicial precedents and theories would answer yes to this question, there are few successful cases.

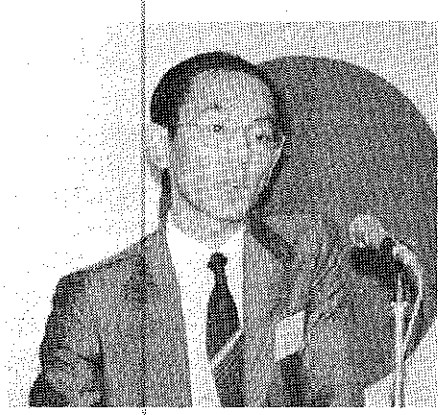
Mr. Jay L. Chaskin

"Science Fiction Comes to the U.S. Supreme Court: Man-made Living Microorganisms are Patentable Subject Matter" was the title of Mr. Jay L. Chaskin's presentation. Mr. Chaskin reported that the U.S. Supreme Court has determined that live, human-made microorganisms are patentable subject matter under 35 U.S.C. 101. The Court was not persuaded by arguments that the enactment of the Plant Patent Acts precluded patenting living things and therefore microorganisms can't qualify as patentable subject matter until the U.S. Congress expressly authorizes such protection. The Court stated that the relevant distinction was not between living and inanimate things, but between products of nature, whether living or not, and human-made inventions. The U.S. Patent and Trademark Office has announced that it will resume examination of applications claiming a microorganism. Mr. Chaskin commented that the permissible patenting of microorganisms is expected to provide further incentive to genetic engineering and research despite the caution expressed by some organizations.

Mr. Masao Shimokoshi

Mr. Masao Shimokoshi discussed "Article 29-2 of the Japanese Patent Law and Important Points Involved". He explained that the existing Japanese Patent Law is the so-called 1959 law, which has been partially amended several times since its enactment. Mr. Shimokoshi described Article 29-2, enacted to expand the standing of a prior application, in connection with the purport of its legislation and its three application requirements. He also compared Article 29-2 to related articles, inter alia, Article 39 and 29 of the Patent Law, and contrasted similar provisions in foreign patent law and patent conventions.

Mr. William R. Norris



Mr. Shigemitsu Nakajima

Mr. John J. Hagan

Mr. Shin Ando

Mr. William H. Hooper

Afternoon Session

Following luncheon in the Crystal Room, Mr. William R. Norris presented a paper prepared by Mr. Rudolph J. Anderson, Jr., entitled "Patent Term Restoration." In the U.S. and Japan, two major interrelated developments have had a substantial impact on the time it now takes for an inventor of a chemical product or medical device to develop and bring a new product to market. They are the time necessary for adequate testing of such products and for review by a regulatory agency. These developments have had an inadvertent adverse affect on the period of commercial exclusivity of the patent product in both countries. The resultant diminished patent life has had serious implications on the incentive for investment in research and innovation for such products. During the presentation it was suggested that consideration be given to the restoration of adequate patent life for affected products, and legal systems for providing such restoration were reviewed. Finally, a specific system of legislation was described which balances an innovator's need for adequate patent term for products subject to premarketing regulatory approval, and the public interest.

Mr. Shigemitsu Nakajima discussed the "Interpretation of a Means Combination Claim Reflected in Court Decision." He explained that although a means combination claim is an established form of claim in the U.S., no express provision relating to it is set forth in the Japanese Patent Law. There exists no special category corresponding to this claim in practically examining and interpreting such, and it has been generally handled as a problem of a claim stated in functional and abstract language. The judgment of the Tokyo High Court on a "ball bearing case" on December 20, 1978, is an example of a judicial decision interpreting a claim stated in the form of the means combination claim. Based on this judgment, Mr. Nakajima suggests that attention should be paid to the following. When a claim stated in functional language is patented as is, its scope of protection is definitely construed on the basis of the embodiment of an invention described in the specification, if the language of the claim is judged indistinct. Mr. Nakajima also advised that patent applicants avoid functional language in claims whenever possible and, at the same time, describe as many embodiments as possible in the specification if they prepare claims in the form of the means combination claim.

"Contributory Infringement After Dawson" was the title of Mr. John J. Hagan's presentation on the case *Rohm & Haas Co. v. Dawson Chemical Co.* The U.S. Supreme Court on June 27, 1980 in a 5-4 decision, sustained the right of Rohm & Haas Co. to pursue Dawson Chemical Co. for contributory infringement. Dawson was selling an unpatented, nonstaple item of commerce, proposed for use as a herbicide, in conflict with the claim(s) of the Rohm & Haas patent. The Supreme Court declined to find Rohm & Haas guilty of patent misuse by reason of the latter's refusal to grant a license to Dawson. Mr. Hagan noted that the basis of this decision was the Supreme Court's extensive review of §271(c), which defines contributory infringement and §271(d), which specifically excludes certain patentee conduct from being characterized as patent misuse.

Mr. Shin Ando spoke to the Congress on the subject of "Amendment of Specification before Publication of Patent Application — Particularly in the Field of Chemistry." Mr. Ando explained that after filing a patent application, an amendment of the specification and drawing of the application may be made within limitations specified by the Japanese Patent Law. However, if the amendment changes the gist of the original specification and drawing, the amendment will be declined. In such a case, applicants can order a trial against the ruling to decline the amendment. Mr. Ando described the standards of examination of the change and the trial decisions against ruling to decline amendments.

Following the afternoon coffee break, Mr. William H. Hooper presented a paper entitled "Patentability of Inventions Directed to Computer-Related Processes." This paper, which was prepared by Mr. Hooper and Mr. Harold D. Messner, described the evolution of the law relating to the patentability of processes and techniques which use computers in one or more of their implemented steps. Also discussed was the effect of the U.S. Supreme Court's decisions in *Benson* and *Flook,* the CCPA's decision to allow the Sherwood claims, and the Commissioner's filing for a Writ of Certiorari from the Supreme Court.

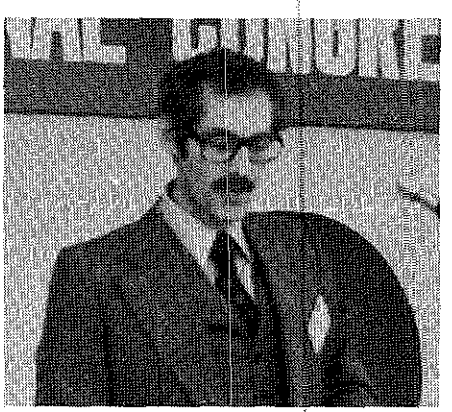
Mr. Michiyasu Aikawa reported on "Effective Utilization of Outside Agents — On Result of Survey by Questionnaire to Outside Agents." A survey was made of outside agents to obtain information on how they were utilized by client enterprises. The findings, discussed by Mr. Aikawa, included the following. Outside agents owe their business largely to patent applications ordered by Japanese enterprises. Many of them feel a lack of information on the inventions on which they file the domestic patent applications. When outside agents are ordered to file a U.S. patent application by a Japanese enterprise, they supplement the contents of the domestic application or combine two or more domestic applications into one U.S. application. However, when filing a patent application for an American enterprise in the Japanese Patent Office, the contents of the original specification are not changed for the Japanese specification.

The final paper of the day was presented by Mr. William T. McClain on the "Current Status of the New Reissue (Reexamination) Practice." Mr. McClain discussed legislation, introduced in Congress in 1979, to permit reexamination of issued patents in light of newly-cited prior art. The Senate Bill, S. 2446, entitled "Patent Law Amendments Act of 1979" would permit any person to request reexamination of a patent in light of prior patents or publications not previously considered by the Patent and Trademark Office, and the courts would have the option of sending patents involved in pending litigation back to the PTO for reexamination. (This bill subsequently became law in December of 1980.)

Following the first day's presentations, the Congress participants enjoyed a Grand Reception in the Pearl Room of the Keidanren Kaikan.


Mr. Michiyasu Aikawa


Mr. William T. McClain

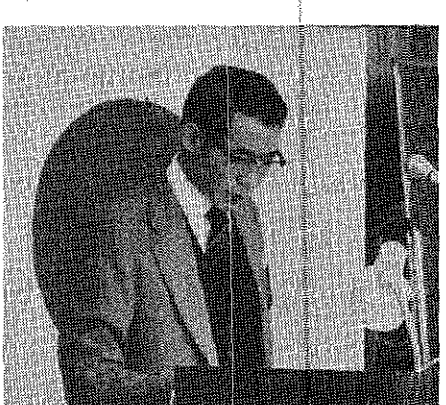

Mr. Edward Dreyfus

Second Day — Thursday, October 23, 1980

The second day began with reports by Committee No. 2

The first presentation was given by Mr. Edward Dreyfus on "Patent Litigation and Licensing Before the U.S. International Trade Commission." Mr. Dreyfus explained that U.S. importation can be blocked by the ITC, as it fulfills one of its purposes, i.e. to protect U.S. industry from imported articles that infringe U.S. patents. His paper detailed the provisions of 19 U.S.C. 1337, the nature of an ITC §337 investigation, the remedies available to the ITC for a §337 violation, and the settlement or licensing possibilities that may terminate the action.

Messrs. Juro Ichimura and Yasunori Shirota presented a paper on the "Characteristics of Japanese Contract and its Background," in which they pointed out the striking differences between a Japanese and American-British contract. The differences lie in the way the contracts are drafted and the legal meanings the contract bears, and can be attributed to the culture of each nation. This paper described the characteristic features of a Japanese contract and the attitude of the people towards it, along with the underlying cultural background.


Mr. Juro Ichimura

Mr. William R. Norris

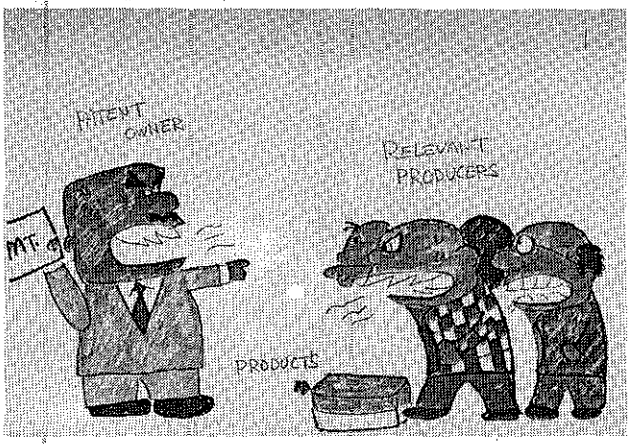
Mr. Hinoshi Koseki

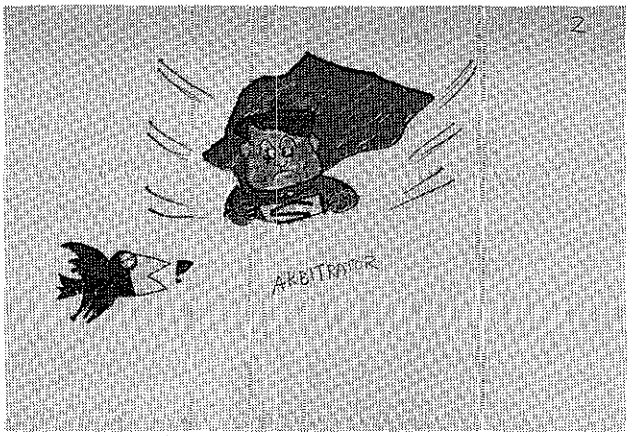
Mr. William R. Norris, in his presentation entitled "The Role of Contracts Under American Law and Culture," explored the role of contract law in American culture by comparing it with the Japanese experience. He reviewed the philosophical underpinnings of American principles of contract law in the context of drafting Japanese-American contracts. Mr. Norris concluded that when building international contractual bridges, the parties should develop clear concepts of ultimate objectives and understanding of the premises of the other party in approaching these objectives.

After a coffee break, the session continued with a discussion by Mr. Hiroshi Koseki of the "Employee's Invention and its License in Japan." Mr. Koseki explained that the employee's invention in Japan is interpreted according to the Japanese Patent Law, and it functions as a link of the business activities of companies. He described many issues about which there is controversy in this area, including whether compensation is necessary, how much should be paid and when, and the effect of licensing.

The American perspective was presented by Mr. James R. Frederick in his paper entitled "Employer-Employee Industrial Property Rights in the U.S." He pointed out that the U.S. has no federal statutory counterpart to Article 35 of the Japanese Patent Law with regard to industrial property rights. Such rights in the U.S. are determined by prior express contract between the parties, or in the absence of such, by court-made law. Mr. Frederick explained that most employers in the U.S. use employer-employee contracts that provide that inventions made during the course of employment are the property of the employer.

Mr. Kou Kunieda presented two papers to the Congress. The first, entitled "A New Licensing Pattern and its Practice," described a method of licensing which he believes to be effectively useful in any field of keen competition. Mr. Kunieda employed the drawings reproduced below to illustrate the method. This method involved arbitration of the interests between patent owners and competitive processors. To explain this practice, he used the example of plastics processors who utilize industrial property in their business practices. Mr. Arthur G. Gilkes then gave "An American Comment" on this subject.





Illustrations from "A New Licensing Pattern & its Practice" by Mr. Kou Kunieda

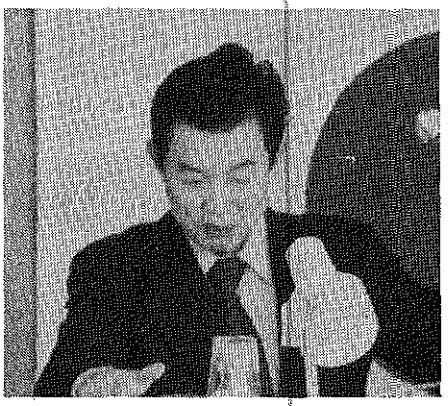
Mr. Kunieda's second paper was a "Review of the Products Liability Act in Japan." In this paper, he described many aspects of this subject including trends of the Act (judicial precedents) during the last one or two years, the strict control exercised by the Act over the management activities of the manufacturer and distributor, means of obtaining relief for the injured, and the relationship between product liability and licensing.

The final presentation of the day was made by Committee No. 3.

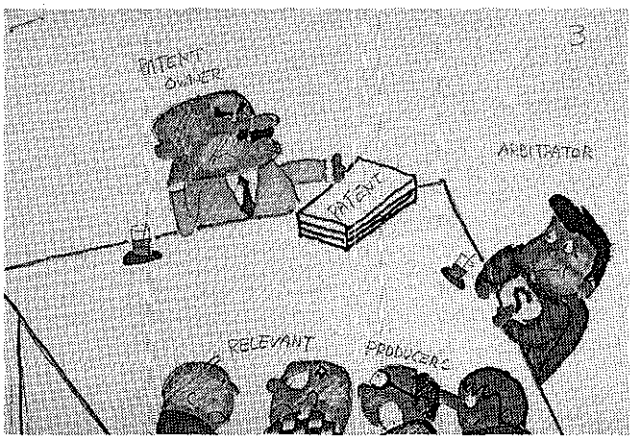
Mr. Takashi Aoki discussed "The Controversy Relating to Inclusion of Inventors' Certificates in Article 1 and to Revision of Article 5A of the Paris Convention." The most crucial point on Inventors' Certificates is how to provide for exceptional cases to the principle of free choice and more especially, from Group B's viewpoint, to what extent Group B should respect the "Status quo" of other countries preferably by means of a transitional clause and period. With respect to Article 5A, Mr. Aoki summarized, for further elaborated discussion, the eight points described by a spokesman of Group B.

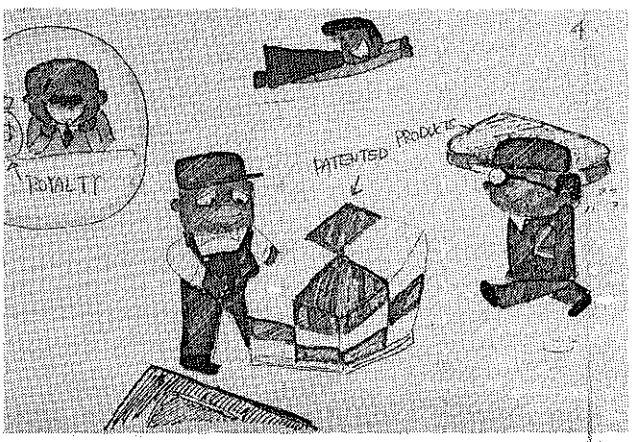
At the conclusion of the morning session, the attendees enjoyed an afternoon tour of the Imperial Palace, East Garden and NHK. A Chinese food banquet at Tokyo Dai Hanten delighted members and guests of the Congress later in the day.

Mr. James R. Frederick

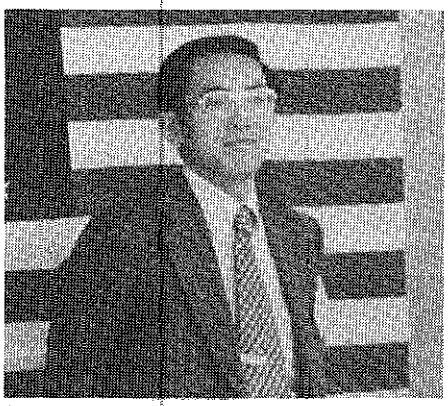


Mr. Kou Kunieda





Mr. Arthur G. Gilkes



Mr. Takashi Aoki

Mr. Frank D. Shearin

Mr. Tsugizo Kubo

Third Day — Friday, October 24, 1980

The third day's program began with a continuation of the presentations of Committee No. 3, and a report by Mr. Frank D. Shearin on "Relevance of the Patent System — The Australian Study." Mr. Shearin discussed, among other things, the Industrial Property Advisory Committee. One objective of the Committee is to address the issue of whether it would be in Australia's interest to abandon or modify its existing patent system. Mr. Shearin urged PIPA members to make their views known to the Australian Government since the committee study could significantly affect the nature and effectiveness of Australian patent law, and could influence research and development and foreign investment in that country. The effect might also extend to the patent laws of developing countries.

Mr. Tsugizo Kubo reported on the "Use of EPC and PCT by PIPA Japanese Group Members — the Results of an August, 1980 Questionnaire Survey." It was found that the number of designated countries appears to be an important factor in choosing the EPC route. Thus, chemical and pharmaceutical companies, which usually designate many countries are the most active EPC filers. A primary reason for not using EPC is the fear of many companies of putting "all of their eggs in one basket." The survey found that most companies have a negative attitude toward the PCT, and at least for the time being, an increase in PCT applications cannot be expected. Mr. Kubo suggested that further studies and improvement on PCT are necessary to change the system into an attractive and favorable one for applicants.

Questions regarding EPO practice, compiled by the International Committee of the Japan Patent Association, and answered by the EPO, were presented by Mr. Kenichi Ooya. Mr. Ooya explained that these answers were very helpful in understanding the practice of the EPO, particularly with respect to novelty, inventive step, amendment and chemical and pharmaceutical inventions.

Mr. Yoshikazu Nishide dealt with the problem of "Legislation of Compulsory License in the Philippines." He discussed the new provisions on compulsory license, the background of the amendment, the problematic aspects of the provisions, the possible arguments of patentees against petitions and the compulsory license procedure. Mr. Nishide further referred to a Supreme Court decision under the old law, which affirmed the decision of the Director of Patents granting compulsory license to the petitioner, and pointed out the sharp increase in the number of petitions filed since the new law came into force.

Following the coffee break, Mr. Shoji Matsui spoke on "Situations of ASEAN Countries on Industrial Property Protection." The ASEAN countries adopt a nearly common philosophy and policy as to evaluation of technology. These countries, without exception, are desirous of importing modern technology, but their laws and regulations controlling technology transfer are unattractive to licensors. Mr. Matsui provided an outline of the status of the patent systems of these countries. He concluded that the economic cooperation of advanced countries with the ASEAN countries will be necessary for mutual benefit. To facilitate this, it should be urged that all ASEAN countries do their utmost to establish a patent system similar to that of advanced countries.

"Law of the Sea Treaty — A Constitution for the Seas" was the subject of Mr. John E. Maurer's report. Mr. Maurer outlined some of the provisions in the present draft of the Law of the Sea Treaty which is being negotiated under the auspices of the United Nations. Of particular concern were provisions relating to compulsory licensing of technology. If the treaty becomes law, it will result in setting several very far-reaching precedents. It was Mr. Maurer's concern that once these principles are accepted by ratification of the Law of the Sea Treaty, they may be incorporated in other treaties dealing with new frontiers, such as the pending Moon Treaty and possibly a future treaty on radio transmission. He urged the membership to take actions in their countries which they believed appropriate.

The presentations of Committee No. 4 began with a discussion by Guest Speaker Dr. Junjiro Tsubota, Attorney at Law, on "Problems on International Arbitration." Mr. Tsubota explored with the Congress a wide range of these problems including issues involving public policy and public interest, advisability of arbitration in licensing arrangements, what arbitration means after all, selection of the forum of arbitration, selection of arbitrators, governing law with respect to arbitration, and recognition and enforcement of arbitration awards.

After lunch, the attendees reconvened to hear the Guest Address, delivered by Honorable Kenichi Matsuie, Engineer-General of the Japan Patent Office. Mr. Matsuie described to the attendees some of the tasks faced by examiners of patent or utility model applications filed with the Japan Patent Office. The Examination Departments of the Japan Patent Office are expanding and reorganizing their examination system to handle the growing number and increasing technological sophistication and complexity of the applications. Mr. Matsuie outlined some of the concrete measures being taken in this direction.

Dr. Pauline Newman, President of the U.S. Group, concluded the proceedings by expressing the appreciation of the U.S. Group for the hospitality, excellent reports and superb arrangements made by the Japanese Group.

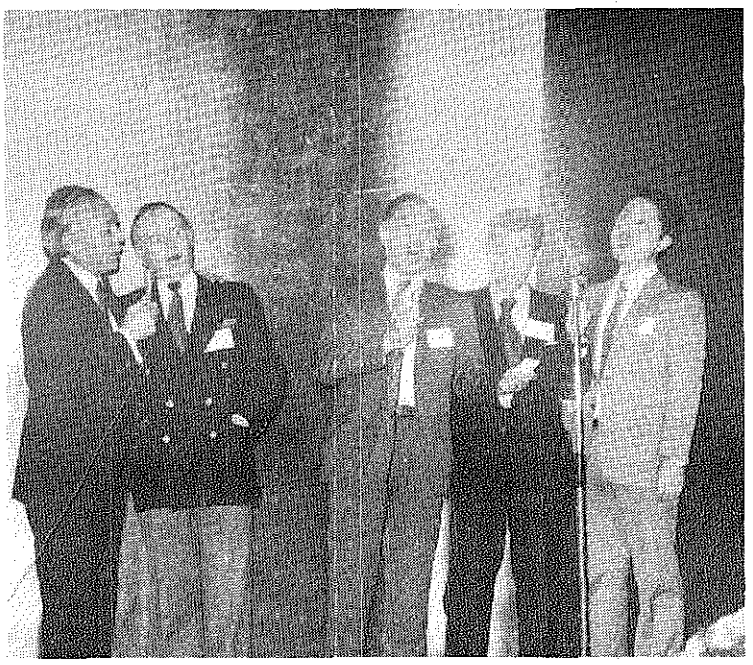
Mr. Yoshikazu Nishide

Mr. Shoji Matsui

Mr. John E. Maurer

Hon. Kenichi Matsuie

Dr. Junjiro Tsubota



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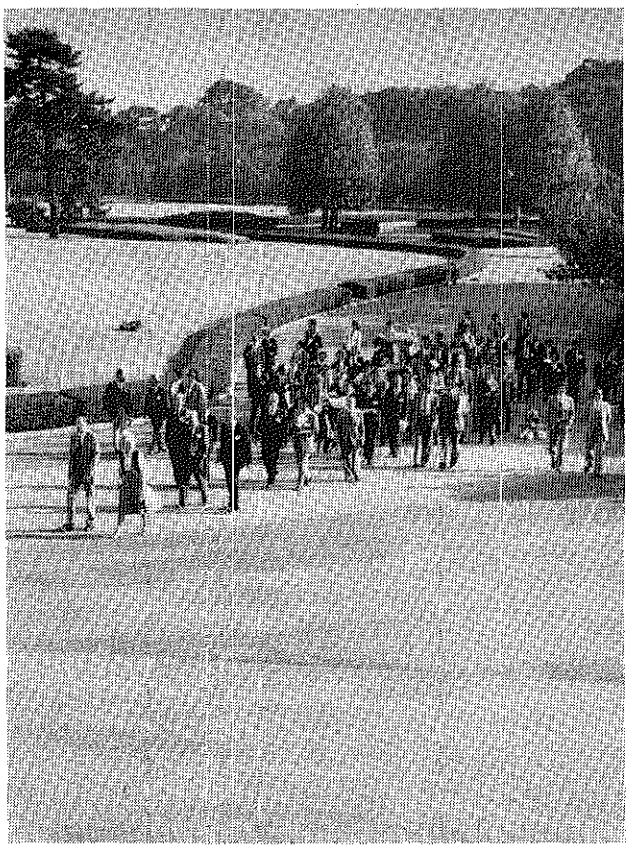

PIPA

PACIFIC INDUSTRIAL PROPERTY ASSOCIATION

太平洋工業所有権協会

Twelfth
International Congress
New York City
November 4, 5, 6, 1981

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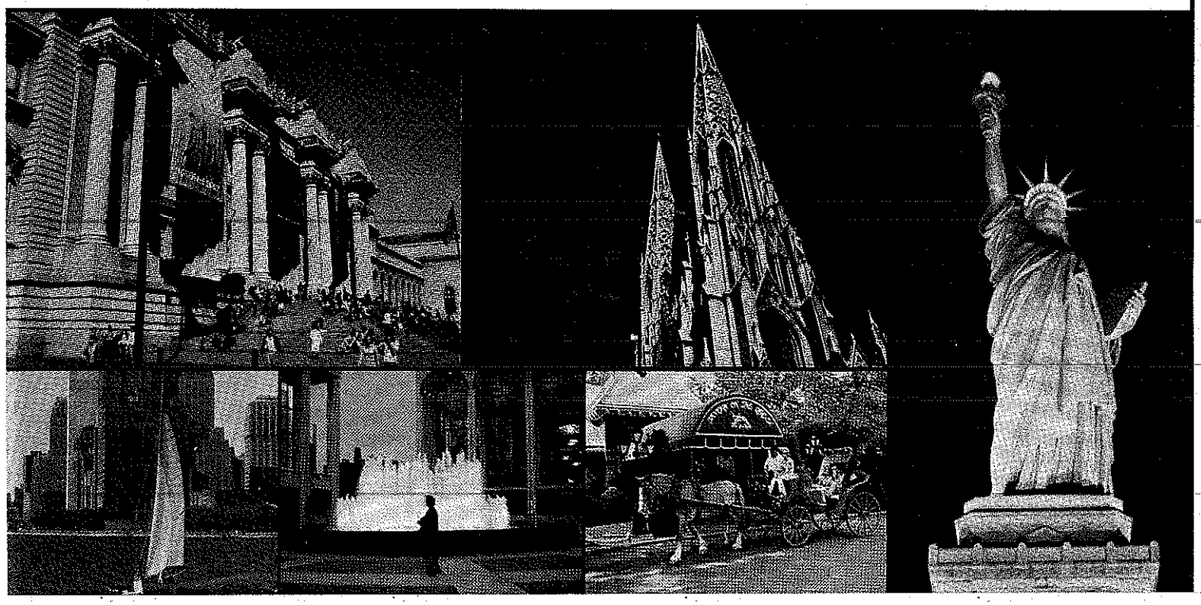
PACIFIC INDUSTRIAL PROPERTY ASSOCIATION

太平洋工業所有権協会



Officers, Board of Governors and Committee Chairmen
Back Row: Edward Bell, Paul Enlow, William McClain, John Maurer, William Norris. Center Row: Susumu Uchihara, Tei Kawaguchi, Toshiharu Kawase, Pauline Newman. Seated: Kojiro Ozu, Koichi Ono, Thomas O'Brien, Karl Jorda.

Tei Kawaguchi

Toshiharu Kawase

Twelfth
International Congress
New York City
November 4-6, 1981
Pacific Industrial Property Association

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Koichi Ono	Japanese Group President
Karl F. Jorda	1st Governor United States Group
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Allied Chemical
American Cyanimid Company
American Hoechst
American Telephone and Telegraph Co.
Ampex Corporation
Bell Telephone Laboratories
The Bendix Corporation
Bristol-Myers Company
Brother Industries, Ltd.
Carrier Corporation
Caterpillar Tractor Co.
Champion International
Chevron Research Company
Ciba-Geigy Corporation
The Dow Chemical Company
E.I. DuPont De Nemours & Co.
Eastman Kodak Company
Eli Lilly & Company
Emeritus
FMC Corporation
Fuji Heavy Industries, Ltd.
Funisawa Pharmaceutical Co., Ltd.
Fujitsu Limited
The Garrett Corporation
General Electric Company
General Electric Japan, Ltd.
Hitachi Ltd.
International Business Machines Corp.
International Paper Company
ITEK Corporation
Johnson & Johnson
Johnson Wax
Kanebo, Ltd.
Kyowa Hakko Kogyo Co., Ltd.
Merck and Company, Inc.
Mitsubishi Gas Chemical, Inc.
Mitsubishi Electric Corporation
Mitsubishi Petrochemical Co., Ltd.
Mobil Sekiyu K.K.
Monsanto Company
National Can Corporation
Nippon Electric Co., Ltd.
Nippon Telegraph & Telephone
Public Corporation
Nippondenso Co., Ltd.
Nissan Motor Co., Ltd.
Polaroid Corporation
Ricoh Co., Ltd.
Sekisui Chemical Co., Ltd.
The Singer Company
Smithkline Corporation
Standard Oil Co. (Indiana)
Sumitomo Chemical Co., Ltd.
Takeda Chemical Industries, Ltd.
Teijin Limited
Texas Instruments
Toshiba Corporation
Toyoda Machine Works, Ltd.
Toyota Motor Co., Ltd.
Toyota Central R&D Laboratories, Inc.
Union Carbide Corporation
United States Steel Corporation
Western Electric Company, Inc.
Westinghouse Electric Corporation
Xerox Corporation

Program Minutes

First Day — Wednesday, November 4, 1981

The Twelfth International Congress of PIPA was opened by the President of the United States Group, Thomas I. O'Brien at 9:00 a.m., at the University Club in New York City. In his opening remarks, Mr. O'Brien extended a warm welcome to the Japanese members on behalf of the American Group and wished them a pleasant visit to the "Big Apple". Mr. O'Brien Introduced Mr. Koichi Ono, President of the Japanese Group, who reported on the 1980 activities of PIPA. The installation of PIPA Officers for 1981 followed Mr. Ono's report.

Thomas I. O'Brien

Keynote Address

The Keynote Address was given by Mr. O'Brien. He directed his remarks to the subject of the Patent System today and its outlook in the United States. He pointed out that national patent systems are continuously molded by the economic, political and social forces that prevail in nations and that today's national and international patent structures and infrastructures have been formed from centuries of evolution and debate.

After World War II technology transfer between nations played an increasingly larger role in world-wide technology development. However, the United States Patent Office found itself ignored by the politicians and was struggling to keep up with its excessive workload. Patent litigation costs soared and the outcome of patent litigation became more unpredictable. By the mid 1960's many were saying that the system was failing and unworkable in a modern industrial society and legislation was introduced to implement needed reforms, but it wasn't until 1980 that real legislative action was taken. Two major patent reform steps were passed into law in December of 1980;
(1) the introduction of a Re-examination Procedure and (2) a new fee structure for the Patent and Trademark Office intended to provide improved funding to the office on a continuing basis to permit it to acquire and maintain the staff and tools necessary for high-quality. A third major legislative step is close to passage today in the Congress. This prospective new law will provide a central federal court to hear all patent appeals from all the federal trial courts throughout the United States.* Additional developments in patent reform being addressed today are the upgrading of the operations of the Patent and Trademark Office and the extension of the term of a United States patent to offset the loss of that portion of the term that results from a delay in commercialization of patented products by reason of governmental regulations.

In closing, Mr. O'Brien stated that, domestically, patent reform seems to be progressing quite favorably, and it now remains to be seen how well these current changes will serve the purposes intended of them. Internationally, many nations have cooperated to create procedures that would facilitate multiple patent filings in several countries on the same invention. These new systems represent progressive constructive change to the existing international patent system and should ultimately reduce the complexities and cost of multiple international filings. He noted, however, that the third world countries view the present international system as a constraint on their freedom to establish national patent systems that will treat domestic patentees more favorably than foreign patentees, resulting in a challenge to the basic theory of the modern international patent system.

*Ed. Note: This patent appeals court proposal was signed into law by President Reagan on April 2, 1982.

Warren M. Anderson

William F. Thornton

The Honorary Chairman of the 12th International PIPA Congress was Mr. Warren Anderson, Chairman of the Board and Chief Executive Officer of Union Carbide Corporation. Mr. Anderson commented on the truly exciting period we are living in, with the tremendous explosion in technology and scientific research. He stated that, today, Patent and Trademark Departments make important contributions to business strategies and the success of industrial growth, both in the United States and abroad. He expressed his strong feeling that the personal interactions of the members of PIPA at the Congress develops a mutual respect and friendship which allows issues that arise to be resolved person-to-person, and that this kind of interaction and mutual respect serves our countries and our companies very well.

The morning session continued with reports presented on behalf of Committee No. 1.

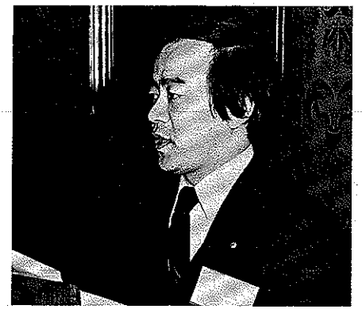
The first paper was delivered by William F. Thornton and was entitled "The Organization and Function of U.S. Corporate Patent Departments". He confirmed that there are more similarities than differences in any two such departments but mentioned the following alternate organizational features as predominating:

(1) Either centralized or decentralized.
(2) Serve all company units in either a region or a product group.
(3) Report to the General Counsel or other officer of the Corporation.
(4) Have or not have an intermediate counsel between their U.S. Patent Attorneys and foreign patent agents.
(5) Assist either line management or licensing staff to grant patent and technology licenses.
(6) Charge their expenses to the Company unit using their services or pay these expenses from a corporate account.
(7) Make extensive use of nonemployee patent attorneys or not.
(8) Either their patent attorneys or their management take the lead in deciding what inventions to protect.
(9) Use paralegals or not.
(10) Be responsible or not for trademarks and copyright matters.

In closing, Mr. Thornton summarized the responsibilities of a U.S. Corporate Patent Department as the "maximization of the proprietary aspects of the Corporation's intellectual property" and "the conducting of all legal activity of the Corporation relating to intellectual property rights."

Following a coffee break, the morning session continued with reports from Committee No. 1.

The second paper was entitled "Description in the Specification" and was presented by Katsuhiko Takahashi. Mr. Takahashi reported that the specification is of great importance in obtaining a patent for an invention resulting from efforts in research and development, and to secure patent protection for the products of the invention. First, it is essential to clearly describe in the detailed description part of the specification what the invention is by clarifying the technical relationship with consistency. Second, it is necessary to describe definitely the object, construction and effect of the modes of practice so as to cover the entire scope of the invention. Third, it is necessary to describe a wide variety of embodiments specifically in detail so as to cover the entire scope of the invention effectively. He pointed out that in Japan the specification is required to describe the effect of the invention as compared with that of the prior art. According to U.S. Patent Law and U.S. Practice, the specification is not required to describe the effect of the invention, and the superiority of the invention to prior art not referred to in the specification is admitted if an appropriate affidavit is filed. In closing, he stated that another great difference is that in the United States the specification is required to describe the best mode, while in Japan this requirement is only found in the provisions for the form accompanying the Rules of Practice, and failure to describe the best mode does not directly result in the rejection of the application.



Katsuhiko Takahashi

Donald M. Sell

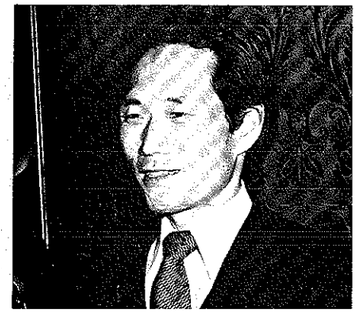
Donald M. Sell reported on "Fraud on the Patent Office". He stated that to avoid accusations of fraud in obtaining United States patents, lawyers who first file patents in jurisdictions outside the United States, e.g. Europe and Japan, should give particular attention to three things. First, make certain that in naming inventors in any patent application you have made an honest effort to assure yourselves that the persons named are really the inventors of the subject matter of the patent application. Second, make certain that the best information you have on the way to practice the invention disclosed in the application at the time the application is filed is clearly set forth in that application. Third, be very certain you keep the attorney in the United States who is handling the U.S. prosecution of your application informed of all prior art known to you as of the time of filing the application and all prior art which comes to your attention through the prosecution of the first filed application or any counterparts of your application filed in countries foreign to the U.S., as soon as you know about such prior art. In closing he pointed out that if you do not do these things, you greatly enhance the possibility of having a U.S. court render your patent unenforceable should it get into litigation in the U.S. on the ground that you knowingly concealed true information as to the inventorship, best mode of practice of the invention or the most pertinent prior art from the United States Patent Office, or were so grossly negligent in failing to call the information to the attention of the United States Patent Office that your negligence amounts to a knowing misrepresentation.

Satoi Kojima

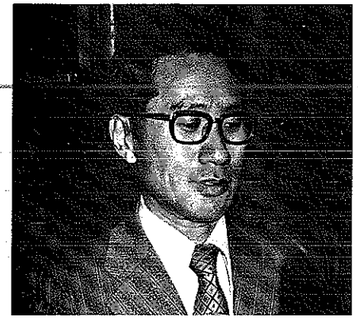
Satoi Kojima discussed the "Japanese Utility Model Registration System". He indicated that the system is widely used by the Japanese but not by foreigners. He suggested use of the utility model as a good means of protecting relatively short-lived inventions. He analogized the ability to convert a Japanese patent application to a utility model to the continuation application procedure in the U.S. He compared the Japanese utility model system to the German utility model system with regard to the following: (1) object of protection, (2) technical advance, (3) examination, (4) term of protection and period of request for examination, (5) application fee, examination fee and annuity, and (6) scope of protection.

Irving N. Stein

Roy Massengill



Iwao Kimata



Masahisa Hase

"Drug Product Simulation" was the title of Irving N. Stein's presentation. Mr. Stein reported that the limitation of the "Functionality" Doctrine as enuciated in unfair competition cases remains, but courts are willing to treat drug color, size and shape as non-functional and capable of distinguishing the manufacturer if secondary meaning can be established. The possibility of trademark registration for drug color and shape should be pursued by manufacturers. He pointed out that courts consider the extent to which product imitation contributes to the likelihood of confusion or deceit when determining whether protection may be had under unfair competition laws. Look-alike manufacturers, even if they do not openly urge druggists to covertly substitute for the prescribed brand name drug, are vulnerable to the charge that they put into the hands of druggists the instruments and means for deceiving purchasers. Mr. Stein commented that although the controversy is primarily between innovator manufacturers and generic producers, it is the consumer who stands to gain or lose the most by the outcome, and it is the protection of the consumer that ultimately decides the issue.

Afternoon Session

Following luncheon in the Council Room of the University Club, Roy Massengill discussed "U.S. Re-examination/Re-issue Practice" as they relate to practices before the U.S. Patent and Trademark Office. Re-examination Rules did not replace the current Re-issue Rules although the USPTO plans to modify the re-issue practice as a result of enactment of re-examination. Re-examination provides a relatively cheap and short procedure for bringing to the Patent Office printed references discovered after issuance of the patent and to have the Examiner make another decision on patentability before entering licensing arrangements or expensive litigation. Re-examination is conducted essentially ex parte whereas re-issue/protest proceedings usually are an inter partes proceeding.

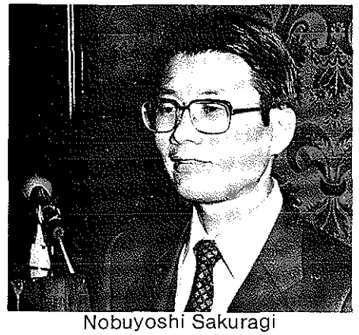
Iwao Kimata spoke on the subject of "Japanese Counterpart Systems of The U.S. Re-examination System". He indicated the usefulness of such systems was largely to give an inventor protection of his invention and to relieve third parties from undue restraint resulting from a partly or totally invalid patent, since patent disputes are resolved under those systems relatively inexpensively through simple procedures. Of the two main Japanese counterpart systems, the opposition system is generally preferred since it can be utilized inexpensively at an early stage to prevent an invalid patent from being granted. The other counterpart system, namely, the trial for invalidation and correction, has as its principal advantage the fact that there is much time within which to bring an action and the fact that such actions are centrally conducted in the Japanese Patent Office.

After the afternoon coffee break, Masahisa Hase presented his paper on "Recent Court Decisions on Patents in Japan". He discussed two recent Japanese Court decisions relating to patents. One of them, a Tokyo High Court Decision, covered the Application of Article 29bis of the Patent Law. The Tokyo High Court indicated that in the determination of the inventions, it is permissible to take into account the general common knowledge of the art prevalent before the filing date of the prior application, as well as the description in the specification of the prior application. The other decision is a Supreme Court Decision concerning the division of an application after the Examiner's decision for its publication. The Supreme Court upheld the Tokyo High Court decision denying the Patent Office practice, and indicated that a divisional application may be filed for subject matter disclosed but not claimed in the original specification, even after the Examiner's decision for the publication of the original application. Consequently, the Patent Office is now obliged to change its practice for divisional applications.

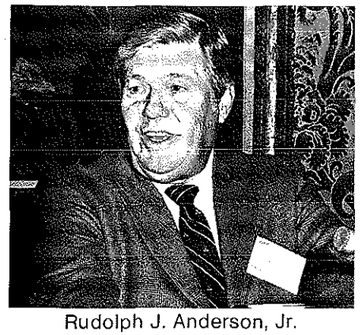
C. Harold Herr spoke to the Congress on the subject of "Recent Developments in the Patenting of Micro-organisms". He outlined the scope of patent protection currently afforded the microbiologist worldwide following the 1980 landmark Chakrabarty decision, exactly how the law on this subject is evolving in the U.S. on a case-by-case basis and the type of claims now being allowed that cover micro-organisms per se including bacteria, fungi, viruses, plasmids, DNA fragments and genes. Mr. Herr explained the important features of the procedures for depositing micro-organisms under the Budapest Treaty, made suggestions for claim formats to enhance passage of an application through the Patent Office and noted the adaptation of such traditional patent law doctrines as infringement and equivalents to gene splicing techniques involving micro-organisms.


C. Harold Herr

"Recent Court Decisions on Trademarks" were discussed by Nobuyoshi Sakuragi. As examples of recent court cases, the "Troy" and "Union" cases were used. In the "Troy" case, the trademarks were not indicated specifically in the license agreement and, based on the overall facts, the court did not uphold a claim by the licensor for ownership of the trademark used by the licensee. It was noted that the designer of the trademark was legally equivalent to the inventor in a patent. The "Union" case relates to whether abandonment of some of the designated goods while a suit is pending in court has an effect on the judgement in the trial. The court said that partial abandonment of designated goods dates back to the original application. In summary, these two cases show that measures such as partial abandonment of designated goods and assignment of trademarks should be considered before resorting to litigation.


Nobuyoshi Sakuragi

Rudolph J. Anderson, Jr. reported on "Patent Term Restoration Legislation - An Update" - the restoration of patent terms for products subject to premarketing regulatory review. He stated that Bills were introduced in the current session of both the Senate and the House of Representatives of the United States Congress. The Senate Bill S.255 was enacted by the Senate on July 9, 1981 and Hearings are presently in progress in the House of Representatives where testimony favoring the legislation was given by the Reagan Administration with testimony by Mr. Mossinghoff, the Commissioner of Patents and Trademarks and representatives of the Environmental Protection Agency and the FDA. Several issues currently under consideration by the relevant sub-committee of the House of Representatives were discussed. Among these were the inclusion in the legislation of patents covering processes for recombinant DNA production of pharmaceuticals and the elimination from the bill of products other than drugs, pesticides and other chemicals.


Rudolph J. Anderson, Jr.

The final paper of the day was presented by William T. McClain on "Delay in Filing a U.S. Patent Application - How Long is Too Long?" Mr. McClain pointed out that the United States has retained the first to invent concept, while all other countries, with the exception of Canada and the Phillipines, employ the first to file concept. In the United States, since the 1836 Patent Act, it has been established by statute that the first inventor is entitled to the patent, while in most other countries, the laws provide that the first applicant to file an application in the patent office is entitled to the patent. Recent decisions by the United States Court of Customs and Patent Appeals and the PTO Board of Interferences, relying upon public policy favoring early public disclosure, are effectively directing the United States to a first to file system, and the historical first to invent system may be fading. This will require quicker action by inventors and their attorneys in filing U.S. patent applications.


William T. McClain

Shozo Saotome and
Thomas I. O'Brien

Shozo Saotome

Following the first day's presentations, the Congress participants enjoyed a Reception and Banquet at the University Club.

The President of the American Group, Thomas I. O'Brien, presented Shozo Saotome with the first award for "International Cooperation in the Field of Industrial Property" in recognition of his many contributions in the industrial property field.

Mr. Saotome was General Manager of the Patent and Licensing Department of Mitsubishi Chemical Industries, Director of Mitsubishi Chemical Industries and of the Mitsubishi/Monsanto Company and is currently President of the DIA Research Institute. He was the first President of the Japanese Group of PIPA, a former President and Chairman of the Japan Patent Association and was President of the Licensing Executive Society of Japan. He is Managing Director of the AIPPI Japanese Group. In addition to these distinctions, he is an advisor to the Japanese government and has served on a number of committees, including the Technology Transfer Committee of the States Congress of Science and Technology, the Patent Management Study Team of the Japan Productivity Center and MITI, the government Committee of Industrial Property Rights, the government Committee of Chartered Engineers, the Patent Information Policy Committee of the Japan Patent Information Center and the Government Ownership Patent Committee of the Japan Invention Association.

The members of PIPA congratulate Mr. Saotome.

Robert A. Stenzel

Second Day — Thursday, November 5, 1981

The second day began with reports by Committee No. 2

The first presentation was given by Robert A. Stenzel on "Xerox v. SCM - The Right of a Patent Holder with Monopoly Power to Refuse a License". Mr. Stenzel explained that in the case of SCM v. Xerox, 645.F2d 1195, 209 USPQ 889 (CA2, 1981) SCM's claim for monetary damages as a result of a refusal by Xerox to license its patents was rejected, the Court stating "Where a patent in the first instance has been lawfully acquired, a patent holder ordinarily should be allowed to exercise his patent's exclusionary power even after achieving commercial success; to allow the imposition of treble damages based on what a review court might later consider, with the benefit of hindsight, to be too much success would seriously threaten the integrity of the patent system.."

"...(A company) must be entitled to hold them free from the threat of antitrust liability for the seventeen years that the patent laws provide. To hold otherwise would unduly trespass upon the policies that underlie the patent law system. The restraint placed upon competition is temporarily limited by the term of the patents, and must, in deference to the patent system, be tolerated throughout the duration of the patent grants."

He closed by stating that the Supreme Court is currently considering whether to hear an appeal of the decision.

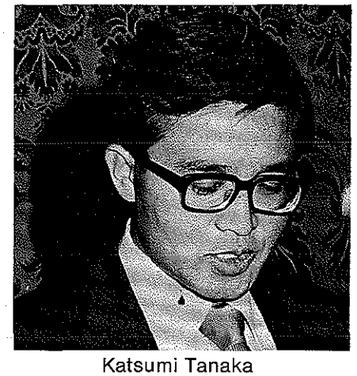
A paper on the "Regulations on Technology Transfer in Southeast Asian Countries" was presented by Kojiro Ozu. The governmental regulations on technology transfer in five countries in Southeast Asia were discussed. The Southeast Asian countries have been actively trying to introduce foreign technology. On the other hand, (except for Singapore which does not regulate technology transfer) they are adopting a policy of trying to reduce the cost of technology introduction and to shorten the period of the secrecy obligation of know-how. He indicated, however, that a likely effect of their policy will be to kill the opportunity of inviting excellent foreign technology, and to forego their chance to promote their own industry and to earn foreign currency by exporting the products manufactured by utilizing foreign technology. He felt that it would be desirable for the Asian countries to take a more flexible attitude towards technology transfer from abroad.


Kojiro Ozu

Richard L. Donaldson reported on "New Statute Governing Patent Rights in Inventions Made with Federal Government Assistance". The Legislature history of PL-96-517 was reviewed with a primary emphasis on the reason behind the changes in government patent policy with respect to vesting rights in the contractor. Examples were given concerning the difficulty in commercializing inventions resulting from government sponsored R&D and the negative impact this has on productivity. Present government patent policy was reviewed and contrasted to the new policy set forth in the legislation. Mr. Donaldson concluded with a summary of the Provisions of P.L. 96-517, which vests title to inventions to small businesses and non-profit organizations.

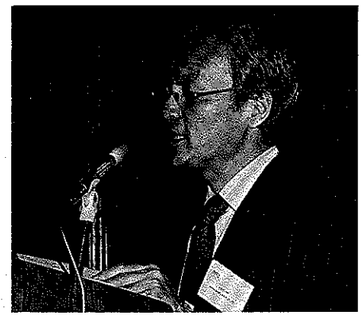

Richard L. Donaldson

The session continued after a coffee break with a discussion by Katsumi Tanaka on the "Handling of Results from Government-Financed R&D Agencies". He reported that the Japanese Government has worked out certain measures to promote technological research and development by private companies; for example, by granting subsidies for R&D planned by private companies, or by entering into a contract for national R&D projects with private companies. However, the results achieved by government-financed R&D are not always handled in the best interest of the private company concerned. While the results of government-subsidized R&D belong to the private company, the company is required to refund all or part of the subsidy based upon the degree of the success or the amount of profits. In contrast, the results achieved from national R&D projects belong to the government and the contracting company has to pay royalties to the government when utilizing the results. He pointed out that a criticism of this policy is that since results of R&D are not due to financial contributions but also depend upon the efforts, including the accumulated industrial expertise of the contracting company and the research workers, their efforts should be given an equivalent evaluation and consideration in handling the results achieved.


Katsumi Tanaka

The final report presented by Committe No. 2 was by Walt Zielinski on "U.S. Justice Department's Antitrust Guide Concerning Research Joint Ventures". He discussed the Antitrust Guide Concerning Research Joint Ventures put out by the U.S. Justice Department in 1980 and pointed out that (1) if the number of participants of the proposed research joint venture reflects a substantial cross-section of the industry or business involved, (2) if the research is more basic than applied or developmental, (3) if the research is precisely targeted and not intended to deal with an endless succession of industry problems, (4) if the targeted research is not likely to diminish research competition among the participants or within the industry or business generally, (5) if the restraints imposed by the venture on the participants are few and limited in scope and duration to advance the venture without unduly restricting any of the participants' unrelated rights; and (6) if there are no undue barriers to participation as a co-venturer or to access by a late-comer, the proposed research joint venture will likely be approved by the Justice Department.

Alan D. Lourie



Koichi Ono

Gerald J. Mossinghoff

The first report presented by Committee No. 3 was a "Summary from the American Point of view of the Proceedings in Nairobi" by Alan D. Lourie. Dr. Lourie discussed his recent experience as an observer for PIPA at the Diplomatic Conference on the Revision of the Paris Convention held in Nairobi. He reported that Article 5A, relating to remedies for non-working and to compulsory licenses, was essentially the only topic discussed, and that, against the vigorous opposition of the United States delegation, the conference "agreed on" a new text of this article which permits developing countries to provide in their law for exclusive compulsory licenses under certain circumstances. In addition, forfeiture without the prior grant of a compulsory license is provided for. No votes were taken, but there was substantial agreement by the country groups that an acceptable test had been obtained.

Dr. Lourie stated that, despite the unfavorable result of the conference, he found the experience as a PIPA observer a worthwhile one, and he was most gratified to see the American delegation defend the rights of inventors and patent owners so strongly. It is likely that the Conference will resume in a year or so, and that the "agreed" text will be used as a basis for revision of other aspects of the convention.

The morning program ended ahead of schedule and Koichi Ono's report on the Nairobi Proceedings from the Japanese Point of View" was presented.

Mr. Ono explained that the issue discussed in Nairobi was an interpretation of Article 5A of the Stockholm text of the Paris Convention. In paragraph two of the Article, it states that each country of the union shall have the right to take legislative measures providing for the grant of compulsory licenses to prevent abuse which might result from the exercise of the exclusive rights conferred by the patent. There was no indication of whether the compulsory license shall be exclusive or non-exclusive. In paragraph four of the Article it is stated that a compulsory license, on the grounds of failure to work, shall be non-exclusive. He pointed out that in the Stockholm text abuse is exemplified by failure to work, but abuse in Article 5A adopted by Committee Number One of the Nairobi Conference has no definition or example, however, a countermeasure for abuse is provided. Six of the Group B countries proposed that exclusive licenses may be granted not only in developing countries, but also in all member countries where there is an economic reason. This proposal was supported by the socialistic countries and the developing countries. He concluded by stating that Japanese industry strongly opposes this proposal. The Patent System has a basic principle of encouraging invention by protecting it. The development and progress of industry countermeasures to prevent abuse or misuse of the patent right have been legislated, i.e. antitrust laws. Misuse or abuse of the Patent System should not be justified under the name of a treaty.

Luncheon

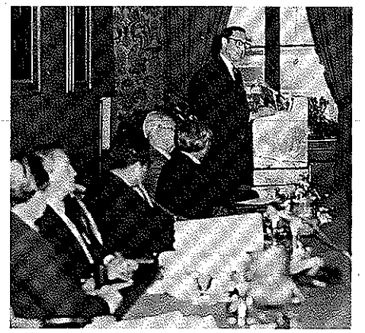
A Luncheon was held in the Council Room at the University Club with the Honorable Gerald J. Mossinghoff, U.S. Commissioner of Patents and Trademarks, as the Guest Speaker.

Commissioner Mossinghoff advised that the Commerce Department would recommend to Congress in early 1982 that the P.L. 96-517 fee levels should be increased before the October 1st effective date to a point of having the user pay 100% of all PTO costs except for those comparatively low costs associated with matters deemed to be of direct benefit to the public generally. He advanced legitimate reasons to increase fees. For example, U.S. fees have been at ridiculously low bargain-basement levels for so long as to represent a give-away compared to the fees charged in other countries. For another example, U.S. inventors pay these high fees outside of the United States whereas the

ever-increasing group of foreign inventors continue to pay extremely low fees in the U.S. while enjoying the benefits of our systems and commerce. The proposed 100% user fee reimbursement will permit the PTO in these days of Government Agency appropriations and personnel cuts to increase funding and Patent Office personnel in order to improve the lot of the PTO generally and to reach the so-called "18 by 87" objective for patents and "3/13" goal for trademarks - i.e., a PTO Patent application pendency of 18 months by 1987 and a first Office trademark action in 3 months with disposal in 13 months.

He also discussed the advantages he saw associated with the newly-implemented re-examination proceedings and expressed his hopes that the proposed Court of Appeals for the Federal Circuit would soon be enacted.

Following the luncheon the Congress participants enjoyed a tour of the Metropolitan Museum of Art and a Reception and Dinner at the Windows On The World Restaurant at the World Trade Center.



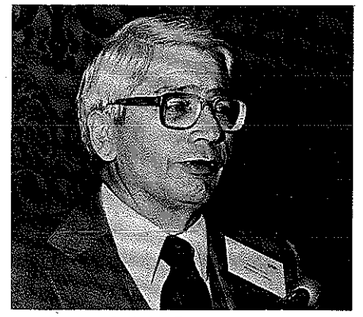
Gerald J. Mossinghoff

Third Day — Friday, November 6, 1981

The third day began with a continuation of the reports of Committee No. 3.

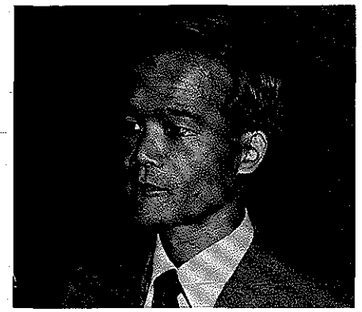
The first report, given by Akio Takahashi, was entitled "Expected Legislation of Patent and Trademark Law in the People's Republic of China". Mr. Takahashi reported that from July 1 to July 10, 1981, a Fact-finding Mission visited the People's Republic of China to investigate the present situation there with regard to patents, trademarks and technology transfer. The mission, headed by Mr. Shindo, Chairman of the Japan Patent Association, was composed of 14 members from representative patent departments of private enterprises. Mr. Takahashi summarized the recent developments in patent legislation by stating that the People's Republic of China intends to protect and encourage inventions, utility models and industrial designs under the proposed Patent Law. A draft of the proposed Patent Law has already been presented as legislation by the Patent Office. At present, it has been passed to the State Counsel. After the deliberation, it will be put before the National People's Congress to be enacted as a law. It is difficult, at present, to foresee when the Chinese Patent Law will come into force, but it seems that the law as a whole will be an acceptable one for the industrialized countries. China has reportedly no intention of adopting the Inventor's Certificate designation. The proposed Patent Law includes adoption of a first to file system; publication 18 months after filing; substantive examination; opposition; 12 months of priority; a patent term of 15 years from filing; and, a compulsory license for failure to work a patent for three years.

Akio Takahashi



Calvin Sparrow

"Recent Developments in Central and South American Patent Laws" was presented by Calvin Sparrow. Dr. Sparrow reported that Regulations under the 1976 Mexican Law on Inventions and Marks were published in February, 1981. Minor changes in practice are made necessary by the new regulations. The new Argentine Law for License Agreements and Transfer of Technology is a step forward as compared to previous laws on licensing and technology transfer but there still are unfortunate limitations on contracts between parent and subsidiary companies. The new Argentine Trademark Law is generally favorable but does provide for forfeiture of a mark unused for five years. Article 85 of the Andean Pact, currently in force in Colombia, Ecuador and Peru, requires actual working within a year of grant.



Hideki Omote

Akira Mifune

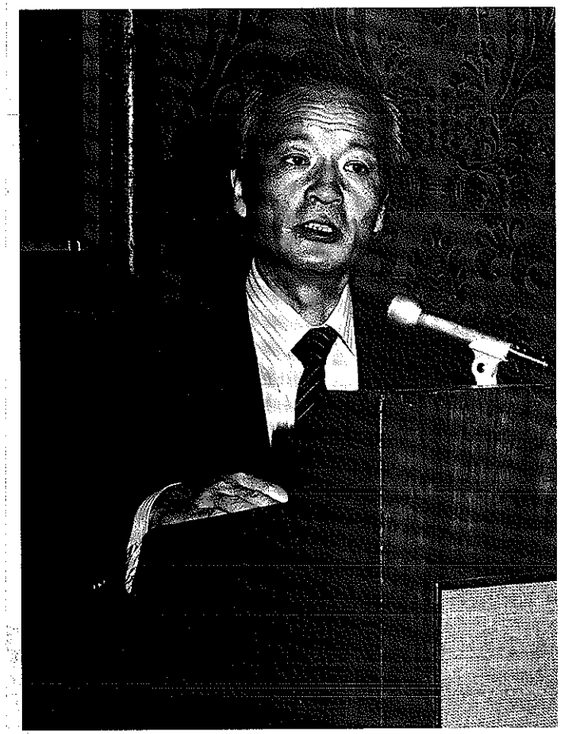
Homer Blair

After the morning coffee break, Hideki Omote reported on "Expected Regulations for Licensing and Technology Transfer in the People's Republic of China". Mr. Omote stated that technology transfer was the key subject explored by the Fact-finding Mission to China composed of representatives from the Japanese Patent Association. He explained that China is taking a direction of encouraging technology exchange and joint venture arrangements. The basic Chinese attitude toward licenses is to respect the customary international practice. With regard to inter-governmental investment guarantee agreements, China has already signed an agreement with the U.S.A. and is negotiating with West Germany and Japan. Contracts relating to technology are examined by the Technology Import Department to determine if the Chinese policies regarding industry, technology, economy and the target of technology development are met. China accepts the limitation of exports from China to third countries and has no intention of setting the upper limit of royalty. The resolution of conflicts with foreign countries concerning industrial property rights is to be made by the China Council for the Promotion of International Trade.

"Patent Protection in the USSR" was discussed by Akira Mifune. Mr. Mifune stated that the Soviet Union has become very strict about the examination of patent applications in the field of chemistry and will only grant a chemical patent with a very narrow scope of claims. For a chemical composition the new practice requires the patentee, not only to concretely define the kind and quantity of the effective ingredients, but also to minutely define the kind and mixing ratio of non-essential components such as filler, auxiliary and formulation agents. No patents are granted unless their claims are written in the form of a "prescription". Furthermore, it is requested that the claim should be strictly supported by a working example in all aspects. With regard to a new method of use, the new practice requires that a detailed description of the respective physical steps of the method be given. Also, an invention directed principally to use of a novel chemical substance is excluded from patent protection because the invention is regarded as that of the "chemical substance". For a chemical process, the claims are required to define the kinds of starting materials and end products and the parameters of reaction conditions in conformity with the content of working examples. In addition to the stringency of the above detailed disclosure requirements, he pointed out that the high Russian annuity costs make patent protection there overly burdensome. Some Japanese associations have written letters on these matters to the USSR government agencies. One of them received a reply insisting that the present practices are reasonable. However, it is expected that the USSR will provide further clarification of their regulations and examination standards.

The final report of Committee No. 3 was entitled "Developments in the Law of the Sea Treaty - An Update" by Homer Blair. Mr. Blair explained that the Reagan Administration replaced the U.S. Negotiators for the Law of the Sea Treaty early in 1981 and announced it would review the whole situation. The U.S. also announced that it would not agree to conclude negotiations until this review had been completed. The procedures for obtaining contracts to prospect, explore, and/or exploit the sea were discussed pointing out that all contracts must provide that technology used under the contracts be made available to the United Nations and/or developing countries on a royalty-bearing, non-exclusive basis. The financial terms of the royalties to be paid to the United Nations were reviewed as well as the contract of the International Sea-Bed Authority and recent U.S. Government views on the treaty.

A luncheon and closing ceremonies were held in the Council Room of the University Club.



Koichi Ono

Karl F. Jorda

Pauline Newman and Koichi Ono

Toshiharu Kawase and Robert C. Kline

PIPA

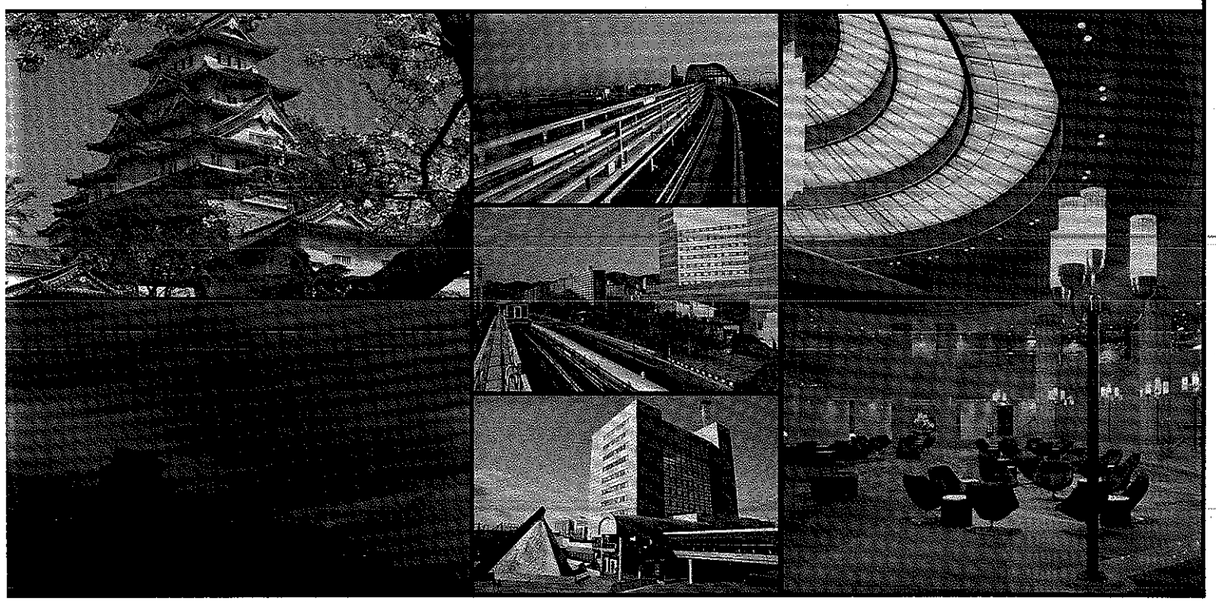
PACIFIC INDUSTRIAL PROPERTY ASSOCIATION

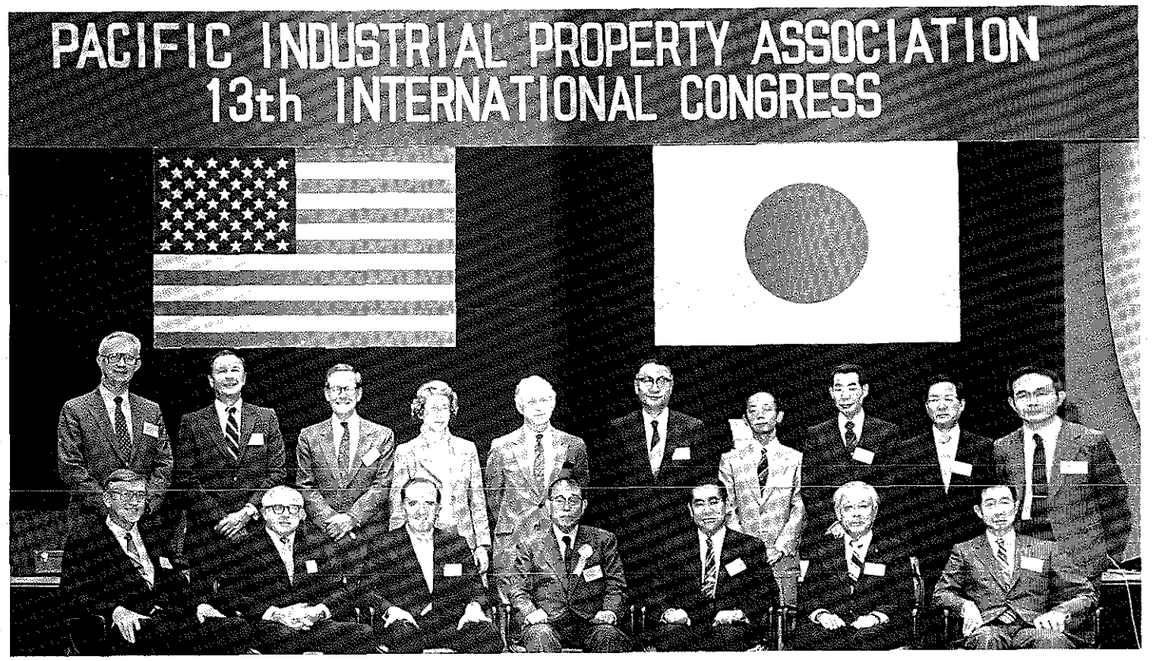
太平洋工業所有権協会

Thirteenth
International Congress
Kobe, Japan
November 3, 4, 5, 1982

PACIFIC INDUSTRIAL PROPERTY ASSOCIATION

太平洋工業所有権協会





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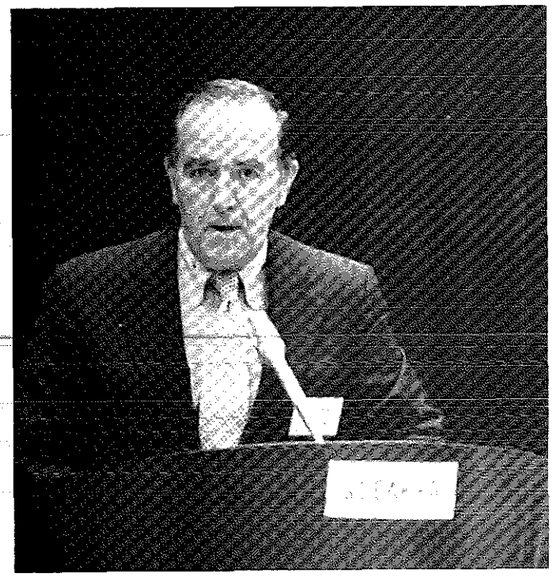
Standing: John E. Maurer, William McClain, Paul Enlow, Pauline Newman, Edward Bell, Shigeo Takeuchi, Shigemitsu Nakajima, Juro Ichimura, Zenjiro Nakamura, Susumu Uchihara. Seated: William Norris, Karl Jorda, Thomas O'Brien, Sadakazu Shindo, Kojiro Ozu, Tei Kawaguchi, Michio Nishi.



Thomas I. O'Brien

Shigeo Takeuchi

THIRTEENTH
INTERNATIONAL CONGRESS
KOBE, JAPAN
NOVEMBER 3 - 5, 1982
PACIFIC INDUSTRIAL PROPERTY ASSOCIATION

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Program Minutes

First Day — Wednesday, November 3, 1982

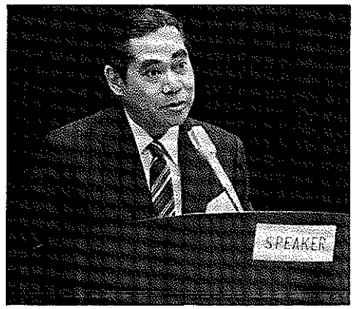
The Thirteenth International Congress of PIPA in Kobe, Japan was opened by the Secretary Treasurer of the Japanese Group, Shigeo Takeuchi at 9:00 a.m. After welcoming everyone, Mr. Takeuchi expressed his hope that the Congress would prove pleasant and rewarding for all. Mr. Takeuchi introduced Mr. Thomas I. O'Brien, President of the American Group who reported on the 1981 activities of PIPA. The installation of PIPA Officers for 1982 followed Mr. O'Brien's report.

Keynote Address

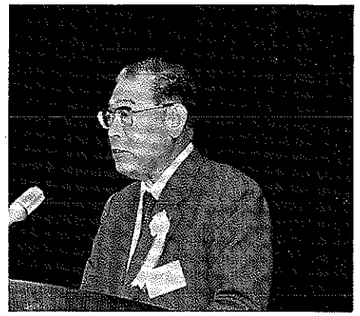
The Keynote Address was given by Mr. Kojiro Ozu, President of the Japanese Group who discussed the re-shaping of the intellectual property rights throughout the world and the resulting increase in the tasks and responsibilities for PIPA members. In this regard, he cited the changes in the areas of technology subject to industrial property rights, and the changes in the industrial property rights system itself and their impact on the transfer of technology. Technological innovations have brought about a wide range of new products, new production methods and new natural and man-made resources. Mr. Ozu pointed out that with these developments a multitude of new legal issues have arisen; for instance, the protection of inventions in the field of computer software, large scale integrated circuits, marine developments, and biochemistry.

Mr. Ozu next spoke about developments on the international level relating to patents. Specifically, he noted that a Revision of the Paris Convention and a proposed "Code of Conduct" would alter the historical basis of the industrial property right system, and these proposals are pressing matters causing a different approach to the transfer to technology. More and more developing nations have adopted restrictive policies against patents owned by nations of the developed nations. Consequently, Mr. Ozu pointed out, it is getting more difficult for the orginators of the technology to retrieve their investment in research and development by transfer of the technology.

Lastly, Mr. Ozu spoke about Japanese and U.S. domestic problems in the patent field. Advances in various fields of technology have led to a rapid increase in the number of patent applications, causing severe problems for examination in both the U.S. Patent and Trademark Office and the Japanese Patent Office. To best cope with this burden, Mr. Ozu felt that it is appropriate for both the Offices to have a self-supporting examination system, necessitating patent office fee hikes. U.S. Government fees for patents and trademarks have been increased recently. The Japanese Patent Office indicated that their fees will increase and that they will adopt the so-called "paperless system" in which all patent documents are filed and retrieved by electronic means.

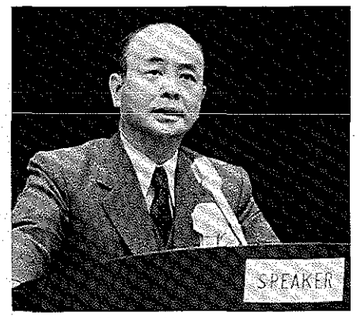


Kojiro Ozu


Sadakazu Shindo

The next address was by the Honorary Chairman of the Thirteenth International PIPA Congress, Mr. Sadakazu Shindo who is Chairman of the Japan Patent Association and Chairman of the Mitsubishi Electric Corporation. Mr. Shindo pointed out that technical innovation is occurring today at a rapid pace and noted PIPA's role in fostering that innovation. Because of the system prevailing in each country, valuable technologies have been well protected and technology transfer has gone smoothly. However, in the developing countries the patent system has been brought into question, as evident in the recent diplomatic conference in Geneva to revise the Paris Treaty. With regard to the revisions, Mr. Shindo encouraged the PIPA Congress to consider those issues thoroughly with a view to promoting a new and viable patent system.

Donald J. Quigg



Kazuo Wakasugi

Donald J. Quigg, Deputy Commissioner of Patent and Trademarks for the U.S., provided an update on developments within the United States Patent & Trademark Office over the last year. The status report touched upon improvements being made by the Patent and Trademark Office in regard to two basic problems, namely the "backlog" of patent and trademark applications and the "quality" of the cases allowed to issue. He also discussed the progress of automation within the Patent and Trademark Office. Lastly, he discussed the newly adopted Patent Office procedure of "re-examination" of issued U.S. patents.

The next speaker, Mr. Kazuo Wakasugi, Director-General of the Japanese Patent Office, stated that the industrial property rights system has an inherently global framework, and has a great impact upon the development of the industry and economy of all countries. He said its role is becoming more and more important as industrial technology increases its influence over economic activity. Under these circumstances, it is very important to have prompt access to information in order to be able to analyze it and take the appropriate countermeasures earlier. In this respect, the Pacific Industrial Property Association plays an important role, namely providing patent people with regular opportunities to exchange opinions and increase mutual understanding. He pointed out that the present meeting is a typical example and there can be no doubt as to its significance in terms of mutual understanding.

Mr. Wakasugi who had attended the Diplomatic Conference on the Revision of the Paris Convention in Geneva, went on to note the agreement at the conference on the protection of the official name of a country under Article 6. Regarding Article 10, Quater, some progress was seen through compromise with reference to the protection of a country name used in trade and with regard to a name of origin, which he thought very significant. Mr. Wakasugi explained that although Article 5-A was not on the agenda for formal discussion at the Geneva Conference, a new proposal was put forward by Mr. Mossinghoff, Commissioner of USPTO. The Nairobi Conference reached a consensus in a form of so called "Nairobi Compromise Text" which the U.S. and some other countries opposed. As the result of Mr. Mossinghoff's strenuous efforts, the newly proposed draft has materialized with the hope that a final consent will be obtained in the November Geneva Conference. The main subject for discussion at the Geneva Conference was the promotion of technology transfer to the developing nations. This is a worthy cause and will also help to revitalize the world economy. However, it is fundamental to the attainment of this goal that industrial property rights be upheld and respected.

Mr. Wakasugi thought that this could be clearly demonstrated by looking at the Japanese experience. Thirty years ago, he started his official career at the Ministry of International Trade and Industry. His first job was to examine licensing agreements with U.S. and European licensors. In this capacity, he became increasingly aware of the size of the technology gap between Japan and the U.S.A. and the European countries who owned most or the important patents. There was a large, one-way flow of royalties paid by Japanese licensees. As a young man, he was anxious for the future of Japan and thought of his forebearers who first introduced the patent system to Japan a century ago. They too must have felt the same anxiety. Nevertheless Japan has consistently respected and upheld industrial property rights. This respect and loyalty remains unchanged and, in Japan, is emphasized now more than ever.

Their devotion to industrial property rights has greatly contributed to Japan's remarkable economic success, Mr. Wakasagi commented. It is his view, that respect of and loyalty to industrial property rights are indispensable prerequisites to technology transfer. Without them, the real development of a country would not be possible. With this in mind, he indicated that there are strong

reasons for supporting the amendment to the Nairobi consensus as to Article 5-A. He expressed his hope that the amendment would contribute in the long run to the welfare of both advanced and developing nations.

Mr. Wakasugi also spoke about two patent-related matters in which the Japanese government was taking a major interest. The first involved measure relating to international cooperation, and the second concerned action to cope with the large accumulation of patent information.

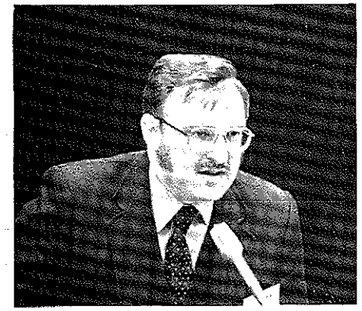
Following Mr. Wakasugi's presentation, D.S. Guttman from the American Chamber of Commerce in Japan spoke of the Chamber's involvement in the promotion of the exchange of information about industrial property. In the past, the Chamber has sponsored and published, in English, several books of Japanese industrial property case decisions, something that hopefully will be resumed. Mr. Guttman pointed out that the monthly meetings in Tokyo have provided a forum for Japanese government officials, lawyers and patent attorneys, and fellow licensing executives to tell Americans about "things Japanese" and ask about "things American." Finally, Mr. Guttman said that two studies are currently under way, one on the effects of the Japanese Industrial Property Laws on American investment in Japan, the other on the effect of U.S. Antitrust Laws on American competitiveness in Japan.

Following a coffee break, the morning session contined with reports presented on behalf of Committee No. 1.

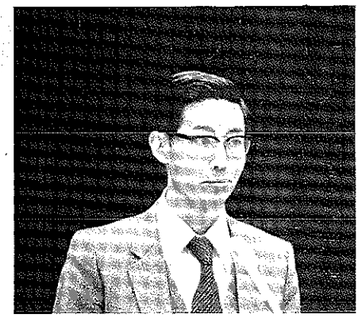
The first paper was delivered by Tomehiko Ida and was entitled "Japanese Practice Relating to 'Selection Inventions'". Mr. Ida stated that a "selection invention" is one falling within the scope of a broad prior art patent, but not specifically disclosed in the prior art patent. Patentability of selection inventions is within the spirit of the Japanese patent law whose purpose is "to encourage inventions by promoting their protection and utilization so as to contribute to the development of industry." According to Mr. Ida, there is no leading case addressing the issue of whether practice of a selection invention will constitute infringement of a prior art patent that broadly encompasses the selection invention. It is generally believed, however, that such practice will constitute infringement of the prior art patent.

After Mr. Ida, Mr. John E. Maurer spoke on behalf of Mr. Robert P. Raymond on the American view that "Selection Inventions" through application of the same standards of patentability as are applied to basic inventions in the chemical, mechanical and electrical arts. The selected chemical species or arrangement of components must be novel and must offer an unexpected advantage which is mentioned in the specification. He went on to state that applicant should be prepared to support the asserted unobvious advantages or properties with affidavit evidence if required to do so by the Examiner. Finally, Mr. Raymond pointed out that novelty of a species is not defeated by knowledge of the class of which it is a member.

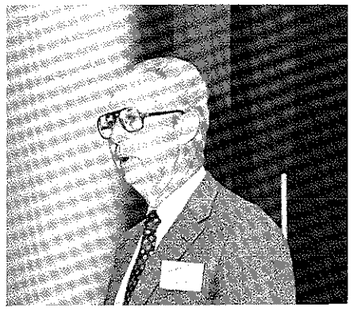
"Japanese practice and Problems Relating to Publication" was discussed by Mr. Kotaroh Hara. He elaborates that a prior art reference or "a publication" available prior to the filing of an application is the most common basis for the determination of the novelty of the invention. Under the Japanese patent law, a question of novelty with regard to a publication is determined on the basis of whether or not the invention is described in "a publication *distributed*. . ." (Article 29, Paragraph 1, Item 3 of the Patent Law). If the invention has been disclosed in a publication by the inventor himself, prior to the filing of his application, the novelty of the invention is retained under certain conditions (Article 30, Paragraph 1 of the Patent Law). There have been a number of cases in which the interpretation of the terms "a distributed publication" and "a disclosure in a publication" or the term "a publication" itself is at issue and



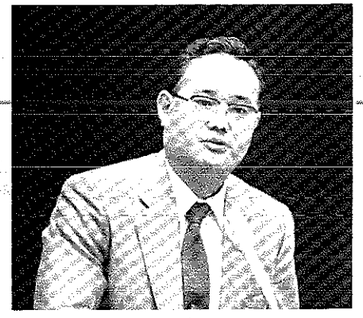
D. S. Guttman



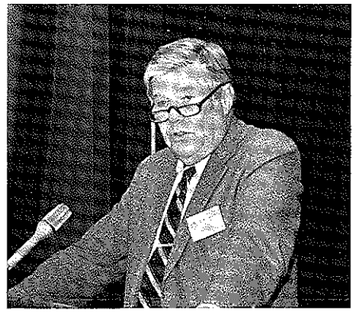
Tomehiko Ida



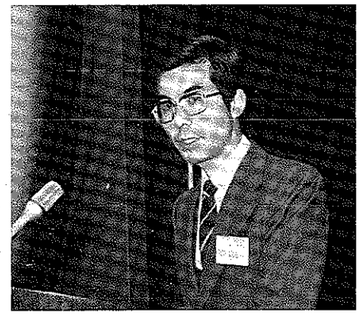
John E. Maurer



Kotaroh Hara



Rudolph J. Anderson, Jr.



Shigeyasu Horigome

William T. McClain

disputed at the Patent Office or the courts. In a recent case, the Tokyo High Court concluded that the disclosure of an invention in a U.S. patent does not come within the term "a disclosure in a publication *by the inventor himself*", and thus denied the novelty of the invention. This was the first case by the court on the question of whether or not a patent publication falls within the term "a disclosure in a publication". In his presentation, Mr. Hara also pointed out that the Japanese Patent Law contains quite a unique provision that once 5 years have been passed after a patent is granted, no trial for the invalidation of the patent may be requested on the basis of "a publication distributed *in a foreign country*" as prior art (Article 124 of the Patent Law) He discussed this provision and its impact on the question of what constitutes "a publication".

In his report on "Patent Term Restoration - An Update", Rudolph J. Anderson, Jr. discussed the progress of the Patent Term Restoration Act of 1982 through the period of the Fall of 1981 to the Fall of 1982. In the House of Representatives there were hearings on the legislation conducted by Congressman Kastenmeier (D-WI) as Chairman of the Subcommittee on Courts, Civil Liberties and the Administration of Justice of the Judiciary Committee. A description of a number of changes made in the legislation by the Kastenmeier Subcommittee and the full House Judiciary Committee were analyzed by Mr. Anderson and their affect on the legislation defined. At the time of Mr. Anderson's presentation, the House of Representatives had declined to enact the legislation under a particular procedure which entailed suspension of the rules of the House. He discussed the future of the legislation including the possibility of enactment of the legislation during the re-convened session of the Congress in late 1982 or the alternative of a re-introduction of the legislation in the new Congress commencing in January 1983.

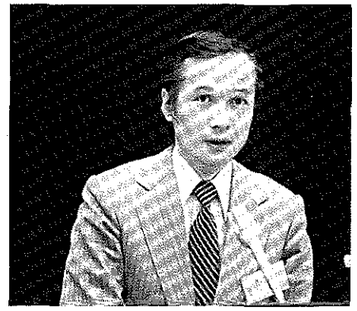
Afternoon Session

Following the luncheon, Mr. Shigeyasu Horigome reported on the "Reasons for a Large Number of Patent Applications in Japan". He stated that over 400,000 patent applications (including utility model applications) were filed in Japan in 1981. This number is about 1.5 times larger than ten years before, while the number of the patent applications filed in any other major country remained on the same level or showed a tendency to decrease during the same period. According to Mr. Horigome, the change in the number of patent applications filed in Japan is closely correlated to that in the growth of Japan's GNP. The number of patent applications is regarded as one of the indexes reflecting industrial activity in Japan, particularly the activity of private enterprises. He thought that the reasons for the filing of such a large number of patent applications in Japan were (1) the patent system, (2) the policy of the individual enterprises, and (3) the national background. The first reason resides in the incentive given to inventors by the patent system which is intended for promoting technological innovation and thereby contributing to the development of industry. The second reason is that in order to win in the competition with other enterprises, each enterprise attaches great importance to the exclusive rights granted by the patent system, adopts improved patent management as a part of its operating strategy, and takes the necessary measures to encourage its employees to make inventions and secure the patent protection thereof. Finally, the common character of Japanese is the third reason and should not be overlooked, as it gives the Japanese individual an incentive to propose inventions.

"The New U.S. Patent and Trademark Office Fees" was discussed by William T. McClain. He stated that the United States Patent and Trademark Office had embarked upon a plan to upgrade its operations, so as to better serve applicants for patents and trademarks. According to Mr. McClain, in order to upgrade the PTO, increased funds were required and recent legislation, Public

Law 97-247, had now been enacted as of October 1, 1982 which would substantially increase the PTO fees paid by applicants for U.S. patents and trademarks. Since the total minimum fees for filing, issuing and maintaining a U.S. patent would increase about tenfold, applicants may desire to give more careful consideration in the future to the desirability of filing U.S. patent applications and of maintaining the patents.

The topic of Mr. Nagahisa Yuasa presentation was the "Recent Appeal Cases Regarding Trademark in Japan". He indicated that trademark appeals have been growing in number in recent years, particularly appeals against rejection and in cancellation action based on non-use. The reasons for the increase in appeals against rejection (e.g., 5000 in 1981 versus 1800 in 1979) are not clear. However, the revised examination guidelines and the introduction of an automated retrieval system seem to be major factors. The former is aimed at clarification of phonetic similarity whereas the latter is directed to acceleration of the examination process. Trademark examinations have been made on these basis without thorough consideration of the realities of the business sector, resulting in mechanical determination of similarity. Seemingly, these caused an increase of appeal cases. Apart from arguments concerning examination practice, Mr. Yuasa reported on possible measures available to applicants at the time of rejection, with further reference to suggestions as to how to make the appeal procedures less time consuming. In this regard Mr. Yuasa pointed out that consideration should be given to the business sector as well as an employment of a "consent" system in the examination to ensure earlier registration. Mr. Yuasa also commented on the determination of goods to be cancelled as well as pre-marketing transactions as measures to avoid the possibility of future appeals.



Nagahisa Yuasa

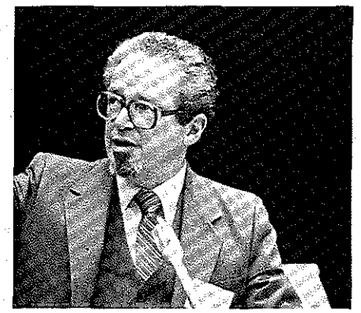
Arthur G. Gilkes

Arthur G. Gilkes discussed "Proprietary Protection of Computer related Inventions, Software and Programmable Systems". He cited recent developments in U.S. law which clarified the patentability of computer related inventions such as programmable machines, processes and systems, and software programs. Although the latter are not patentable per se, use in a machine, process or system to achieve a novel or beneficial result is patentable. Concurrently, the patentability of authorship in computer software including program elements fixed in firmware such as ROM chips under the 1976 Copyright Act has been confirmed. Accordingly, decision-making by management in planning protection strategy in this field should give careful consideration in the first instance to the value of patent protection as an alternative to maintaining trade secrecy. Mr. Gilkes pointed out that the potential value of copyright protection as an optional supplement of software, particularly in situations where secrecy control is difficult or slight, should not be overlooked.

Hiroshi Yamamoto

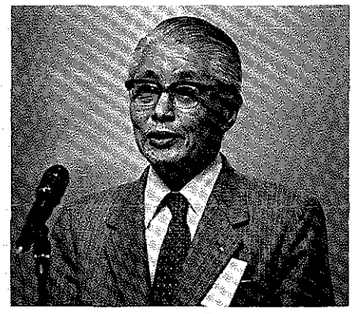
The afternoon coffee break was followed by reports of Committee No. 4.

The first report was given by Mr. Hiroshi Yamamoto on "Recent Court Decisions in Japan Relating to Doctrine of File Wrapper Estoppel". Mr. Yamamoto stated that since Japanese patent prosecution is essentially based upon the inter parte proceedings, approaches for the construction of Japanese patent claims are somewhat different from those of the U.S. patent claims. Despite these different approaches, it is recognized that the doctrine of file wrapper estoppel has been expressly applied to a recent Japanese court decision in a patent infringement suit. Mr. Yamamoto also discussed the recent development of court decisions in Japan relating to a concept similar to the doctrine of file wrapper estoppel from a comparative law viewpoint. He went on to say that, although the file wrapper estoppel doctrine is not well established under the Japanese case law, it has been adopted gradually in recent decisions and appears to be much more severe with respect to the patentee than in the U.S. case law.



Alvin Isaacs

Masao Shimokoshi



Mutsuo Ohya

"What Litigants Can Expect from the New CAFC" was the subject of Mr. Alvin Isaacs' presentation. He stated that the establishment of a single court to hear the patent appeals previously heard by twelve Courts of Appeal has been identified as one of the most far-reaching reforms that could be made to strengthen the U.S. patent system in such a way as to foster technological growth and industrial innovation. Under the former system where different decisions could be reached in different circuits, the validity of a patent was dependent, to a certain degree, upon geography. According to Mr. Isaacs, it was therefore particularly difficult for small businesses to make useful and knowledgeable investment decisions where patents are involved when they had any reason to fear a patent may be attacked and tied up for years in expensive litigation. As was reported by the sponsors of the bill before the U.S. Senate, the restructuring (creating the CAFC) will solve the fearful attitude many corporations, large and small, have with regard to investing the resources needed to develop and implement new technology.

In summary, patent litigants can expect the following from the new Court of Appeals for the Federal Circuit (CAFC): (1) The creation of a single appeals court will create uniformity within the circuits. (2) This uniformity and the fact that the standard of patentability will not vary under the new CAFC appellate review should be a stimulus encouraging both technological growth and management decisions for investment. (3) The expensive and time-consuming custom of "forum-shopping" (finding the most favorable forum or circuit to try a case) will tend to be eliminated. (4) Curtailing forum-shopping on the scale that occurs in patent cases will in turn decrease the cost of litigation. (5) The uniformity in the law resulting from the creation of the new court will decrease the number of appeals resulting from attempts to obtain different rulings on disputed legal points. (6) Since the new court will consist of twelve judges sitting in panels of at least three, it will be able to and so intends to travel throughout the land, making it truly national rather than regional, thereby dispelling concern or suspicion of regional influence. (7) Because of its experience and expertise in patent matters, the CAFC will tend to scrutinize the record more closely, thereby increasing the appellant's chances for reversal. (8) Since the members who formerly sat on the old CCPA have a general reputation of being more liberal in their views on inventorship than the other circuits, there is a good likelihood that we will see a greater number of reversals on lower court decisions invalidating a patent for lack of invention.

The make-up of the new court, its full jurisdiction and some selected views of Chief Judge Markey, as well as some selected areas of conflict between the Circuits which may now be resolved were also discussed by Mr. Issacs.

Mr. Masao Shimokoshi spoke on "Assertion of New Evidences in the Action of Revoking Patent Invalidation Trial Decision". According to Mr. Shimokoshi, opinions on the allowable scope of examination and judgement of grounds and/or facts for patent invalidation in an action before the Tokyo High Court for revocation of the trial examiner at the Patent Office may vary, depending on the interpretation of the relation between the judicial and the executive powers under the current Constitution of Japan, from the position giving the most extensive scope to the position giving the narrowest possible scope. Mr. Shimokoshi went on to review all the relevant Supreme Court Decisions.

At the Reception held in the evening at the magnificent Protopia Hotel on Port Island - a one mile square man-made island in Kobe harbor, Mr. Mutsuo Ohya, President of Japan Patent Association welcomed the group to Kobe and encouraged all to see the sights and meet the people of the city. In closing, he expressed his wish for the success of the Congress.

Following Mr. Ohya's address, the PIPA Award presentation was made to Mr. Donald W. Banner by Mr. Kojiro Ozu, PIPA President. The Award recognized Mr. Banner's outstanding contributions to international cooperation in the intellectual property field.

In his acceptance speech, Mr. Banner stated that he was very honored to receive the PIPA Award and cited that "it reflects the constant moving together of our great nations in industrial property matters."

Mr. Shozo Saotome praised the activities and contributions of Mr. Banner to the Industrial Property Right circles in his congratulatory address to Mr. Banner. He hoped that Mr. Banner would continue such fine work.

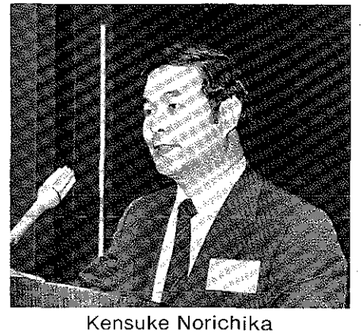
Donald W. Banner and Kojiro Ozu

Second Day — Thursday, November 4, 1982

The second day began with reports by Committee No. 2

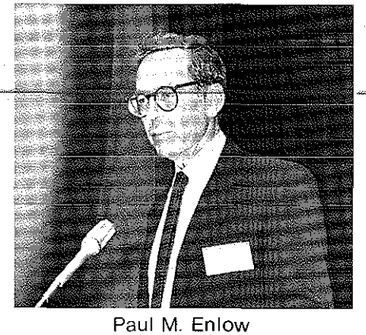
Mr. Kensuke Norichika spoke first, addressing the issue of "Recent Trend of JFTC's 'Antimonopoly Act Guidelines for International Licensing Agreements' ". He stated that "Antimonopoly Act Guidelines for International Licensing Agreements" was announced in 1968 as the basis of the administrative guidance by Japan's Fair Trade Commission (JFTC). Since then, these Guidelines have been actively applied by JFTC to eliminate restrictive provisions in licensing agreements which are liable to come under the Unfair Business Practices of the Antimonopoly Act. The number of cases of JFTC's administrative guidance issued to licensing agreements based on these guidelines amounts to 21% of the total licensing agreements filed and this occurence rate is about three times that of the total international agreements. The rate is especially high as regards the restrictive provisions on improvement (Item (7), Section I of the JFTC Guidelines) and on competitive goods and technology (Item (3), Section I of the JFTC Guidelines). It is assumed that this is because JFTC, upon screening, applies the Guidelines to the language of each provision quite strictly from the viewpoint of preventive measure. Mr. Norichika enumerated four current problems relating to the Guidelines including the necessity to correspond to the transition of the international circumstances; the necessity to take into consideration the substantial obstruction to competition; the necessity to amend the screening procedure; and the possibility of the extension of application to technology agreements other than licensing agreements. He also spoke about his attempt to compare each restrictive item of the Guidelines with the Nine No-No's of the Antitrust Division of U.S. Department of Justice. Finally analyzed by Mr. Norichika were the future of the Guidelines taking into consideration the present trend in U.S.A. and so forth.

Shozo Saotome

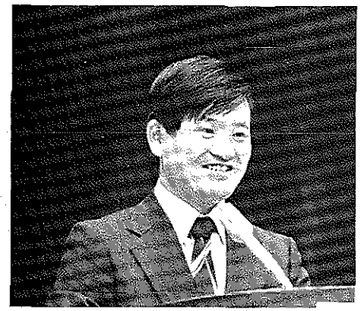


Kensuke Norichika

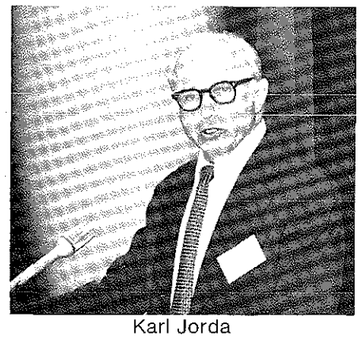
"Changes in Attitude Toward Patent Licensing by U.S. Department of Justice: Elimination of No-No's!" was the topic on which Mr. Paul M. Enlow elaborated. Mr. Enlow stated that in past years, the U.S. Department of Justice through its Antitrust Division had set forth rules by which they believed the legality of patent license agreements should be determined in all situations. These rules have become known as the "Nine No-No's" of patent licensing which set forth situations which are to be avoided in all cases because they supposedly would lead to "per se" violations of U.S. antitrust laws. In November of 1981, Assistant Attorney General of the U.S. Department of Justice, William F. Baxter, indicated that he disagreed with the prior administration's policy of applying the "Nine No-No's" to all patent licensing situations. The Department now takes the view that the legitimately acquired patent monopoly should be respected, and that the economic effect of each patent licensing arrangement should be examined to determine if unlawful conspiracies are at work to unreasonably restrain competition. Mr. Enlow went on to say that the Federal Courts in the United States had previously decided many cases which supported the theory of applying "per se" rules, such as the "Nine No-No's" to hold illegal many patent



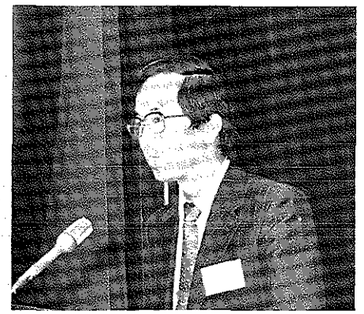
Paul M. Enlow



Kuniharu Atake



Karl Jorda



Hideo Doi

William R. Norris

licensing arrangements. More recently however, some of the courts have rejected the concept of always applying "per se" rules to find violations of our antitrust laws in favor of carefully analyzing the real economic effects of a challenged restraint on a rule of reason approach. Finally, the dilemma faced is whether our respective companies have the courage to teach, then follow the newly announced opinions of our Department of Justice which are not yet supported by decided case law. Mr. Enlow stated that it is our courts, not the Department of Justice, that decide whether a particular patent license arrangement violates our antitrust laws. Until certain prior court decisions are overruled, we are in a quandary.

Mr. Kuniharu Atake discussed "A Case of Antimonopoly Act Violation Involving an International Licensing Agreement". Mr. Atake explained that in 1962 Komatsu Limited, a Japanese corporation, entered into a licensing agreement with Bucrus Erie Company, a U.S. corporation, for power shovel manufacturing technology. By this agreement, Komatsu was restricted from terminating the agreement on its own in order to discontinue payment of royalty, and was also prevented from dealing in competitive products. According to Mr. Atake, the Fair Trade Commission institute proceedings against the parties on the ground that the agreement was suspected of violating the provisions of the Antimonopoly Act. This procedure, however, was ended last October upon termination of the entire agreement by consent between the parties.

After the morning coffee break, Karl Jorda spoke on "An Analysis of the Stanford University Gene Splicing License". He summarized pertinent provisions of the Stanford University recombinant DNA license agreement concerning the Cohen/Boyer "gene splicing" process claimed in U.S. Patent No. 4,237,224 and plasmids claimed in U.S. Patent Application Serial No. 959,288. Also included were comments and illustrations relating to Stanford's interpretation of the basic agreement terms, as well as recent developments regarding the licensed patent and patent application.

Mr. Hideo Doi discussed "Issues of Joint R&D Agreement Between Japanese and U.S. Companies" saying that in joint research and development under an international R&D agreement between U.S. and Japanese companies the key considerations are the differences between each party's market potential, applicable patent laws, and Antimonopoly Laws in the two countries. Also, the approach toward contract in the two countries differs with respect to R&D achievements, especially R&D patents, joint ownership is not always appropriate and sole ownership may be employed depending upon actual cases, according to Mr. Doi. In such instances, of course, violation of the Antimonopoly Laws must be avoided and thorough consideration should be given to allowing the non-owning partner to have sole use of R&D patents. Inasmuch as the laws in the two countries differ in their treatment of jointly owned rights, prior discussion between the parties is indispensable. The governing laws should be provided for taking the actual status of the agreement into account. Mr. Doi indicated that arbitration is an effective means for settling disputes arising out of the agreement. Arbitration clauses should, therefore, specify every detail in order to facilitate the smooth transaction of any arbitration.

The final report presented by Committee No. 2 was by Mr. William R. Norris who addressed the subject of "Joint R&D Agreements Between U.S. and Japanese Companies" from the American view point. According to Mr. Norris, joint research and development agreements between Japanese and American companies are challenging documents to negotiate, draft and perform. At the outset, the parties should carefully assess compatibility of their objectives. The parties should also carefully analyze their relationship under the antitrust laws of the United States and Japan to avoid risk of penalties and to assure that the results of the joint effort can be exploited as planned. According to Mr. Norris, so long as the principal objectives of the parties are well defined, there are

many details concerning the planning, reporting and harvesting of technology that might be left to decision at the time the question arises. Choice of a legal entity for joint research impacts heavily on tax and liability consequences. In spite of the many questions raised by this form of international cooperation, its advantages assure an ever increasing role for joint R&D agreements between Japanese and American companies.

The afternoon was reserved for a bus tour to Himeji Castle and a banquet at the Rokkosan Hotel which enjoys a spectacular view from the mountain overlooking Kobe.

Third Day — Friday, November 5, 1982

The third day began with the reports of Committee No. 3.

"Recent International Developments in the Protection of Computer Programming" was the topic of the presentation given by Paul D. Carmichael. He concentrated on and reviewed the rapid developments that are taking place worldwide in the copyright law relative to protection of computer programs. The model law provisions proposed by the World Industrial Property Organization (WIPO) were reviewed and contrasted by Mr. Carmichael with respect to the developments in the national laws. He also commented on the direction of changes and activities that were likely to take place in the future.

Following the coffee break, the reports of Committee No. 4 were heard.

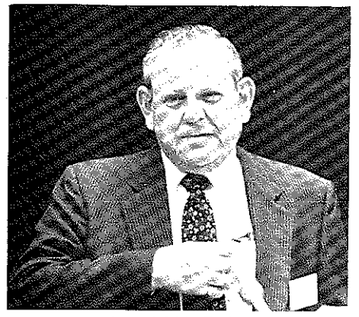
Mr. Naoyuki Yonemoto, speaking on "Patent System of the Republic of Korea and its Background," pointed out that the Korean economy was driven into ruin by the Korean War. Economic growth after the war, which was called "the miracle of Han Gan," was derailed by a depression caused by the second oil shock. Under the fifth 5-year Economic Development Plan, the Korean government is aiming at high economic growth by expanding exports. In addition, the Korean government is attempting to attract from abroad the advanced technology and capital essential for growth. Therefore, the Korean government enforced its Third Automatic Technology Inducement Policy in 1980. Also, the government announced moves to relieve restrictions on investment by foreigners. Regarding patent office filing, Mr. Yonemoto pointed out that the numbers of applications for patents, utility models, designs and trademarks in Korea show increases. Most of the patent applications have been filed by foreigners, while almost all applications for utility models have been filed by Koreans.

Arnold H. Cole spoke on "Climate of Industrial Property Protection and Technology Transfer in Central and South America". He stated that the Andean Common Market consists of five member countries which have ratified the Cartagena Agreement of 1969. The two major industrial property decisions that have been enacted under the Agreement were discussed by Mr. Cole and this was followed by his comments about the current situation in certain member countries. Of the other countries in Latin American, his comments were limited to Brazil, Chile, Argentina and Mexico.

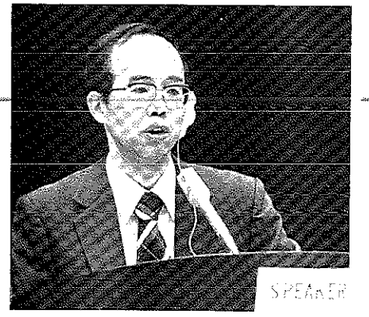
Mr. Mamoru Takada spoke about the "Recent Situation of Patent and Technology Transfer in Taiwan". He indicated that there has been no amendment of the Taiwanese patent laws since April of 1979. Accordingly, the content of the present patent laws should be well known. However, the actual operation of the patent system in Taiwan is generally not well known. Therefore, much of the information presented by Mr. Takada was obtained by the cooperation of the four major patent firms in Taiwan. The purpose of his report was to introduce statistics for patent, utility model and design application; a brief of the National Bureau of Standards; the present status of examination procedures; miscellaneous topics; and the outlook for technology transfer.

Paul D. Carmichael

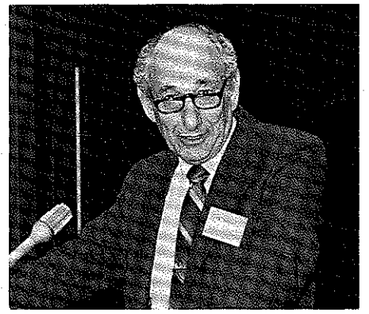
Naoyuki Yonemoto



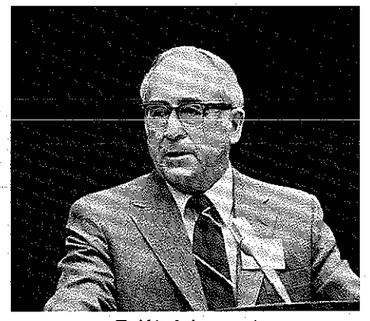
Arnold H. Cole



Mamoru Takada



Martin Kalikow



E. W. Adams, Jr.

Martin Kalikow discussed the "Proposal for Convention Priority Extension Based upon Optional Early Publication". He stated that it was proposed that consideration be given to adding the following paragraph (5) to Article 4C of the Paris Convention. Article 4C (5) reads as follows: "If any country of the Union requires publication or provides for optional publication of the complete original patent application of its national, and a complete original patent application is so published before the expiration of the 12-month priority period for patents . . . .,the priority period for such published patent application shall be extended from 12 months to 18 months." Mr. Kalikow stated that, under this proposal, any national patent office could, upon the timely request of any national applicant and upon the payment of an appropriate fee, undertake to publish his complete original patent application before the expiration of the normal 12-month priority period. With respect to any application so published, the priority period would, under this Article 4C (5), be extended to 18 months.

Mr. E.W. Adams, Jr. reported on "The Paris Convention Revisited - Again". Events leading up to the Third Session of the Diplomatic Conference on the Revision of the Paris Convention for the Protection of Intellectual Property were summarized. In the first session at Geneva, the question of the voting rule for the adoption of revision was of extreme importance in view of the numerical distribution of states present, it being clear that the Group of 77 had the potential of out-voting the other national groups on any substantive issue. However, no substantive issue was considered at the first session in Geneva. A second session was convened in the fall of 1981 in Nairobi, Kenya, and opened with an unavailing protest by the United States that no rules had been adopted. Toward the end of the conference, no agreement had been reached on any substantive issue. However, there emerged an informal compromise proposal for Article 5A which would permit compulsory exclusive licensing as a sanction for failure to work within 30 months after the issue of a patent in a country, and would permit forfeiture of a patent for failure to work within five years of issue, whether or not a license had failed to produce working. It was embodied in a non-paper, was agreed to in a meeting having no official status and over the nonpaper, was agreed to in a meeting having no official status and over the sole protest of the U.S., and on the final day, was reported as adopted, despite the fact no vote was taken in the main committee 1, and despite the fact that no action of any sort was taken in the plenary session. Before the third Diplomatic Conference was held in Geneva, users of the intellectual property system and the creators of the technology which was sought by the Group of 77 became highly concerned over the compromise language. As a result, representatives from the U.S. Chamber of Commerce and the Keidanren of Japan gathered, at the invitation of UNICE (The Union of Industries of the European Communities), in Brussels to discuss possible proposals acceptable to the industries of the B Group countries for resolution of the 5A and other substantive issues where the negotiating text included alternative proposals. At the conclusion of the meeting, the group adopted a proposal, agreed to by all present, which was intended to resolve the outstanding issues regarding inventor's certificates, revision of Article 5A, revision of Article 5 Quater, and appellations of origin, and also adopted a proposal regarding the final clauses, it being clear that, with respect to the final clauses, no language used there could reverse any unsatisfactory text regarding substantive issues. It was further agreed that participants at the meeting would communicate the proposals to their governments, urging that these or similar resolutions of the issues be discussed within the B Group with the goal of reaching a unified B Group position for presentation at the third session of the Diplomatic Conference. Finally, some opposition arose within the U.S. prior to the third conference regarding the UNICE proposals from organizations which believed that they represented a compromise, and that the position of the B Group should be to refuse to accept any provisions weakening the Stockholm text. Despite this opposition, it was

clear that the UNICE proposals had become one of the leading options available to the B Group governments at the onset of the conference.

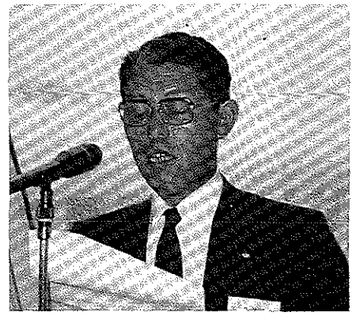
Dr. Pauline D. Newman discussed the postponement of Article 5A. Dr. Newman stated that it had been proposed prior to the Geneva conference that Article 5A would not be considered further in Geneva, but that the other remaining issues would receive primary attention. These other remaining issues related to trademarks and geographical designations, the states of inventors certificates, and some less critical provisions. The patent questions in Article 5A relating to compulsory licensing and forfeiture of patents were the most important, nevertheless the various nations accepted postponement for varying reasons: United States, because we were extremely unhappy with the Nairobi text, and were concerned that it might be adopted despite our objection; the Group of 77, because they were quite pleased with the Nairobi text, and didn't want to renegotiate it; and the European countries, because they had supported the Nairobi text and were now getting extreme pressure from their industries to retreat from their prior position, and it's always hard to retreat. Therefore there began, however, informal private conversations on 5A, at the initiative of Dr. Bogsch, Director of WIPO. He recognized that there was a better attitude at the Conference than at any prior session. There were new leaders of the Group of 77, less confrontational than before--and it was clear that within the developed countries, the United States was no longer alone: there was group P, and there was a split within the European community, there was support from some Scandinavian countries and there was much stronger industrial rather than political influence.

The conference concluded with a luncheon and the closing ceremonies.

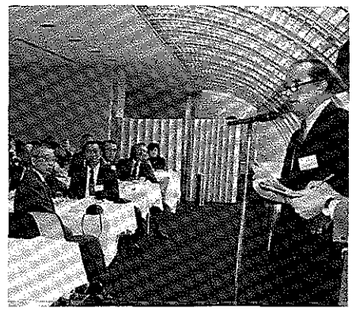
Guest speaker Hiroshi Iwata, Engineer-General of the Japan Patent Office, recalled that PIPA was established in 1970 with the aim of further developing the industrial property system in the world and Pacific region. Through its efforts PIPA has gained a good reputation in the field of industrial property. He spoke of a need for a stable growth of the world economy and promotion of the welfare of the people in the world, a revitalization of industry by means of further technological development and of reasonable technological transfer among countries in the face of a predicted worldwide shortage of natural resources and energy. He indicated that this calls for further development and internationalization of the industrial property system upon which the technological development is based. He then spoke of three major goals of the Japanese Patent Office. They are: (1) stressing quality rather than quantity of patent applications; (2) maintaining and improving the quality of patent examination; and (3) further developing the patent information policy, including automation of patent information.

In his closing address, Mr. Thomas I. O'Brien thanked the officers of the Japanese group and the program chairman for hosting this enormously successful conference. He particularly offered his thanks on behalf of the U.S. group for the welcome and hospitality throughout the entire conference and looked forward to the next joint PIPA meeting which will be held in Washington, D.C.

Pauline D. Newman



Hiroshi Iwata



Thomas I. O'Brien

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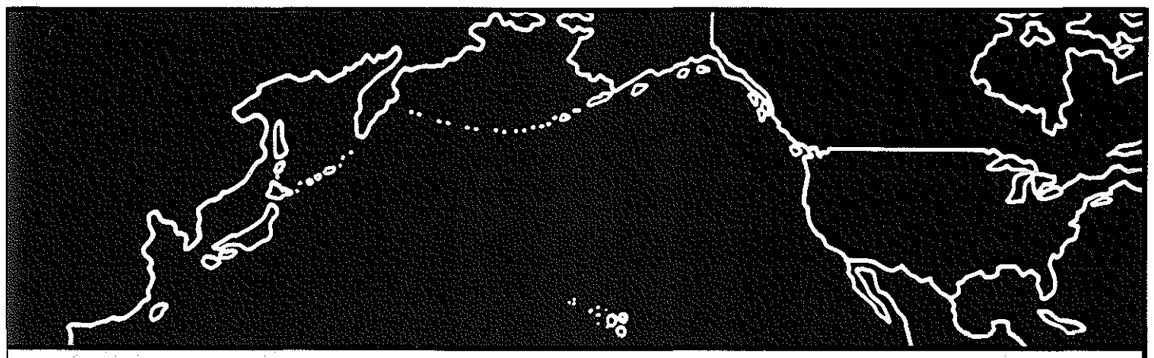

Fourteenth International Congress Washington, D.C. October 19-21, 1983

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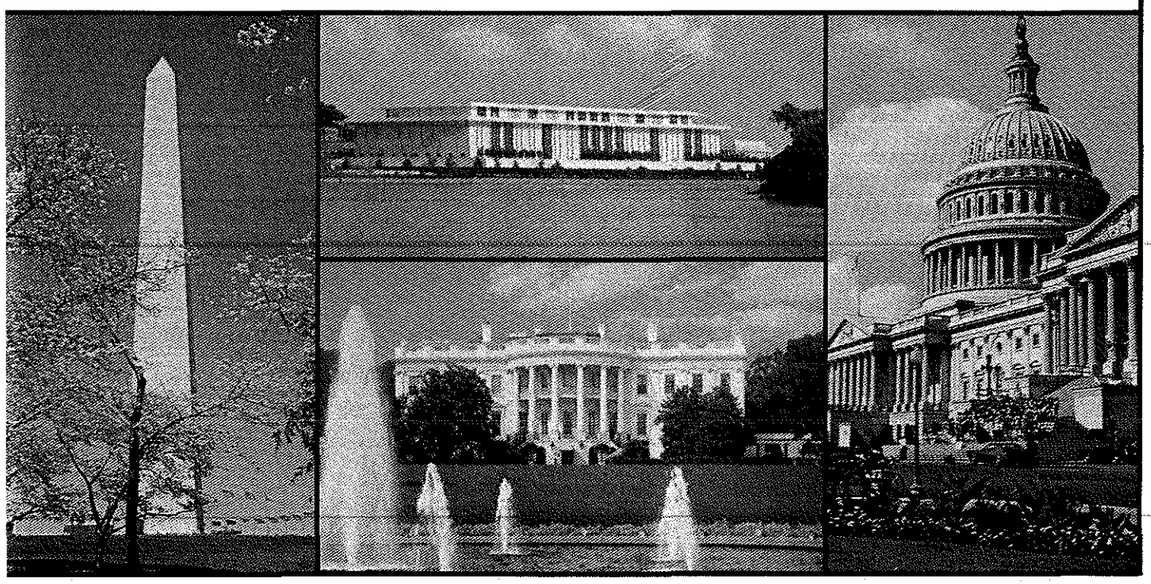
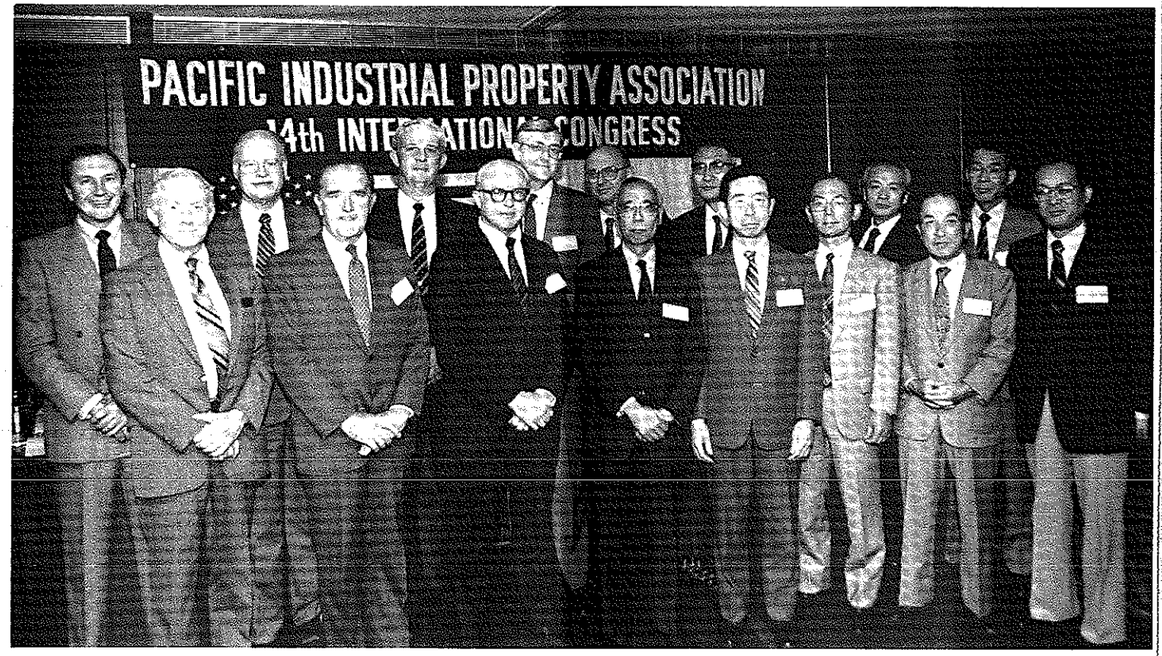
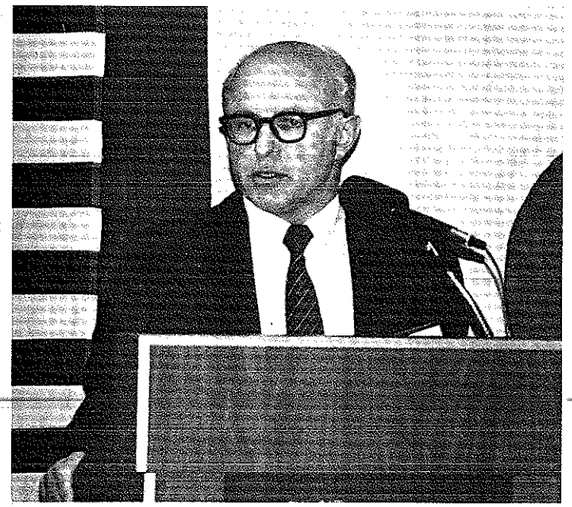




LEFT TO RIGHT, BACK ROW: W. T. McClain, A. E. Hirsch, Jr., J. E. Maurer, W. R. Norris, W. D. Roberson, S. Takeuchi, K. Ono, J. Ichimura. FRONT ROW: E. L. Bell, T. I. O'Brien, K. F. Jorda, T. Hiraoka, M. Nishi, S. Nakajima, M. Shimokoshi, Z. Nakamura.



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International Congress
Washington, D.C.
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President and Chief Executive Officer
Key Pharmaceuticals

Guest Speakers:

The Honorable Gerald J. Mossinghoff
U.S. Commissioner of Patents & Trademarks

The Honorable Kazuo Wakasugi
Director General, Japanese Patent Office

Participating Companies Represented

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Allied Corporation
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Osaka Soda Co., Ltd.
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Sekisui Chemical Co., Ltd.
Shin-Etsu Chemical Co. Ltd.
Shinko Electric Co., Ltd.
Shionogi & Co., Ltd.
The Singer Company
SmithKline Beckman Corporation
Standard Oil Co. (Indiana)
Sumitomo Electric Ind. Ltd.
Suntory Limited
Syntex U.S.A., Inc.
Takeda Chemical Industries, Ltd.
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Toyo Kogyo Co., Ltd.
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Japan Synthetic Rubber Co.

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Toyo Kogyo Co., Ltd.

Program Minutes

First Day — Wednesday, October 19, 1983

The 14th International Congress of PIPA was opened at the L'Enfant Plaza Hotel, Washington, D.C. at 9:00 a.m. by Mr. Karl F. Jorda, United States Group President, welcoming members and special guests, including participants from the JPA Overseas Study Group present in Washington, D.C. at the time. Mr. Jorda then introduced Mr. Toshiya Hiraoka who reported on PIPA achievements for the year. Installation of PIPA Officers for 1983 followed Mr. Hiraoka's report.

Keynote Address

Mr. Michael Jaharis, Jr., President and Chief Executive Officer of Key Pharmaceuticals, Inc., participating as Honorary Chairman, gave the opening address. His views on industrial property from the business side were a refreshing reinforcements of PIPA's worldwide endeavors.

Commenting on the importance of international cooperation, Mr. Jaharis urged Americans to emulate Japanese top company management involvement in patent matters. While cooperation between Governments is important, direct contact by users of the patent system and patent officials should be encouraged. Comparative studies of patent laws of other countries could lead to better ideas at home. One area for such investigation is the United States' unique "patent interference" system. A "first to file" system could have many benefits for Americans.

Committee No. 1 Reports — S. Nakajima and A. E. Hirsch, Jr., Chairmen

The first paper of the Congress was delivered by Mr. Calvin Sparrow who reported on the evolution of biotechnology patent law. Future development in this newly emerging legal speciality requires generation of suitable nomenclature as a foundation for meaningful claim structure.

The second paper of the morning was delivered by Mr. A. Okumura on the topic of examining chemical substance patents. Patenting chemical substances is a recent innovation under Japanese law. Mr. Okumura's survey revealed the main reasons for rejection during examination to be insufficiency of examples to support the scope of claims, insufficient data identifying compounds and insufficient description of utility. Other rejections encountered include questions of technical advance and unity of invention pertaining to polymer compounds. To patent a chemical substance, objective data is required to demonstrate that the claimed chemical substance has actually been obtained.

A number of pending legislative initiatives were reviewed by Mr. B. Zucker with particular attention to proposals affecting foreign trade. One bill would introduce into U.S. Patent Law the concept of process protection extending to imported products produced abroad by a patented process. Some protection of this nature is presently provided by Section 337a of the International Trade Act, but the proposed legislation would afford remedies usually available under patent laws, while eliminating some of the burdensome proofs to show competitive injury and public interest required for Section 337a. Another leg-

islative initiative reviewed by the speaker seeks to reverse the Supreme Court's decision in *Deepsouth* which held that export of material components of a machine for assembly abroad was not infringement of a combination patent.

Committee No. 1 reports continued with Mr. N. Kyomoto's address on legal protection of computer software in Japan. Four Japanese Court decisions have affirmed protection for computer programs under the Copyright Act and two other decisions have granted protection of computer software under Japan's Act for the Prevention of Unfair Competition. The Japanese Patent Office is now accepting patent applications relating to computer applied technology, for example, the control of processes or process control apparatus provided with setting and detecting means. The speaker further addressed the necessity of revising the Copyright Act to provide proper legal protection of computer software in Japan.

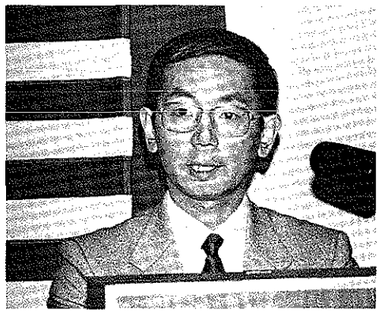
Mr. T. Nakajima presented a talk entitled "The Abuse of Rights Observed in Litigations Under the Unfair Competition Prevention Law of Japan." The "McDonald's Case" was reviewed in detail. This case went to the Supreme Court which affirmed the Appellate Court's decision in favor of the U.S. McDonald's Corporation. This case and several other District Court decisions, all involving the question of abuse of right, point to the general conclusion that the theory of abusive right applies only exceptionally and then only after a comprehensive study of all facts, complicated human relations and circumstances surrounding each case. An inference may be drawn that registered trademarks provide more certain protection.

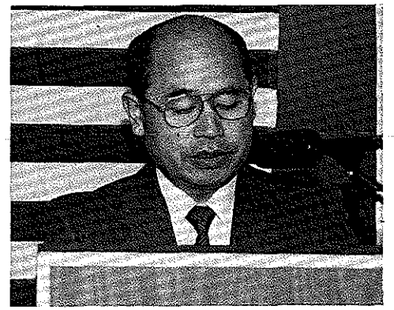
Panel Discussion, Evaluation of Inventions, American Group

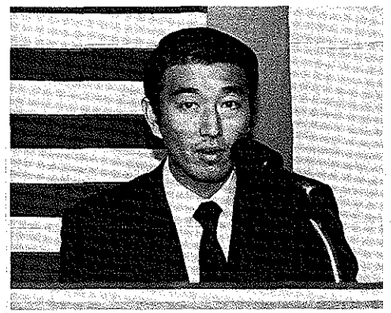
R. W. Hampton, E. R. Coffman, J. W. Richards and A. E. Hirsch, presented a panel discussion on the evaluation of inventions. Each speaker reported practices followed at his company in determining the inventions on which patent applications will be filed domestically and internationally. Initial filing decisions tended to be made by the domestic attorney drafting the first case, utilizing inventor and staff support. Philosophy is established by company management. Its application is guided by the patent attorney. Mechanisms for making various decisions including the foreign filing decision are highly varied, but in general involve interfacing with the inventor, company management, licensing organizations and various committees. Committees defuse the decision making role over managing scientists, marketing specialists, licensing negotiators, research and manufacturing representatives. A decision not to file may lead to a decision to publish.

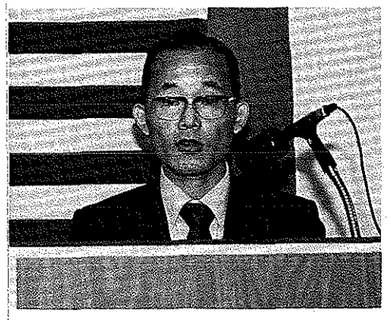
Panel Discussion, Evaluation of Information, Japanese Group

A summary of Japanese practice was presented by T. Wantanabe, H. Saita, S. Suzuki and T. Ohno. The Japanese Patent Association report 85.8% of the member companies perform evaluations of inventions and/or patents. Relevant check points for evaluation as well as statistical performance by Japanese enterprises were explored in the evaluation process. While it is difficult to predict invention success, it is important to develop a systematized approach to evaluation and to settle on proper standards, operation policies and persons to carry out the same. The evaluation aids in scheduling preparation of the initial case and its prosecution through subsequent stages,









including foreign filing and examination request. Evaluation also facilitates inventor compensation required under Japanese law.

Committee No. 2, J. Ichimura and W. T. McClain, Chairmen

Mr. H. Tahara presented "Comments on Joint Inventive Activity Guide of WIPO." WIPO's draft guidelines for the legal regulation of joint inventive activity in the course of international scientific cooperation were reported to offer several options for contractual solutions to the many questions that come up in the course of such endeavor. Generally, the draft guide deals with only horizontal cooperation between profit making enterprises. In the speakers view, the guidelines should not establish standards but only offer options and alternatives. Further, the guidelines might usefully be expanded to cover vertical cooperation and cooperation involving non-profit institutions. The speaker also observed the guidelines are inadequately atuned to public laws such as the antitrust and competition laws.

Continuing Committee No. 2's licensing theme, M. Saito spoke on "Patent Guarantee Clause in Sales Agreements." Current commercial practices as to the allocation of patent risk between sellers and buyers were surveyed. Typical guarantee clauses were presented and their problems, particularly as they relate to civil and anti-monopoly laws, were discussed. Major criticisms of current clauses were that they did not define the content, scope or limits of the guarantee and were usually worded in broad abstract terms. As a consequence, what is fundamentally a dispute over appropriate distribution of risk between buyer and seller becomes a dispute over interpretation of contract language. The answer is in the preparation of a patent guarantee clause specifically defining the responsibilities and obligations of each the buyer and seller, including the risk to be shared, which may vary depending upon the kinds and nature of the goods in the sales transaction, the current status of the relevant business fields and the relative positions of the buyer and seller. A one-sided clause, putting obligations and risk only on one party is against the rule of equity.

Concluding the presentations on the first day of meetings was K. Shimizu's address on "Check Points on Licensing Agreement with Peoples Republic of China." As China's economy expands, economic relations with the Western Bloc are growing much closer. Parallels may be found with Japan's experiences, but solutions depend on circumstances peculiar to China. The speaker then addressed various aspects of Chinese economic policies and business contract law and potential reforms in these areas. Until very recently Chinese policies favored the importation of hardware. Since 1981, policy has shifted toward the import of technology limiting equipment imports to those which can not be readily made locally. A business contract law promogated July 1, 1982 requires departments administrating contracts to strictly supervise companies by considering the state of performance of the contract as one economic indicator. Conditions for altering or cancelling a business contract were reviewed.

The first day of the Congress was concluded with a reception and dinner at which Mr. Jorda introduced honored guests. These included: The Honorable Kazuo Wakasugi, Director General, Japanese Patent Office and The Honorable Gerald J. Mossinghoff, U.S. Commissioner of Patents & Trademarks. Dinner was followed by a presentation of the PIPA Award to Mr. Edgar W. Adams, Jr. for distinguished contributors in the field of Industrial Property.

Second Day — Thursday, October 20, 1983

Committee No. 3, Z. Nakamura and P. D. Carmichael, Chairmen

Leadoff speaker for Committee No. 3 was Z. Nakamura who considered "Problems Relating to Submission of Translations and Patent Rights in European Patent Applications." In view of the large number of European patent applications being reported by the EPO, problems are beginning to surface, particularily with the requirement for submission of translations. Mr. Nakamura went on to report present attitudes of Japanese companies toward this problem and their expectations as to improvements in the practice.

The industrial property systems for Taiwan and Korea were the subject of an address by K. Murayama. The results of a Japanese mission to Taiwan to address gaps in Taiwanese law for the protection of chemical substances and counterfeit trademark problems were comprehensively reported. Some impressions were: similar presentations by other governmental and private sectors would be helpful, effective presentation requires the support of local companies and attorneys and Taiwanese authorities appear to be interested in Korean developments.

Problems with industrial property in Korea were surveyed among Japanese companies. A major problem was the exclusion of chemical substance and pharmaceutical products from patentable subject matter. The rather short term of 12 years from registration of a patent right but not exceeding 15 years from filing of the application was also seen to be a weakness of the Korean system.

Mr. V. Siber then spoke on "Intellectual Property Rights in Relation to Computer Piracy in Southeast Asia." With the rapid growth of microcomputers, computer piracy is rising. As national reputations are built in this industry, the counterfeiting has begun to plague the consumer market. The enforcement of industrial rights often does not provide an adequate remedy. Further development of the copyright laws of the Asian region would strengthen legal remedies. Likewise the further development of patent systems would be helpful.

Proceedings continued on the second day with addresses by The Honorable Kazuo Wakasugi, Director General of the Japanese Patent Office and The Honorable Gerald J. Mossinghoff, U.S. Commissioner of Patents and Trademarks.

In the afternoon, a representative group, undaunted by rainy and somewhat chilly weather, participated in an excursion to Mt. Vernon. That evening hearts were warmed and minds relaxed at a performance of by the National Symphony Orchestra conducted by Erich Leinsdorf. Dinner and the traditional PIPA songfest followed the concert.

Third Day — Friday, October 21, 1983

Continuation of Committee No. 2

A panel composed of C. Alexander, G. D. Libramento, T. B. Hunter and S. R. Suter explored "Basis for Determining Royalties in Patent and Know-How Licenses." After introductory statements by the panelists, the discussion was opened for questions and answers. Suggestions included examining each party's expectations in acquiring incoming technology and keeping the inven-

tor "on board" as a consultant. Determining a satisfactory royalty base within the confines of information available from accounting practices often requires ingenuity. Cross licensing of technology may be a way of reducing royalty rates.

Committee No. 4, M. Shimokoshi and W. D. Roberson, Chairman

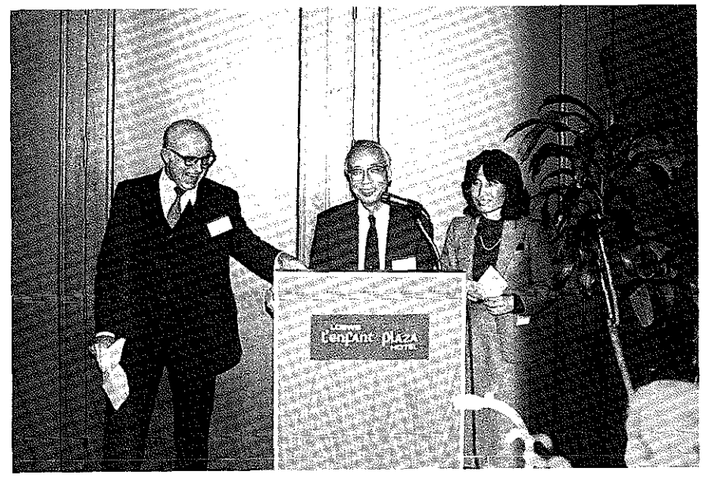
Leading off Committee No. 4 presentations, S. Yanagihara addressed claim construction in a talk entitled "On Incomplete Use — Does Exhibit A Which Clearly Lacks at Least One of the Essential Components of a Claimed Patented Invention Constitute Infringement of the Patent?". Court decisions involving situations in which the alleged infringement lacks at least one of the elements of the patent claim are reviewed. While the doctrine of equivalents is difficult to apply in Japan, an early ease held that such an imitation infringed the patent right. Subsequent cases, however, have not followed the precedent. Therefore claims should recite only the elements which are essential to the invention, otherwise infringement can be easily avoided. The fact that an element was originally arbitrary or non-essential to the patented invention is rarely accepted in the construction of claims for infringement litigation. All of the features recited in the claim must be shown to exist in the infringing configuration.

"Recent Developments and Changes in Section 337 Actions Before the United States International Trade Commission: were explored by Mr. F. A. Paintin. He reported an increase in recent years in the number of complaints made to the U.S. International Trade Commission under Section 337 based on unfair methods or acts in the importation of articles into the United States. Patent based complaints predominate but there is also an increase in actions based on other grounds. A current controversy surrounds to what extent goods manufactured abroad can constitute the "domestic industry" protected from unfair imports. It has become more difficult for a domestic industry to obtain a general exclusion directed to all infringing goods regardless of origin.

Concluding the reports of Committee No. 4 and formal presentations of the Congress, Mr. A. Isaccs addressed future directions under a new section recently added to the U.S. Patent Code (35US294), relating to arbitration of disputes concerning validity or infringement. By authorizing voluntary arbitration in patent disputes, this new law is expected to improve the patent system and to relieve the litigation burden on Federal Courts. Conciliation, particularly the PIPA version thereof, was reviewed comparatively. Both approaches are suggested as alternatives to litigation. The paper includes useful appendices reporting PIPA rules for conciliation and patent arbitration rules.

In addition to talks given during the Congress in Washington, additional papers were presented for the record. These will be found in the full transcript of the proceedings. They include a paper by R. J. Anderson, Jr. on the topic of "Patent Term Restoration — an Update," "Measures for the Prevention of Infringement of Trademarks in Southeast Asia Companies," a combined effort of N. Tatsumi, S. Tokuda and S. Yonezawa and "Provision of Presumption on Manufacturing Process" presented by Masao Shimokoshi.

A luncheon and closing ceremonies concluded the Congress. President T. T. Hiraoka congratulated all participants for a very successful conference. Special thanks were extended to all of those persons who had worked behind the scenes to contribute to the smooth working of the meetings. All were invited to attend the next assembly of the Congress in Japan in 1984, now scheduled for Sendai, Japan November 7-9.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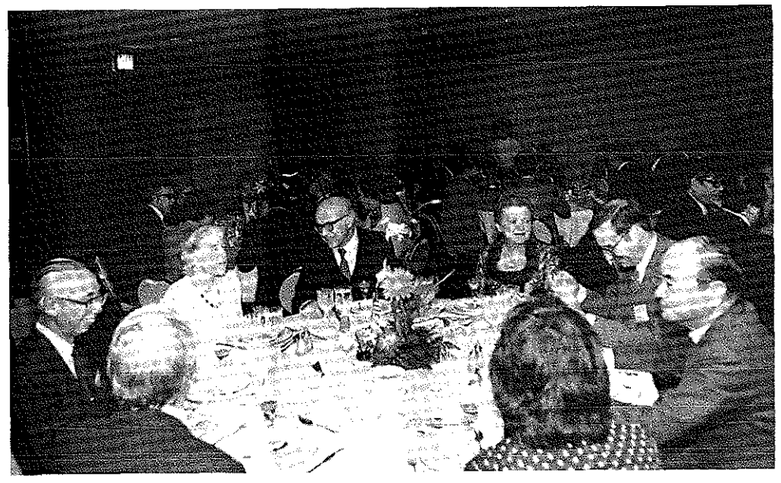

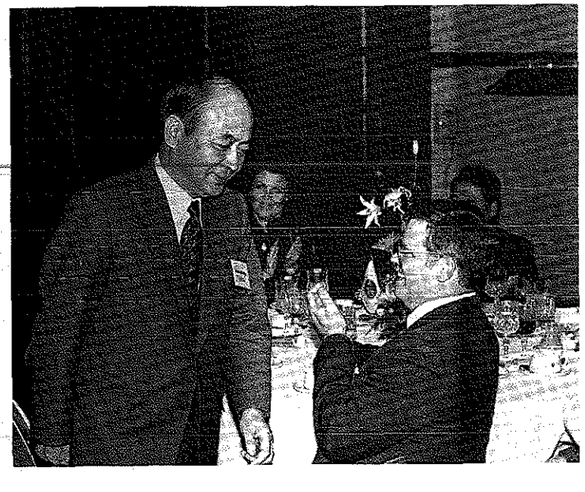

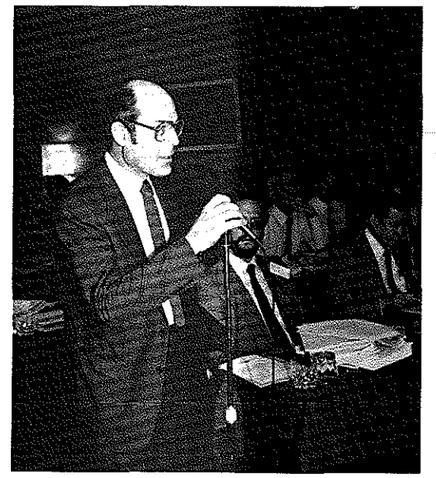


L'enfant Plaza

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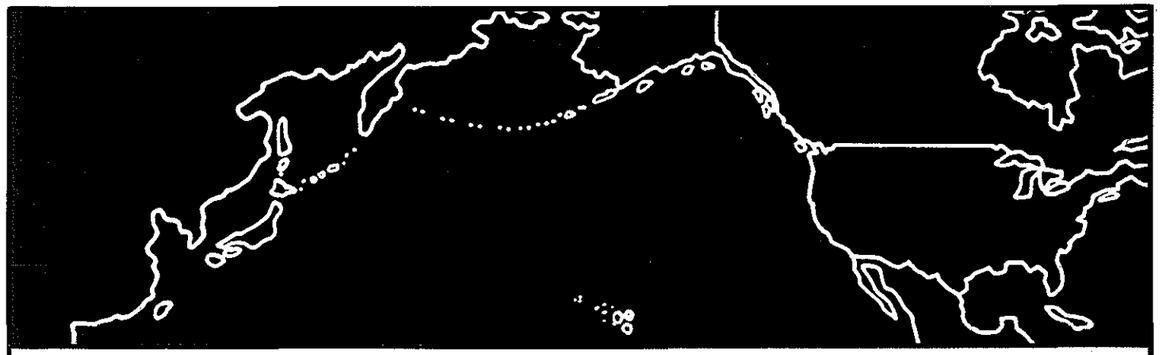

Fifteenth International Congress Sendai, Japan November 7-9, 1984

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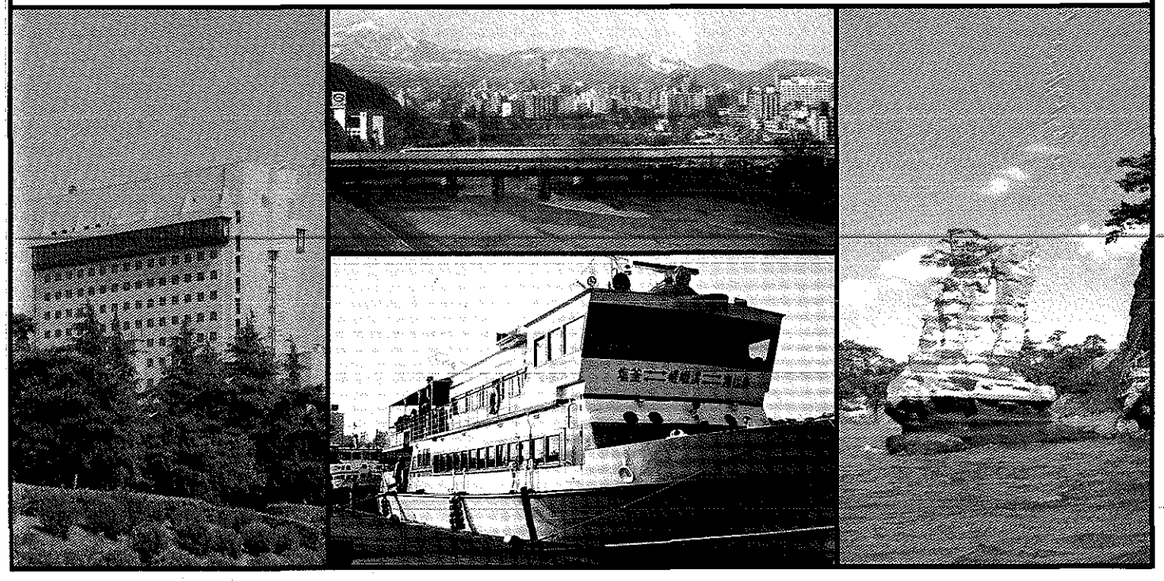

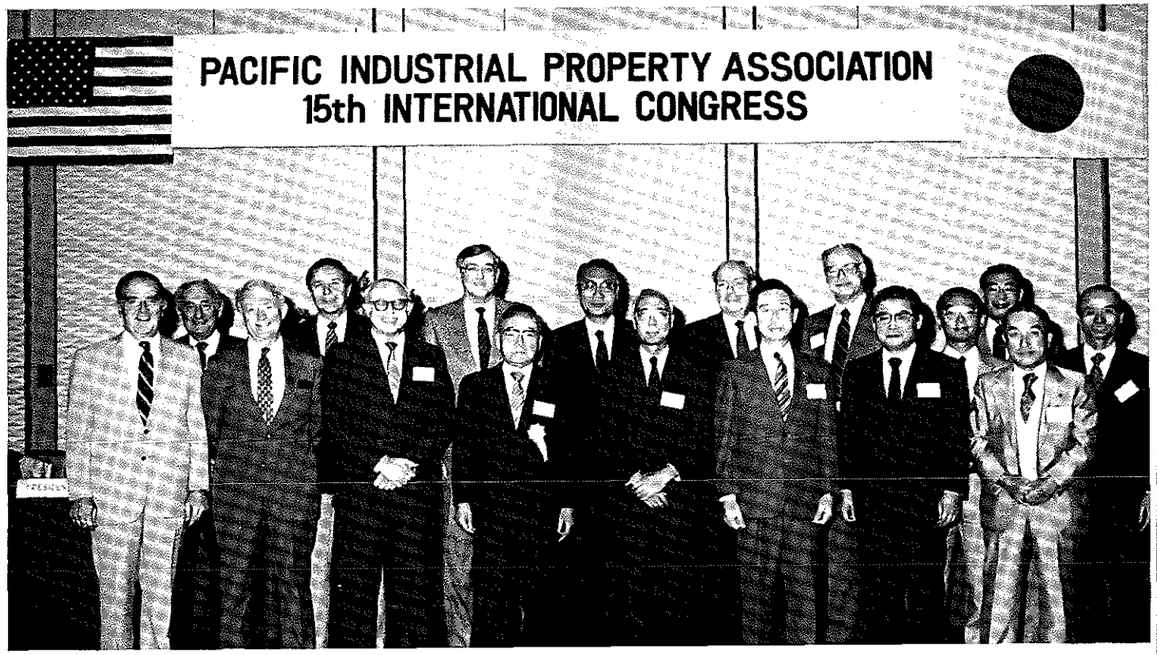

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FRONT ROW — T. I. O'Brien, E. L. Bell, K. F. Jorda, I. Sakamoto, T. Hiroaka, M. Nishi, K. Murayama, A. Hirano

Fifteenth International Congress Sendai, Japan November 7-9, 1984

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	The Honorable Manabu Shiga Director General Japanese Patent Office	
	William V. Rapp Counselor for Commercial Affairs Embassy of the United States of America	

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PROGRAM MINUTES

First Day, Wednesday, November 7, 1984

The 15th International Congress of PIPA was opened at the Sendai Plaza Hotel, Sendai, Japan, at 9:00 am, by Mr. Shigeo Takeuchi, PIPA Secretary-Treasurer of the Japanese Group, who welcomed Congress members, speakers, and guests. A report on 1983 activities was then presented by Mr. Karl Jorda, United States Group President, who highlighted events of the previous PIPA Congress, particularly the presentation of the annual PIPA AWARD to Mr. Edgar W. Adams, Jr., the participation of various industrial property luminaries in the Grand Reception, and the incorporation of panel discussions as part of the program's format. Mr. Jorda reported that during the interim, PIPA sent four observers (two American, two Japanese) to diplomatic conferences. One of the most significant events was the visit of an American delegation of Patent Department managers to the Japanese Patent Office, resulting in an unprecedented opening of doors of Patent Offices around the world. Following Mr. Jorda's address, the 1984 PIPA officers were installed.

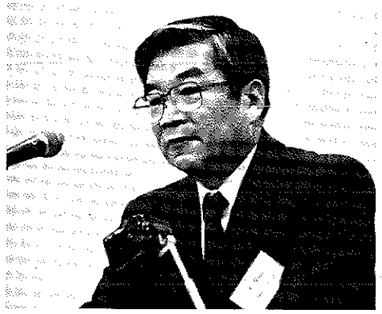
Keynote Address

Mr. Toshiya Hiraoka, PIPA President of the Japanese Group, delivered the keynote address. In discussing proverbial north/south disparity in technology development, Mr. Horaoka emphasized the need for international negotiations and the contribution to such negotiations provided by the organizational framework of PIPA. Citing the importance of keeping the law of proprietary protection abreast with technology development, Mr. Hiroaka commended current efforts in the United States and Japanese Patent Offices to develop a paperless system and he pointed to the need to give more attention to special problems of protecting bio-technology and computer programs.

Following his address, Mr. Hiraoka introduced the Honorary Chairman, Mr. Isamu Sakamoto, Advisor and Former Chairman of the Japanese Patent Association. In hailing the cooperation between Japan and the U.S. to improve the patent granting process, Mr. Sakamoto pointed out how past problems and disputes between Japan and the United States had been caused by a "perception gap"; differences in law, language, and culture, all of which will be overcome by PIPA endeavors.

Following the Opening Ceremonies, the Congress was honored to hear special addresses by the Honorable Gerald J. Mossinghoff, U.S. Commissioner of Patents and Trademarks, the Honorable Manabu Shiga, Director General of the Japanese Patent Office, and the Honorable William V. Rapp, Counselor for Commercial Affairs at the US Embassy.

Commissioner Mossinghoff reported on the considerable progress that has been made as a result of cooperative endeavors of the United States and Japanese Patent Offices. Of particular note was the unamity of the United States and Japan against the proposal to revise the Paris Union to allow compulsory exclusive licensing. In the main program, the Commissioner gave a comprehensive report on patent and trademark application disposals. New systems for automating various stages of the examination process were reviewed and new legislation was briefly commented upon.



Director General Shiga observed the importance of interdependence in industrial property systems among countries and the relationship of these systems to the transfer of technologies and thus economic growth. He then reviewed efforts within the Japanese Patent Office to implement a paperless system. This project is proceeding toward completion within budgetary limits on an as soon as possible basis. The Director General commented on the importance of the trilateral Japanese, European and United States agreement to improve communications and modernize procedures for exchanging patent data. He also cited PIPA's role in facilitating this cooperation.

Counselor Rapp reviewed some of the problem areas in communications in the field of industrial property, but noted how progress in exchange of information and harmonization of practices will help to reduce the "perception gap."

The special addresses were concluded by a Special Memorial Address for the late C. Cornell Remsen, Jr., given by his friend and contemporary, Mr. Masaaki Suzuki.

Committee No. 1 Reports — Alfred E. Hirsch, Jr., and Shigemitsu Nakajima, Chairmen

Mr. Akira Atsumi reported to the Congress on the Japanese multiple claim system which allows for the coexistence of multiple claims to each of several inventive embodiments in one patent. Unity of invention is judged by the same criteria in both prosecution and invalidation proceedings. He also reviewed various problems that accompany use of the multiple claim system.

The second paper was delivered by Mr. Donald Banner concerning the duty of candor to the U.S. Patent and Trademark Office in patent application matters. After outlining several cases where the Courts ruled patent fraud, Mr. Banner reported the current rules for patent filing which require a patent applicant to represent a fair and accurate disclosure of known prior art. Because of the various rulings in specific cases involving interpretation differences in what is meant by the disclosure clause, Mr. Banner called for a clarification by the U.S. Courts of applicable principles.

In the afternoon, Mr. Shinsuke Ozawa delivered a paper on computer programs in Japan, which are presently protected under the Japanese Copyright Act. He profiled the controversy surrounding the Copyright Act which aims at protecting cultural development, of which computer programs are a designated part, without including measures to distribute the programs for industry's use. In contrast, the proposed Program Rights Act by the Ministry of International Trade and Industry serves to accelerate such distribution and use of programs without placing heavy emphasis on protection. Mr. Ozawa stated that new legislation is needed in Japan to dually protect programs and account for the development of computer and software industries. He concluded by suggesting discussion of a common foundation for worldwide software protection.

Committee No. 1 reports continued with Mr. Asao Ando's address on trademark management; specifically, trademark registration practices in Japan and the control of illegal use of registered trademarks. Mr. Ando detailed requirements for trademark registration cancellation and provided examples of such cancellations by the Japanese Courts. He compared U.S. trademark law, which emphasizes the use of a trademark, to the Japanese Trademark Law, which is based on registration. Mr. Ando's subcommittee recommended U.S. applicants, filing for product registrations in Japan, avoid the danger of cancellation of their rights because of illegal use.

Mr. Leroy G. Sinn then reported to the Congress on problems facing inventors who attempt to file patent applications with the U.S. Patent & Trademark Office (PTO) with regard to cancer treatment. Such applications have been consistently rejected by the PTO under the view that the utility of such an invention is "incredible." Mr. Sinn believes such practice discourages would-be applicants in filing for cancer treatment patents, when the ultimate motive of the Court is to obtain clearer, more concise applications. The answer to successful application for cancer treatments lies in preparation. Mr. Sinn advised inventors on how to submit their applications using language and method description acceptable to the Court.

The Japanese system for filing oppositions to patent application was reviewed by Mr. Michihiro Kameishi. General requirements were outlined and compared with the European system. There are two theories underlying Japanese practice: the theory of examination by the public and the theory of examination by cooperation. While the JPO favors the latter, Mr. Kameishi favored the theory of examination by the public. He observed current success rate of opposers and projected future growth in opposition filing.

A paper entitled, "Remarks on Patent Term Restoration" was then presented by Rudolph J. Anderson, Jr., who reported that legislation concerning the topic has been signed into law by the President of the United States. The law, at this time, relates only to pharmaceutical inventions and is a compromise between interests of the generic drug industry and the research intensive industry. Mr. Anderson predicted that similar legislation for agricultural products would be introduced in the next Congress.

Panel Discussion, The Role of the Patent Department in a Corporation

Mr. William Thompson, Mr. Hirohisa Suzuki, Mr. Jeffrey Hawley, Mr. Itaru Nakamura, Mr. Frederick Padden, Mr. Koshior Matsuoka, Mr. Alfred Hirsch, Jr., and Mr. Michio Nishi presented through panel discussion their thoughts on the role of the "patent department" in their respective corporations. Each speaker summarized the department's organizational role, responsibilities, and authority vested as it pertained to his corporation. In American companies, the patent function is usually a part of the legal department whereas in Japanese companies, the patent function appears more closely knit into research and business functions. Regardless of organization, all patent functions face a common need to cultivate early and efficient communications with inventors.

The first day of Congress concluded with the Grand Reception; a dinner and reception held also at the Sendai Plaza. Mr. Akio Takahashi, President of the Japan Patent Association, gave the welcoming address. PIPA Presidents, Mr. Jorda and Mr. Hiraoka, jointly presented the annual PIPA AWARD to Mr. Shoji Matsui, for his distinguished contributions to the field of Industrial Property.

Second Day, Thursday, November 8, 1984

Committee No. 2 Reports — William T. McLain and Juro Ichimura, Chairmen

The first report of Committee 2 was delivered by Mr. Akira Taguchi concerning the economic growth of Korea, Taiwan, Hong Kong, and Singapore (the Asia NICs) and its effect on Japan. In the past two decades, the Newly Industrialized Countries have emerged as strong competitors to Japan in the areas of heavy industry and hi-tech. Mr. Taguchi viewed the growing strength of the Asian NICs as a challenge to Japan's established economic structure and forecast Japanese movement from a self-sustaining economy to one of international integration. Such integration has already been evidenced to some degree, contributing to the development of the Asian NICs and the world economy, as well as adding to Japan's industry and trade structure by distributing labor, natural resources, and energy.

In Mr. Donald Banner's second report to the Congress, he addressed the issue of "patent misuse" in the United States. Since no statutory language defines patent misuse, an ambiguity has prevailed in court decisions regarding it. Mr. Banner traced the development of misuse doctrine and described the Court's changing attitudes which have affected case rulings. Statutory proposals to clarify the situation have not met with success in the U.S. Congress, and thus, case-by-case decisions continue to be made by the Courts according to the theory deemed most current. Although patent misuse definition is clearer and more consistent than in the past, some confusion will continue to exist until legislative guidelines governing it are established.

Mr. Itsuro Takeda spoke to the Congress on the trademark tie-in patent license system. The system has several advantages for both licensor and licensee, but causes problems particularly in areas where trademarks for goods are involved. This occurs by forcing the licensee to use the trademark as a condition of the patent license, by binding the licensee to the licensor after the patent right has expired, by requiring royalties to be paid over a long term, or by transferring the goodwill built up by the licensee during the use of the trademark into the hands of the licensor. Although no legal opinion has been expressed in Japan, Mr. Takeda felt the restrictions of the tie-in system could fall under FTC guidelines of Unfair Trade Practices, while in the United States, the issue could be treated as an antitrust practice. He concluded by suggesting that the trademark license be made separate from the patent license, but in the event of a tie-in, the licensor should not take unfair advantage of the licensee.

A comparative analysis on know-how licensing was presented by Mr. Richard Megley using the United States, the European Economic Community, Brazil and Japan for perspectives. He pointed out that there is no universally accepted definition of know-how licensing; the principal ingredient being a secrecy agreement. The differences in the laws covering licensing procedure and practice have caused many problems for patent/know-how licensors, thus, careful examination of each country's licensing laws was recommended. Mr. Megley outlined some of those differences and offered suggestions for licensors when operating in the aforementioned countries.

The final report of Committee 2 was given by Mr. Itsui Seki concerning the licensing of patent applications in Japan. Due to the public disclosure system, know-how contained in patent applications is no longer confidential, nor is it protected as a patent right. Problems encountered by licensors with patent application procedures, royalty payments, and the non-dispute clause were detailed, and solutions offered in the hope that they might prevent disputes in these matters between Japan and international corporations.

Committee 4 Reports — William D. Roberson and Shin Ando, Chairmen

Committee 4 was represented by Mr. Thomas Langer who used a series of graphs to show the current status (10/84) of investigations initiated by the U.S. International Trade Commission (ITC) under Section 337 Actions. The graphs revealed an increase in the investigation caseload and an evolution in the nature of the investigations. Specifically noted were the Commission's dispositions in cases involving definition of Domestic Industry and exclusion of gray market goods, the Commission's break from tradition in refusal to investigate cases alleging substantial injury, and its revision of rules pertaining to investigations of unfair trade practices in import trade. Mr. Langer concluded his update by reminding the Congress of the recent appointments of new judges and commissioners to the ITC making an appraisal of the trend in their rulings premature.

Committee No. 3 Reports — Paul D. Carmichael and Zenjiro Nakamura, Chairmen

In the afternoon, Mr. Victor Siber delivered a paper on the worldwide status of software protection, an issue of international interest considering the projected growth of the software industry. The trend to date has been to grant legal protection to software in all forms by use of Copyright Law. In addition, over twenty countries have added further protection in the form of statutes specifically for computer programs. Mr. Siber questioned the usefulness of any legislation splitting protection of object and source code of a computer program, declared compulsory licensing and exclusive use right as inadequate protection devices, and maintained that the term of protection for software should be commensurate with term protection of all copyright works.

Mr. Keita Nakano concluded the day's reports by presenting a study on the problems attending enactment of Chinese Patent Law. With the impending Chinese Patent Law, effective April 1985, the Japanese Group of PIPA and the Japan Patent Association together directed questions to the Chinese Patent Office with regard to unclear points in the provisions and procedures of that law. The questions concerned elements in the law which were seen as either undefined or vague, procedural items, and miscellaneous content such as fees, the announcement of implementing regulations and examination standards. The answers obtained from unofficial sources and private opinions served to clarify some of the questions although the Chinese Patent Office did not itself offer a formal response. The origin of the Chinese Patent Office was also reported, as well as its organization and function. Several questions remain but Mr. Nakano viewed the Chinese Patent Law as necessary and beneficial, and he expected improvements to develop in the law as it is utilized.

Subsequent to Mr. Nakano's address, the Congress adjourned to participate in the bus tour to Matsushima, followed by a Chinese-style dinner and entertainment for members and their guests.

Third Day, Friday, November 9, 1984

The final day of the Fifteenth Congress began with Paul D. Carmichael, of Committee 3, discussing the US Patent Office practice of requiring the duty of disclosure, and some of the problems it presents to applicants of other countries. Unlike most patent systems which depend on the patent office to discover the most pertinent prior art and related material, the US Office expects the applicant to disclose such knowledge. Failure to do so risks the striking of the application, the invalidation of a resulting patent, and/or the revocation of one's license to practice before the Patent Office. The Courts have stated that not only is the inventor responsible for such disclosure but also anyone representing the individual or preparing and prosecuting the application, which encompasses the patent agent and associate attorney. By working closely together and periodically reviewing the requirements relative to duty of candor, good faith, and disclosure, this triad can produce a patent of strength under US Patent Law.

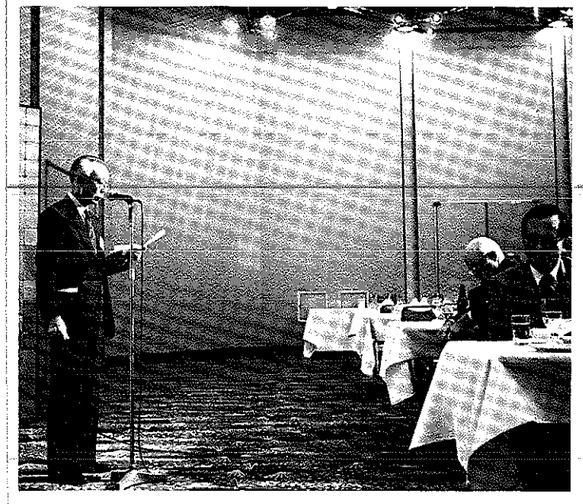
Mr. Shinya Tokuda then delivered an update on industrial property systems of the southeast Asian countries of Taiwan, Korea, Thailand, Malaysia, and Australia. The report showed that in these countries, patent procedures and law continue to be studied, formulated, clarified, or revised. Mr. Tokuda recommended communication and cooperation between PIPA with established patent offices in the southeast Asian countries for a smooth transitional period in the development of the latter's patent systems.

Completing Committee 3's reports was Mr. Kiyoshi Yamashita who spoke to the Congress about the varying legal protection afforded to new plant varieties in countries of the world. As modern genetic engineering techniques have been applied to production of new plant varieties and as research in this field has expanded, legal systems for protection on new plant varieties have gained widespread attention. Opinion has emerged to the end that new plant varieties produced by genetic engineering techniques meeting the general requirements for patentability, regardless of whether they be process patent or product patent, should be regarded as eligible for protection within the framework of patent law. The International Convention for the Protection of New Varieties of Plants (UPOV) Article 2 provides, in principle, for so-called prohibition of double protection by both the new plant variety protection law and regular patent law. On the other hand, however, the UPOV also admits coexistence of both systems of protection with differing protective effects.

Mr. Shin Ando continued with Committee 4's presentations by addressing the issue of restrictions on exercising patent rights in Japan. Unlike U.S. practice, Japanese Courts are not in a position to judge a patent as invalid in the patent infringement suit. This is because invalidation of a patent is an administrative procedure and therefore lies within the exclusive jurisdiction of the Patent Office. In the infringement suit defended on the basis of a publicly known technology, the Court renders its decision by reducing and interpreting the scope of a patent claim having considered the known technology, or restricting the exercise right as against the abuse of right. Mr. Ando added that the tendency in the court decisions is shifting toward the philosophy of placing the prime importance on the public interest under which truly valid patents alone are recognized and enforced.

Concluding Committee 4's reports and the last presentation of the Congress was Mr. Masao Shimokoshi on the treatment to be given two inventions sharing the same specific embodiment. The Japanese Patent Law defines an "invention" as the highly advanced creation of a technical idea by which a law of nature is utilized. This idea is embodied as a process, or product, and is described in the claims of the specification. The Law further prescribes that the claims shall state only the indispensable constituent features of the invention described in the detailed explanation of the invention. Occasionally two inventions with the same embodiment, or example, are patented because they are deemed to have different constituents and therefore represent different technical ideas. The practice of granting two patents with common embodiments leads to problems and these were discussed. Solutions were then offered based on the first-to-file principle and the principle of exclusion by double patenting.

A luncheon and closing ceremonies brought the Fifteenth Congress of PIPA to an end. A guest address was presented by the Honorable Nabuaki Saida, Engineer General of the Japanese Patent Office. Then American President, Karl F. Jorda, closed by commenting on the success of the conference reports and activities, and by inviting all to attend the next assembly of the Congress in Chicago, Illinois, scheduled for October 9-11, 1985.



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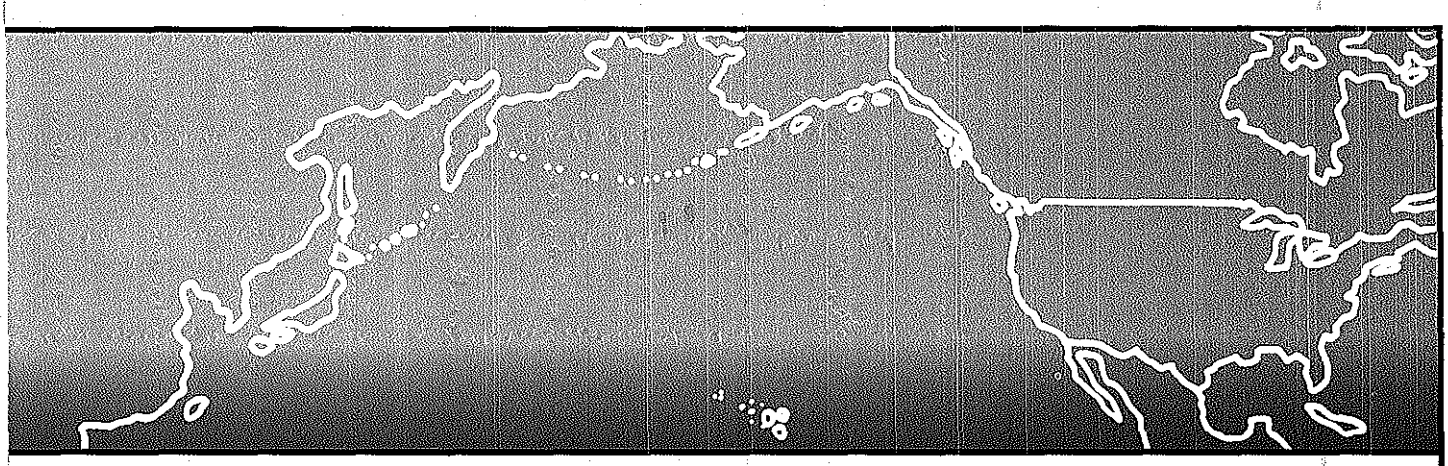

The Sixteenth International Congress

Westin Hotel
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October 9 - 11, 1985

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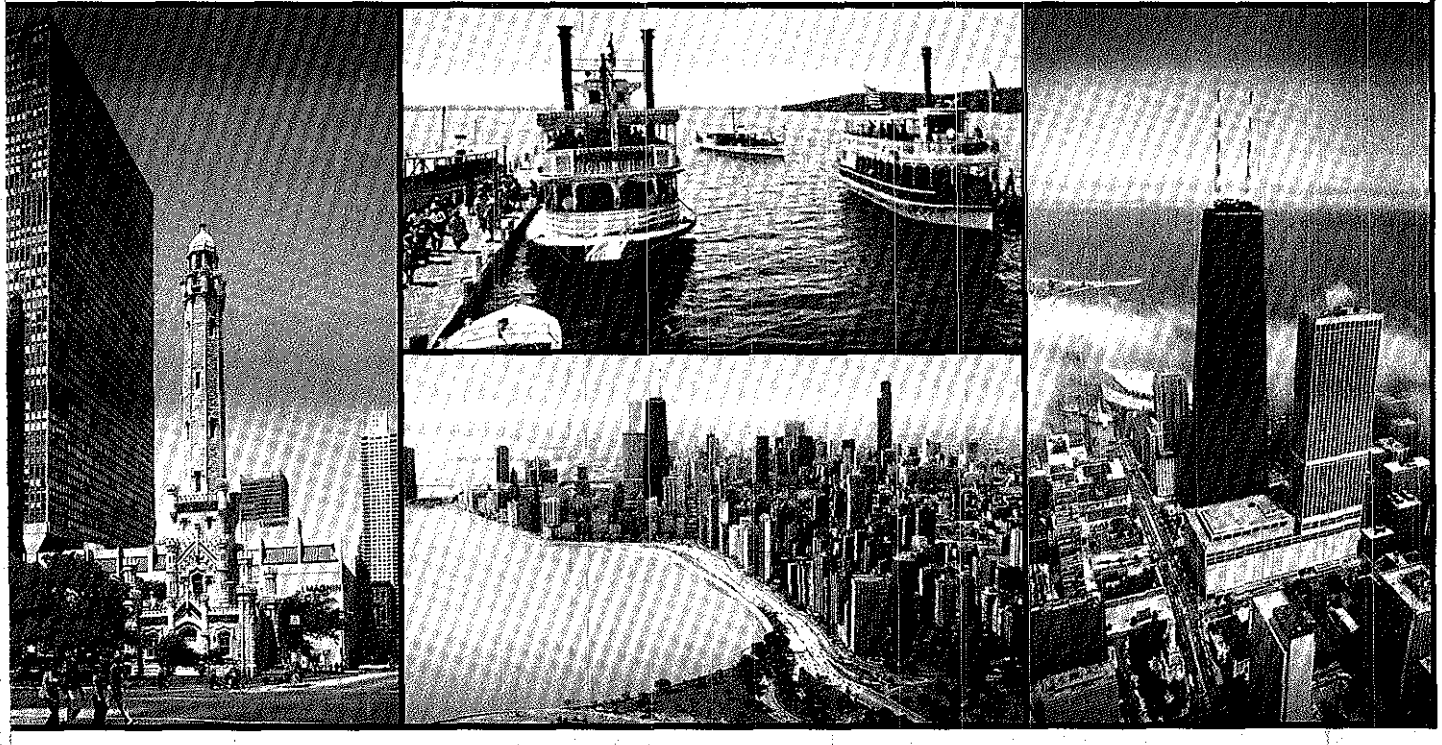
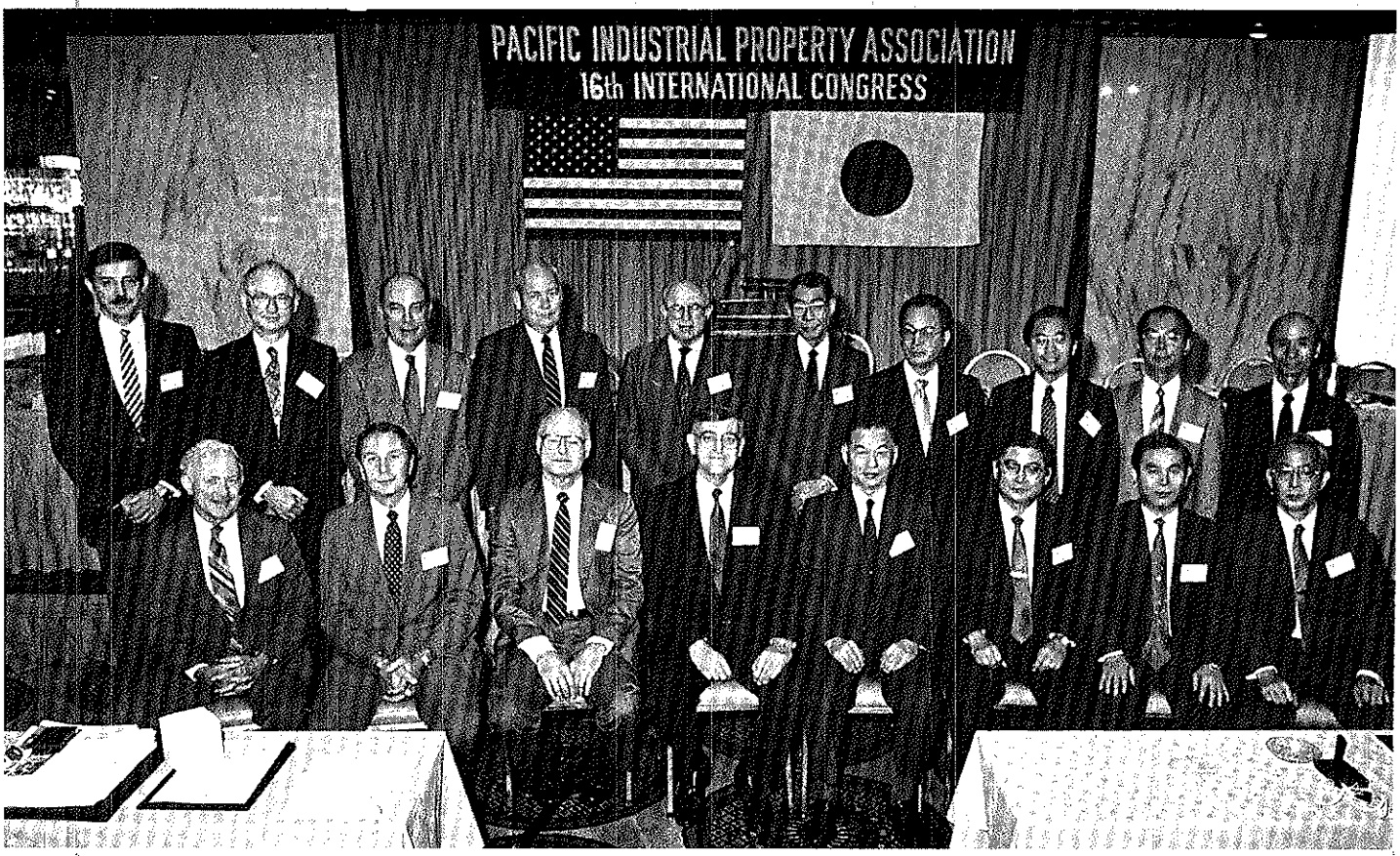
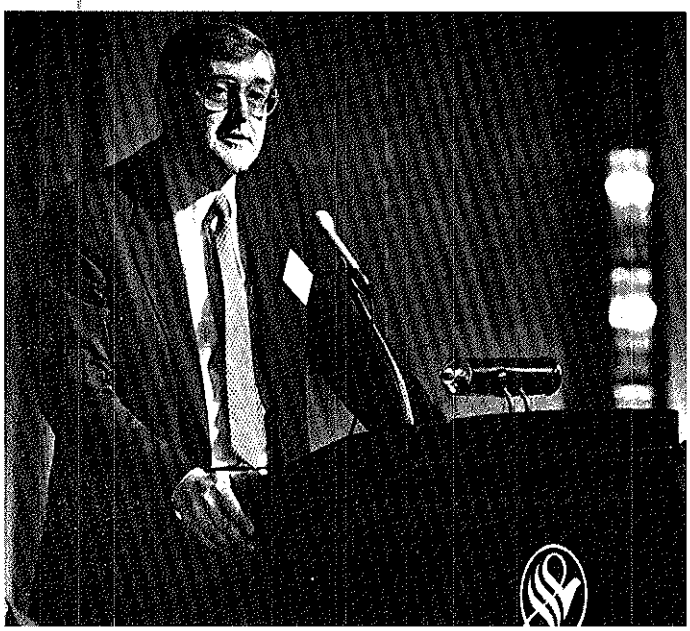




L to R - Back Row - T. Langer, W. D. Roberson, W. S. Thompson, P. D. Carmichael, K. F. Jorda, J. Ichimura, Z. Nakamura, T. Aoki, S. Nakajima, S. Ando

L to R - Front Row - E. L. Bell, W. T. McClain, A. E. Hirsch, Jr., W. R. Norris, A. Mifune, K. Murayama, K. Norichika, H. Abe



William R. Norris

Dr. Akira Mifune

SIXTEENTH

INTERNATIONAL CONGRESS

CHICAGO, ILLINOIS

OCTOBER 9-11, 1985

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President
The American Intellectual Property
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The Honorable Mitsuaki Sato
President
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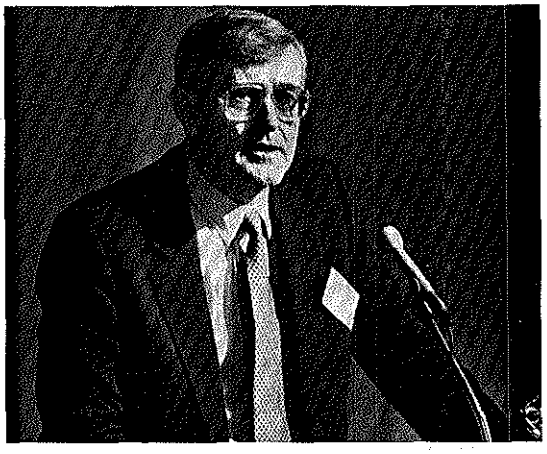
International Patent Study Group

PROGRAM MINUTES



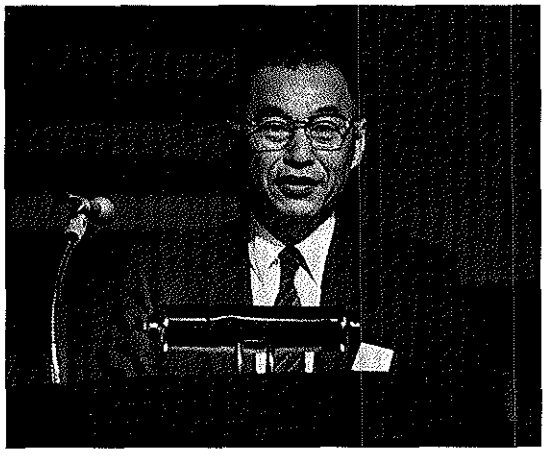
First Day, Wednesday, October 9, 1985

The 16th Annual Congress of PIPA was opened at the Westin Hotel in Chicago, Illinois at 9:00 A.M. by William R. Norris, President of the American Group. Mr. Norris welcomed the delegates to Chicago, and spoke briefly about the city of Chicago and the surrounding country, and discussed the planned visit to Lake Geneva in Wisconsin. He highlighted the 16th Annual Congress by way of the following haiku:

Chicago Congress
PIPA Members Rendezvous
Opening New Doors

Working Together
Harmony and Unity
Visionary Challenges

Building Foundations
Intellectual Property
In Bonds of Friendship

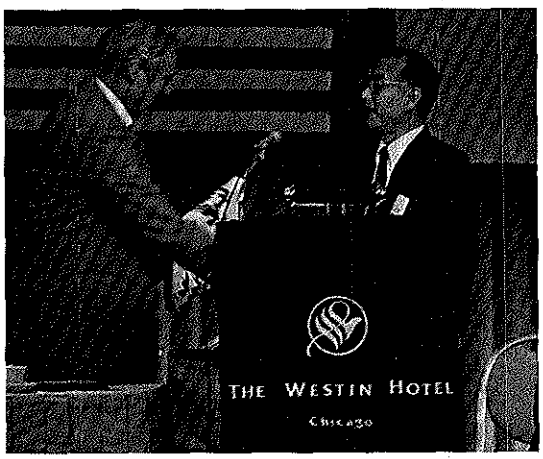


The President of the Japanese Group, Dr. Akira Mifune, then reported on PIPA activities for 1984. After thanking the American Group for arranging the 16th Congress in Chicago, Dr. Mifune reported that there are now 75 members of the Japan Group for a total of 148 PIPA members. At the 1984 Congress in Sendai, 127 representatives attended from both the United States and Japan. He noted that the American Group once again visited the JPO following the Sendai Congress. An important event at the Sendai Congress was the presentation of the 4th PIPA award for Outstanding International and Patent and Licensing Activities to Mr. Shoji Matsui.

Dr. Mifune reported the adoption of a patent law by the People's Republic of China, and commented on the WIPO debate concerning international protection for computer software. He also noted that the Japanese Group took part in the celebration of the Centennial Anniversary of the Industrial Property System in Japan. Prior to this Congress, the Japan Patent Association delegation to the U.S., consisting of about 30 members, mostly PIPA members, visited the U.S. PTO, the ITC, and the CAFC. Dr. Mifune concluded by thanking Dr. Karl Jorda for his contributions to the world industrial property field, during his term as President of the American Group of PIPA.

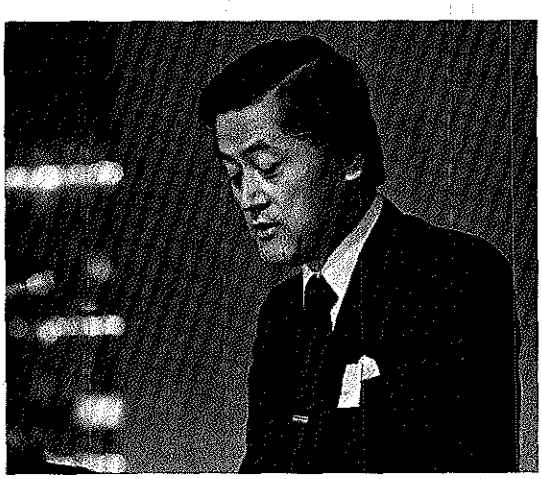
KEYNOTE ADDRESS

The keynote address was delivered by Robert B. Benson, President of the American Intellectual Property Law Association (AIPLA). Mr. Benson congratulated the members of PIPA for the efforts in bringing about even greater cooperation between the United States and Japan in the field of intellectual property. Although the Paris Convention is over 100 years old and the Patent Cooperation Treaty and European Patent Systems have been in force since the late 1970s, there is still much to be done to enhance the intellectual property systems of the world. In particular, in the field of harmonization, there are welcome signs of change that will bring together the patent systems of the world. Particularly in procedures for the preparation and prosecution of applications and in the field of searching, there are positive changes. Mr. Benson noted, however, that other proposed areas of harmonization will be more difficult to achieve; for example, in the enforcement of patents. Since enforcement is really in the



hands of the judiciary, it will be much more difficult to change than Patent Office rules or procedures.

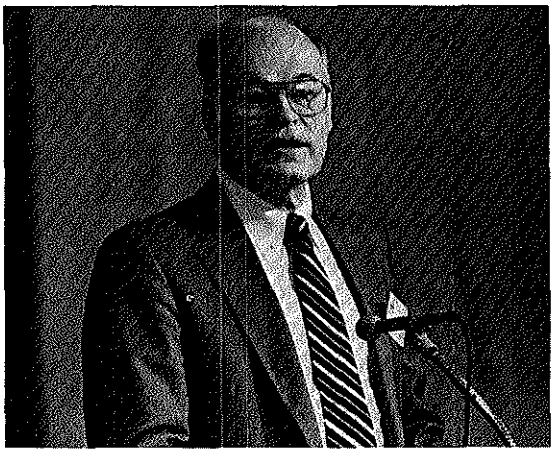
Mr. Benson was confident that the meetings between PIPA members of the American group with JPO officials, and of members of the Japanese Group with U.S. PTO officials, have had a positive impact on the patent systems of both countries. The tripartite negotiations between the United States, Japan, and the EPO officials, particularly relative to automation, also signify improvements in the quality and reliability of the three involved patent offices. Finally, Mr. Benson, in referring to the area of trademarks, observed that there is room for improvement. He was encouraged, however, by the fact that the World Intellectual Property Organization (WIPO) is again going to consider the possibility of a Trademark Cooperation Treaty.



The Congress was then honored by having Mr. Mitsuaki Sato, President of JETRO NEW YORK, deliver an address. Mr. Sato discussed some of the measures that Japan is taking to prepare itself for the twenty-first century in the field of intellectual property protection. He discussed the steps that are being taken toward accelerating examination and increasing the accuracy in the processing of patent applications, improvements in the use of domestic and international patent information, and internationalization of the entire system.

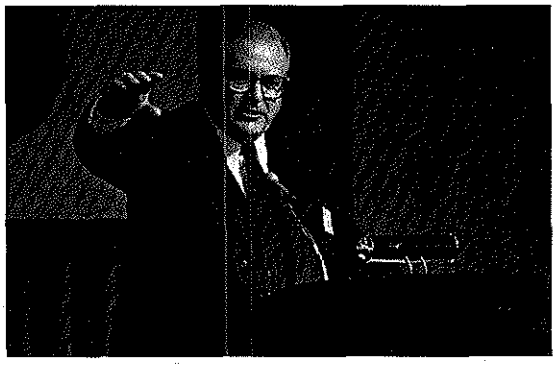
Four major problems in Japan were discussed by Mr. Sato. He suggested that Japan is trying to deal straightforwardly with all of them. The problems include the continuous increase in the number of patent applications filed in Japan; the fact that technologies are becoming ever more complex, as are the patents; the spectacular increase in the volume of information that

must be examined before issuing a patent; and the increased amount of time needed to process the patent. It was suggested that the paperless patent processing system being developed in Japan should help to solve these problems. In closing, Mr. Sato reminded everyone that the Japanese Patent Office is always open to everyone and that it is placing special emphasis on harmonizing with other nations of the world.



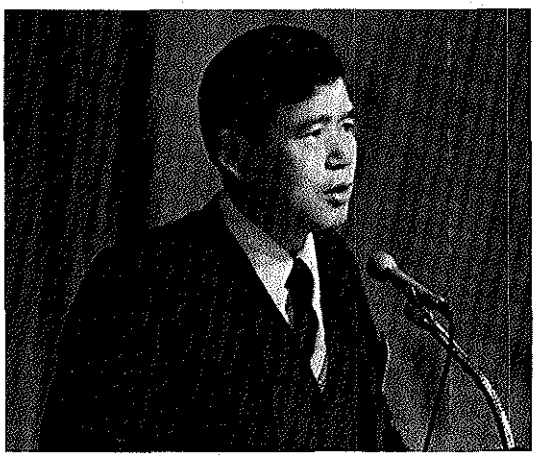
A message from The Honorable Donald J. Quigg, U.S. Commissioner of Patents and Trademarks, was then delivered by Mr. A. E. Hirsch. In his message, Mr. Quigg noted that his absence from the Congress was entirely in keeping with the spirit of PIPA's goals and aspirations, namely, continued cooperation between the Japanese Patent Office, the European Patent Office, and the U.S. Patent and Trademark Office. The absence was necessitated by Commissioner Quigg's attendance at the Trilateral Conference being held in Tokyo at the time of our PIPA Congress in Chicago. Commissioner Quigg stated that "while you are working in Chicago toward the goal of international cooperation, we will be working toward that goal in Tokyo." Finally, Commissioner Quigg expressed the hope that the CHICAGO Congress would be as fruitful as Congresses of the past.

REPORTS OF COMMITTEE NO. 1 --
Procurement Law and Practice
Thomas Langer and Shigemitsu Nakajima, Chairmen

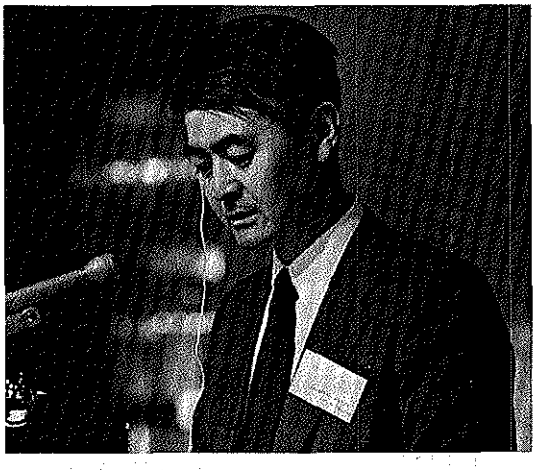


The first report of Committee No. 1 was delivered by Mr. Donald W. Banner. He reported on the 1984 amendments to the U.S. patent law and outlined additional amendments that have been proposed. The United States is thus attempting to improve its intellectual property laws in order to strengthen incentives for innovation, investment, and creativity. The changes

made in the U.S. intellectual property laws during the past year have been called the most significant since the adoption of the 1952 Patent Act. Mr. Banner believes that the legislation enacted in the U.S. and the proposals being considered this year are improvements which will strengthen U.S. patent law.

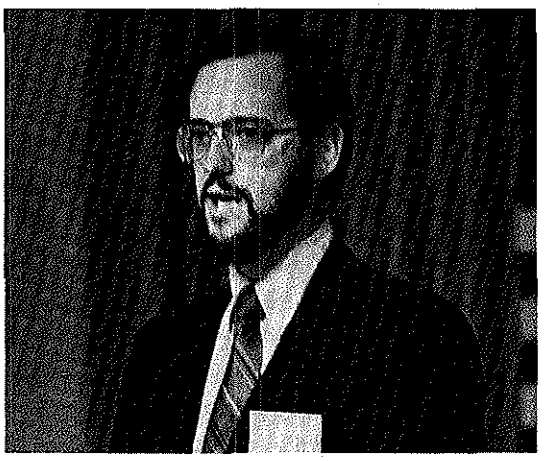


The second paper, delivered by Mr. Takami Aoyama on behalf of Subcommittee No. 3 of Japanese Committee No. 1, was directed to the sufficiency of disclosure in anticipatory prior art. Recent decisions of the Tokyo High Court have interpreted Japanese Patent Law Article 29-2. In the case in which an invention in an application filed in the JPO is considered to be unpatentable over the prior art cited by the Examiner, the applicant may question how sufficiently the prior art is disclosed in connection with the invention, and whether or not the invention is truly unpatentable thereover. Except for the case in which the invention is clearly identical to the prior art, a determination of whether or not the invention is "substantially identical" with the prior art appears to be controversial. Mr. Aoyama then presented a survey of court decisions that have interpreted the meaning of "identical" and "substantially identical," and outlined the expected tendency of the court in view of these decisions.

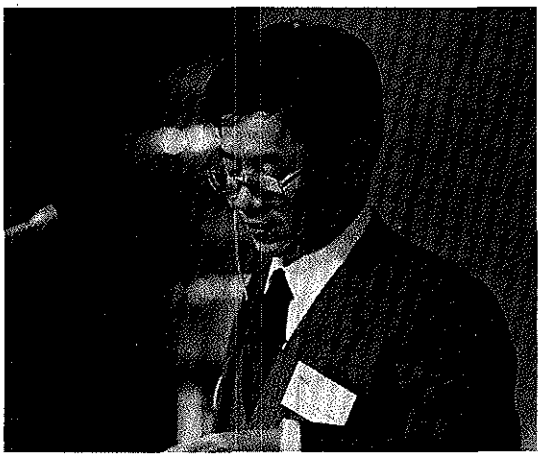


Following luncheon, Mr. Masahiko Kato, on behalf of Subcommittee No. 2., discussed the significance of criticality of numerical limitations in claims, particularly in view of recent court decisions. The issues were discussed with reference to (1) identity of an invention, (2) unobviousness, and (3) introduction of new matter by amendment. These are important factors to be considered in the prosecution of applications. It was

suggested that the court decisions on the the issue of numerically limited inventions will have a significant influence on Japanese practice.



In a parallel paper on numerical limitations in U.S. patent claims, Mr. J. Jeffrey Hawley reported that there are many reasons for the inclusion of numerical limitations in U.S. claims. Satisfaction of the patent law that the invention be new, useful, and unobvious may provide some of the reasons. In addition, satisfaction of the disclosure and claiming requirements may provide other reasons. The case law relating to the use of numerical limitations to define new and unobvious inventions was reviewed and the role of numerical limitations in interference practice was discussed. In addition, Mr. Hawley spoke about the difference in claiming practice in the United States and Japan, and in particular on the philosophy and practice differences that he has personally observed. He said that it is his belief that the lack of understanding of these differences has caused many of the "problems" that are often encountered by attorneys prosecuting a case in the "other" country. His review of the differences in claiming practice was intended to provide "a good meal for thought" in the hope that further discussion would take place.

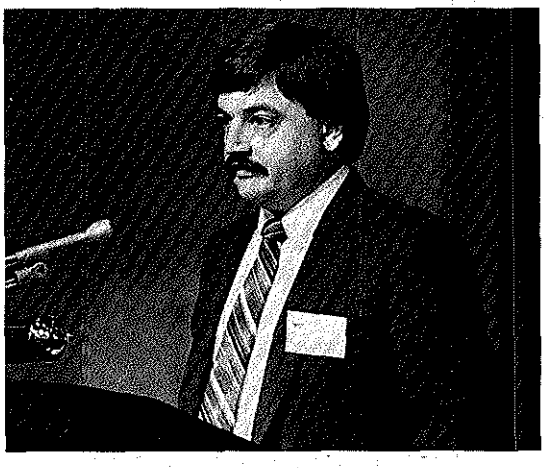


Committee No. 1 then turned its attention to trademarks. Mr. Kazuyuki Furukawahara reported on behalf of the Japanese Trademark Subcommittee. In the Japanese trademark law, the obligation to use a registered trademark has been strengthened by a revision of the trademark law of 1975. Under the revised law it becomes necessary in proving the use of a registered trademark to show that there is identity between the trademark actually used and the trademark as registered. Mr. Furukawahara reviewed numerous trial decisions and illustrated the

opinions by showing registered trademarks from a number of cases together with the marks as actually used.

The new U.S.P.T.O. disciplinary rules were then discussed by Mr. Frederick W. Padden of the U.S. Group. New rules were adopted in 1985 by the U.S.P.T.O. relating to admission to practice before the PTO and the conduct of disciplinary proceedings. The rules set forth a PTO Code of Professional Responsibility. Mr. Padden then reviewed four principal areas of the new rules, including: duties of the newly established Office of Director of Enrollment and Discipline; persons entitled to practice before the PTO; the PTO Code; and investigations of possible violations of the Code.

Mr. Makoto Hagihara reported on behalf of Japanese Subcommittee No. 1 regarding the introduction of an internal priority system in Japan. Amendments to the Japanese patent law, effective November 1, 1985, permit Japanese applications to claim one or more priorities based on previously filed Japanese applications within one year of the filing dates of the earlier applications. The benefit is substantially the same as that of priority under the Paris Convention. In short, the Japanese internal priority system is a shift from the international arena to the domestic arena.



In a parallel report, Mr. Lawrence T. Welch reported on a flexible means to obtain an early priority date in the United States. He noted that Continuation-in-Part (CIP) applications provide an excellent vehicle for perfecting priority prior to international filing. Recent changes in the U.S. law have made the practice even more attractive, since filing dates are more easily obtained, and applications may be more easily combined. CIP practice, when used in

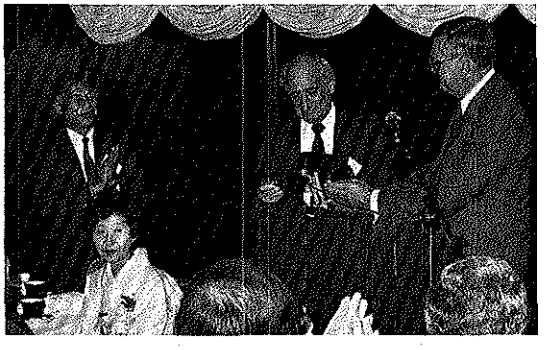
conjunction with the Patent Cooperation Treaty, can lead to uniform worldwide patent protection.

Japanese Committee No. 1 completed its program for the first day of the Congress by way of a paper presentation, prepared by Mr. Yutaka Yaguchi, on legal protection of computer programs in Japan. The paper was an update of the report presented at the 15th International Congress and concluded that, although progress is being made, protection of computer programs per se in Japan is still in a "state of flux."

RECEPTION AND BANQUET

Following the reports of Committee No. 1, the first day of the Congress concluded with a reception and banquet. These events were held on the 95th floor of the Hancock Center in one of the older sections of Chicago near Lake Michigan. The Hancock Center faces the historic Chicago water tower.

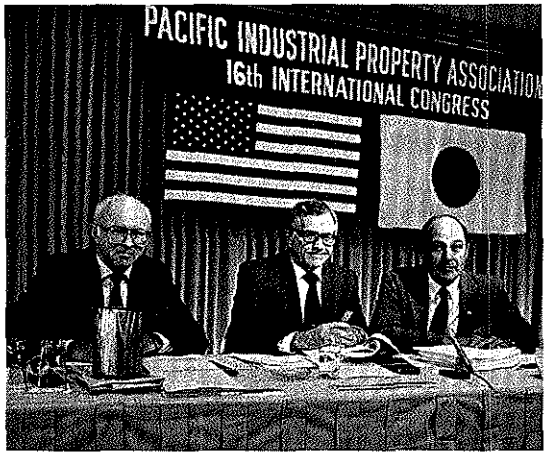
Following the dinner, Mr. William R. Norris welcomed the delegates and guests to the 16th International Congress and spoke briefly about the history of Chicago. He continued by highlighting the many contributions that Martin Kalikow, one of the founding members of PIPA, has made to the field of Industrial Property and to PIPA. Mr. Akira Mifune then read the PIPA Award citation and presented Mr. Kalikow with the PIPA Award. Mr. Kalikow thanked PIPA for singling him out for this award and reserved the balance of his acceptance speech for the Friday morning meeting of the entire Congress.



SECOND DAY -- THURSDAY, OCTOBER 10, 1985
REPORTS OF COMMITTEE NO. 2 --
Patent Licensing Law and Practice

William S. Thompson and Juro Ichimura, Chairmen

The first report of Committee No. 2 constituted a panel discussion on the subject of Collaborated R&D Works. The panel consisted of three delegates each from the United States and the Japanese Groups. Mr. William S. Thompson outlined the legal requirements for group research joint inventors or collaborations in the United States and commented that there are many questions that must be answered to assure that such collaborations will not violate one or more United States laws.

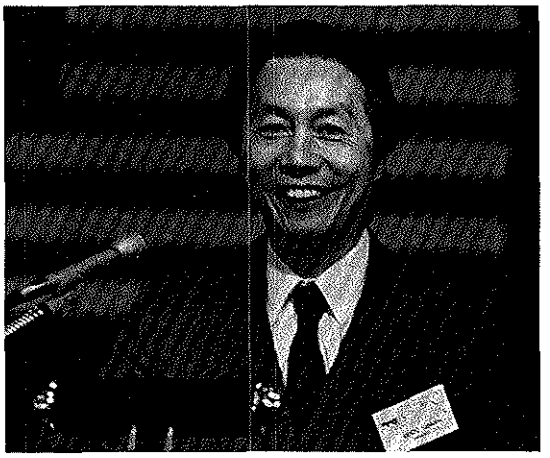


Mr. Katsuhiko Shimizu reported on joint R&D efforts in Japan with regard to the development of new technology. There are numerous motives for companies to join in such research and development and it is a common practice among Japanese companies to agree in advance that profits of the collaboration should be shared equally by each participant whose actual contribution to the joint effort could not be foreseen.

Mr. Heinz Goretzky spoke about the important provisions necessary for joint development agreements between U.S. and foreign companies, with particular emphasis on the electrical-electronics field. Mr. Kensuke Norichika discussed the rationale for collaborated development of software and Messrs. Karl Jorda and Juro Ichimura joined the panelists in discussing the issues and answering questions from the floor.

REPORTS OF COMMITTEE NO. 3 -- International Law and Practice

Paul D. Carmichael and Zenjiro Nakamura, Chairmen



The first report for Committee No. 3 was delivered by Mr. Kenzo Hayashi, who commented upon some difficulties that foreign applicants have in prosecuting patent applications in the United States. He reviewed several of the issues included in the harmonization discussions, particularly contrasting the merits of the first-to-invent system of the United States with the first-to-file system of most other countries.

Mr. Maurice H. Klitzman presented a paper which discussed the new U.S. Court of Appeals for the Federal Circuit. The Court came into existence in 1982 and was created to provide uniformity and certainty in the law of patents. Mr. Klitzman outlined a number of the substantive changes in the law resulting from decisions of the Federal Circuit.

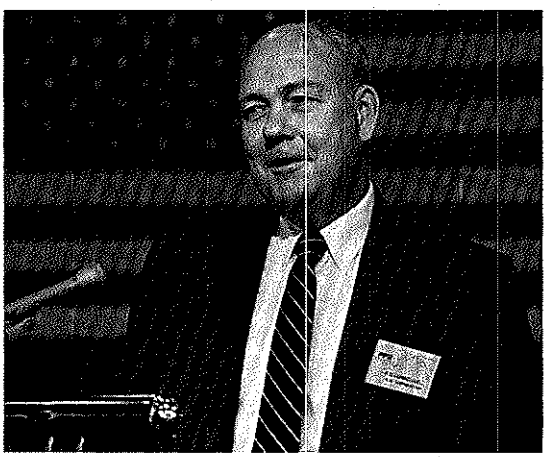
Information about patent conditions in the People's Republic of China were outlined in a paper presentation by members of the Japanese Group of Committee No. 3. The report summarized discussions with Chinese officials held to answer questions and resolve ambiguities set forth in the committee's report presented at the Sendai Meeting.

BUS TOUR

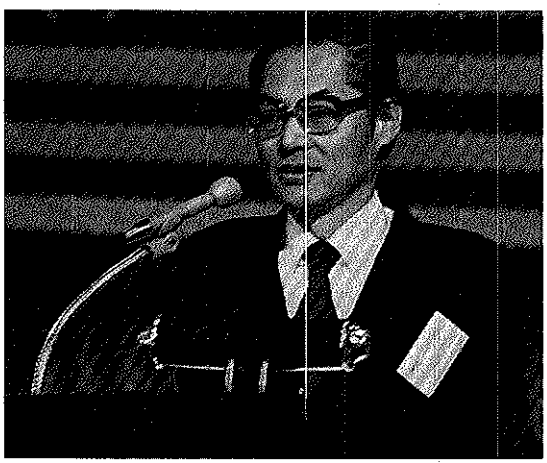
Following a buffet luncheon in the Cotillion Room South of the Westin Hotel, members of the Congress departed by bus for Lake Geneva, Wisconsin. At Lake Geneva the group enjoyed a two-hour "Fall Colors Tour" cruise on Lake Geneva with the opportunity to view the majestic manors that

were the summertime homes of many of the industrialists who shaped the future of the Old West of the United States. Unfortunately, the view of the colors and the mansions were somewhat impeded by a constant downpour of rain throughout the afternoon. Following the cruise, a dinner was held at "Popeye's," a popular seafood restaurant along the shore of Lake Geneva.

THIRD DAY -- FRIDAY, OCTOBER 11, 1985
REPORTS OF COMMITTEE NO. 3 --
(continued)



Some general comments and observations concerning the increasingly important issues of counterfeiting of intellectual property as they relate to international trade and relationships between the developed, developing and less developed countries were given by Mr. Paul D. Carmichael. He pointed out that the harmonization efforts now going on are extremely important in establishing standards of intellectual property protection. He noted, however, that conventions do not go beyond establishing minimum standards. Other agreements may therefore be necessary. Mr. Carmichael then reviewed the current status of intellectual property laws and the prognosis for favorable change in these laws in several countries around the Pacific basin.

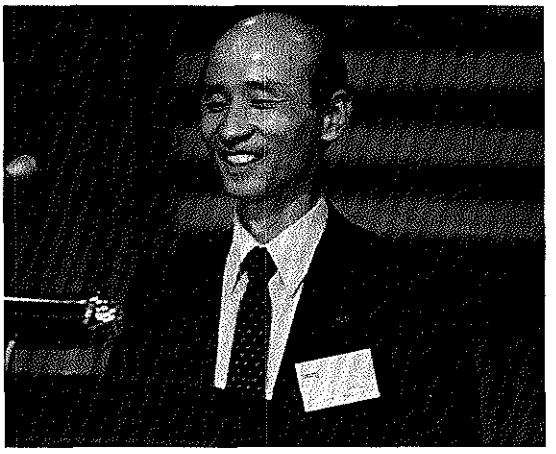


Committee No. 3 concluded its Reports with a survey of recent developments in industrial property fields. The survey results were presented by Mr. Hirohisa Suzuki. Trade conflicts between industrialized countries have been increasing in recent years as a consequence of the rapid growth of world-wide industrialization. The report outlined the development of laws and regulations proposed to reduce these conflicts. In particular, developments in Korea, Malaysia and Taiwan were considered.

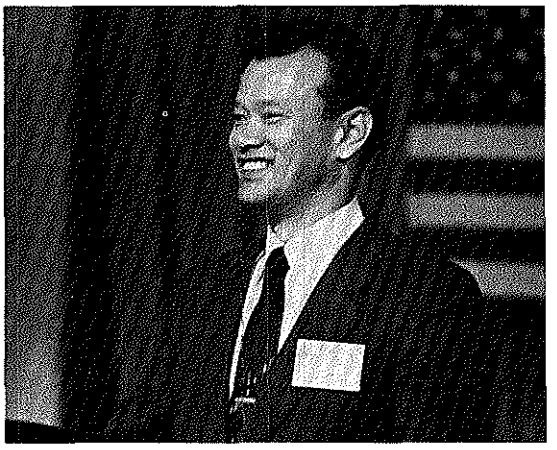
REPORTS OF COMMITTEE NO. 4 --
Dispute Resolution

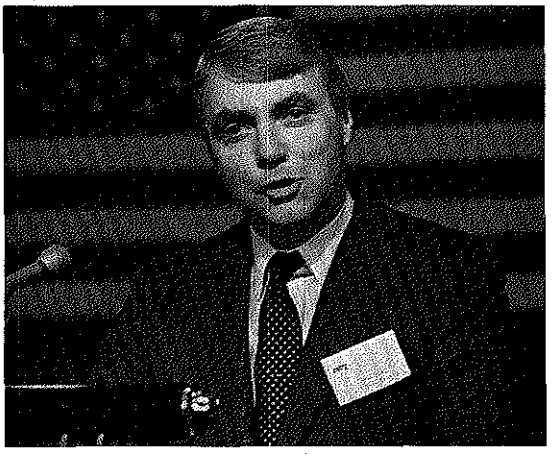
William D. Roberson and Shin Ando, Chairmen

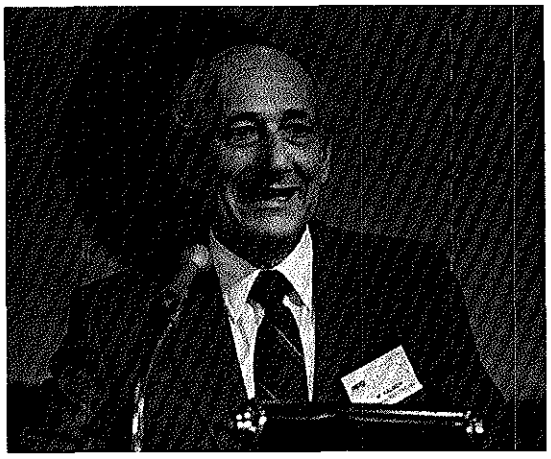
Reports of Committee No. 4 were directed to the technical scope of a patent, the claims of which contain numerical limitations. Mr. Shin Ando reported on the scope given Japanese patents that contain numerical limitations and Mr. Osamu Sato discussed recent court decisions in Japan relating to the Doctrine of Equivalents.

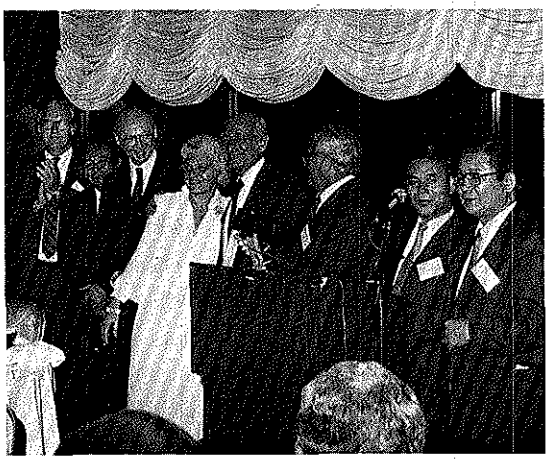


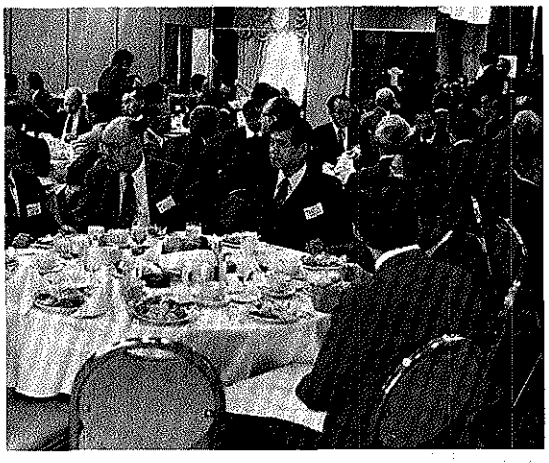
On behalf of the U.S. Delegation, Mr. Warren W. Kurz discussed the Doctrine of Equivalents in infringement proceedings and the significance of numerical limitations in interpreting the scope of a U.S. patent.









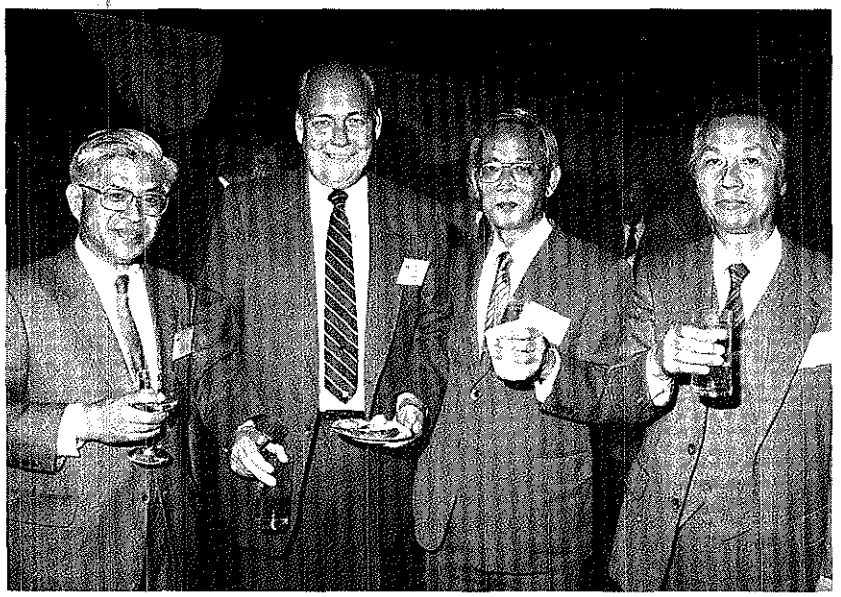


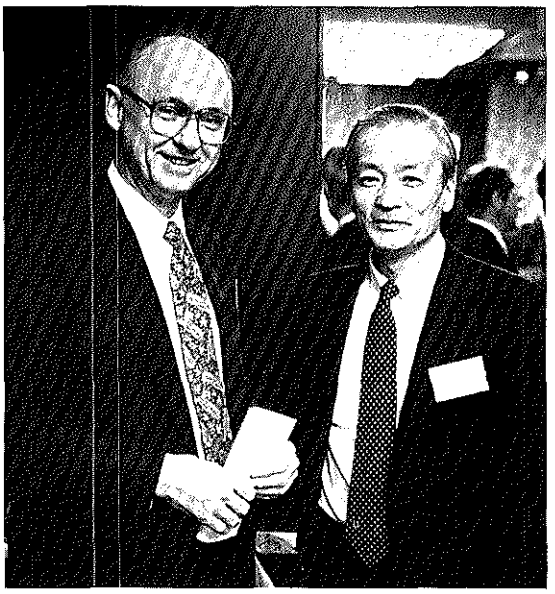
PIPA AWARD ACCEPTANCE

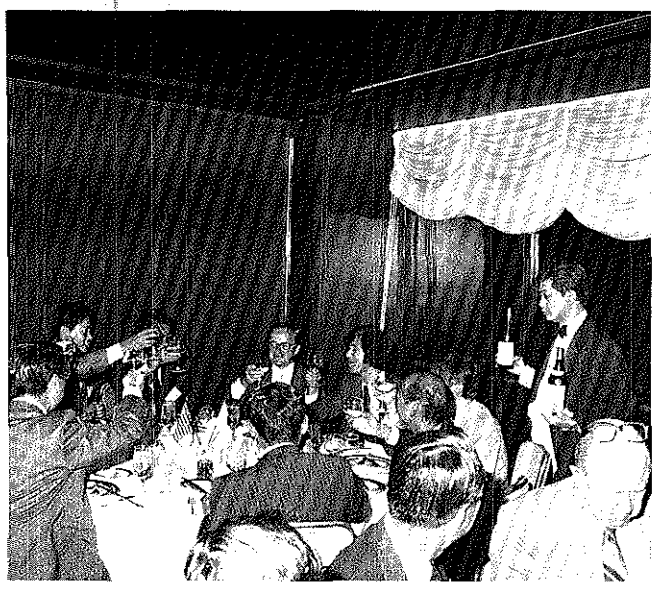
The PIPA award winner, Mr. Martin Kalikow, accepted the PIPA award and delivered an address to the Congress in which he noted that PIPA is now a mature organization which has an international reputation. Its members are in a position to influence IP matters, and PIPA should consider undertaking a more active, and sometimes more leading role, in the development, harmonization, and use of IP rights around the world. Mr. Kalikow stated that PIPA is probably one of the best qualified organizations in which harmonization proposals can be developed and promoted. Three examples of subjects which might initially be covered by an agreed-upon harmonization proposal include, 1.) Uniform maximum requirements for obtaining a filing date, 2.) Uniform procedures and time deadlines for meeting all filing requirements, and 3.) Uniform format for the disclosure of invention.

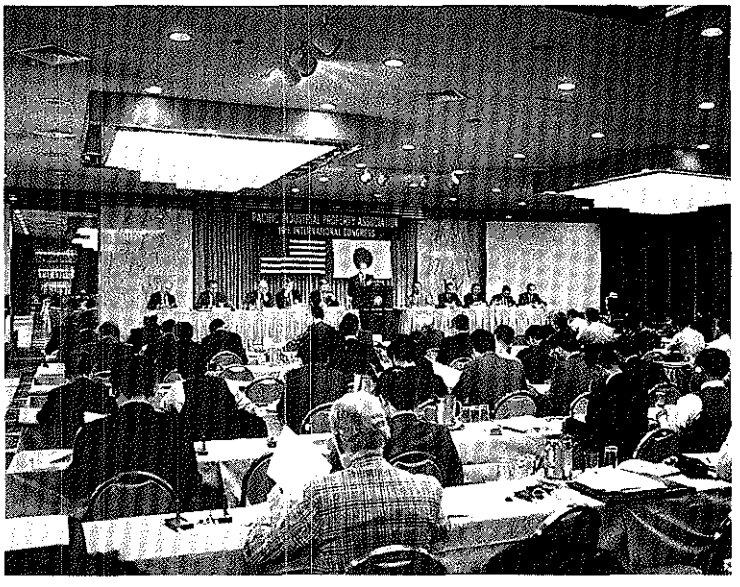
LUNCHEON AND CLOSING CEREMONIES

U.S. President William R. Norris thanked the program chairmen, the committee chairmen, and all of those who helped in developing the 16th International Congress. Japanese President Akira Mifune congratulated all participants for a very successful Congress and invited all to the 17th Congress to be held in Kanazawa in 1986. President Norris then concluded the Congress with another haiku.









THE WESTIN HOTEL
Chicago

PACIFIC INDUSTRIAL PROPERTY ASSOCIATION

太平洋工業所有権協会

SEVENTEENTH INTERNATIONAL CONGRESS KANAZAWA, JAPAN NOVEMBER 5 - 7, 1986

PIPA

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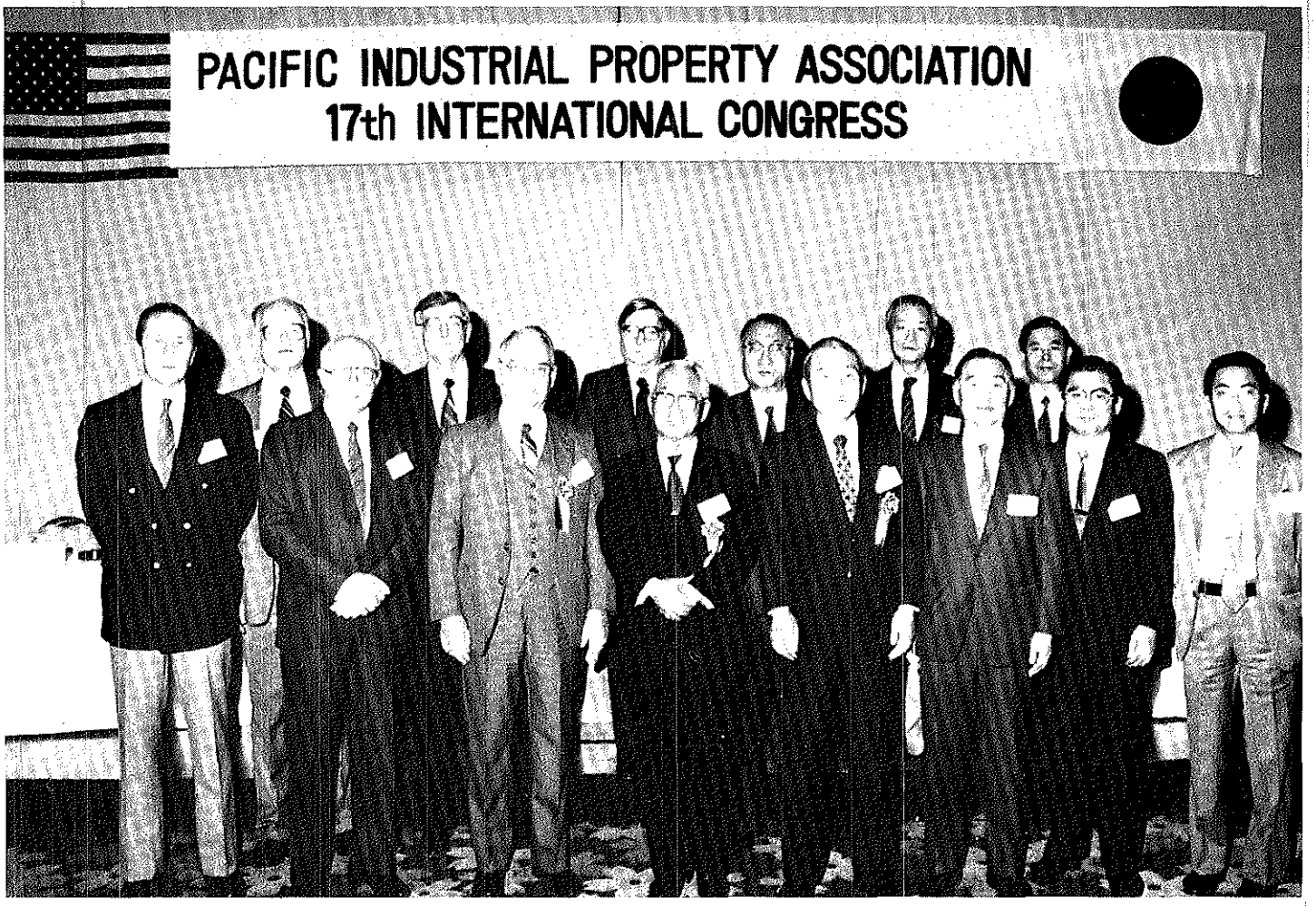
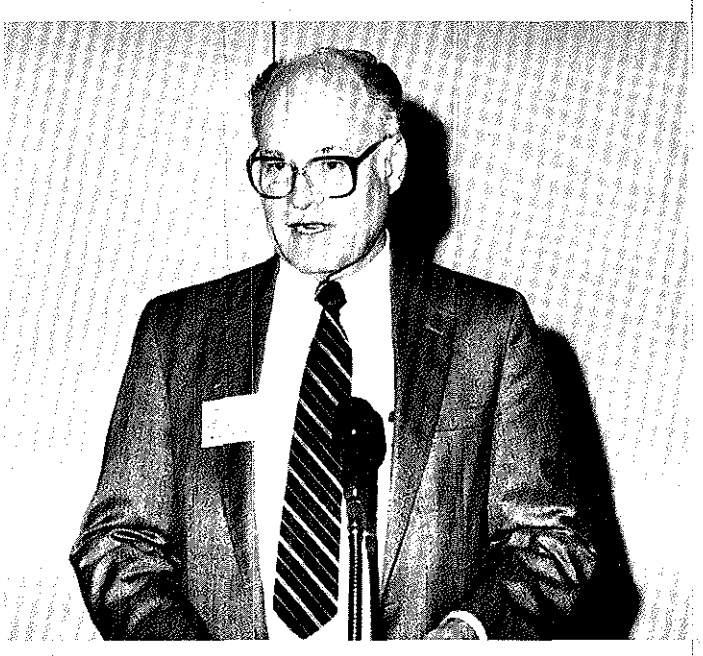


LEFT TO RIGHT - Back Row - W. T. McClain, A. E. Hirsch, Jr., W. R. Norris, A. J. Spiegel, S. Takeyuchi, K. Ono, K. Norichika. LEFT TO RIGHT - Front Row - K. F. Jorda, D. J. Quigg, I. Yamashita, A. Kuroda, A. Mifune, K. Murayama, T. Aoki

K. Norichika



A.E. Hirsch, Jr.

SEVENTEENTH INTERNATIONAL CONGRESS KANAZAWA JAPAN NOVEMBER 5-7, 1986

Officers and Members of the Board of Governors

William R. Norris	United States Group President
Akira Mifune	Japanese Group President
Alfred Hirsch	1st Governor, United States Group
Kyoji Murayama	1st Governor, Japanese Group
William McClain	2nd Governor, United States Group
Kensuke Norichika	2nd Governor, Japanese Group
Allen Speigel	Secretary Treasurer, United States Group
Shigeo Takeuchi	Secretary Treasurer, Japanese Group
Thomas O'Brien	Ex-Officio, United States Group
Takashi Aoki	Ex-Officio, Japanese Group
Karl Jorda	Ex-Officio, United States Group
Koichi Ono	Ex-Officio, Japanese Group

Committee Chairmen

	Japanese Group	United States Group
Committee No.1	William Thompson	Shigemitsu Nakajima
Committee No.2	William Roberson	Juro Ichimura
Committee No.3	Paul Charmichael	Mamoru Takada
Committee No.4	Jeffrey Hawley	Shin Ando
Program Chairmen	William Norris	Akira Mifune

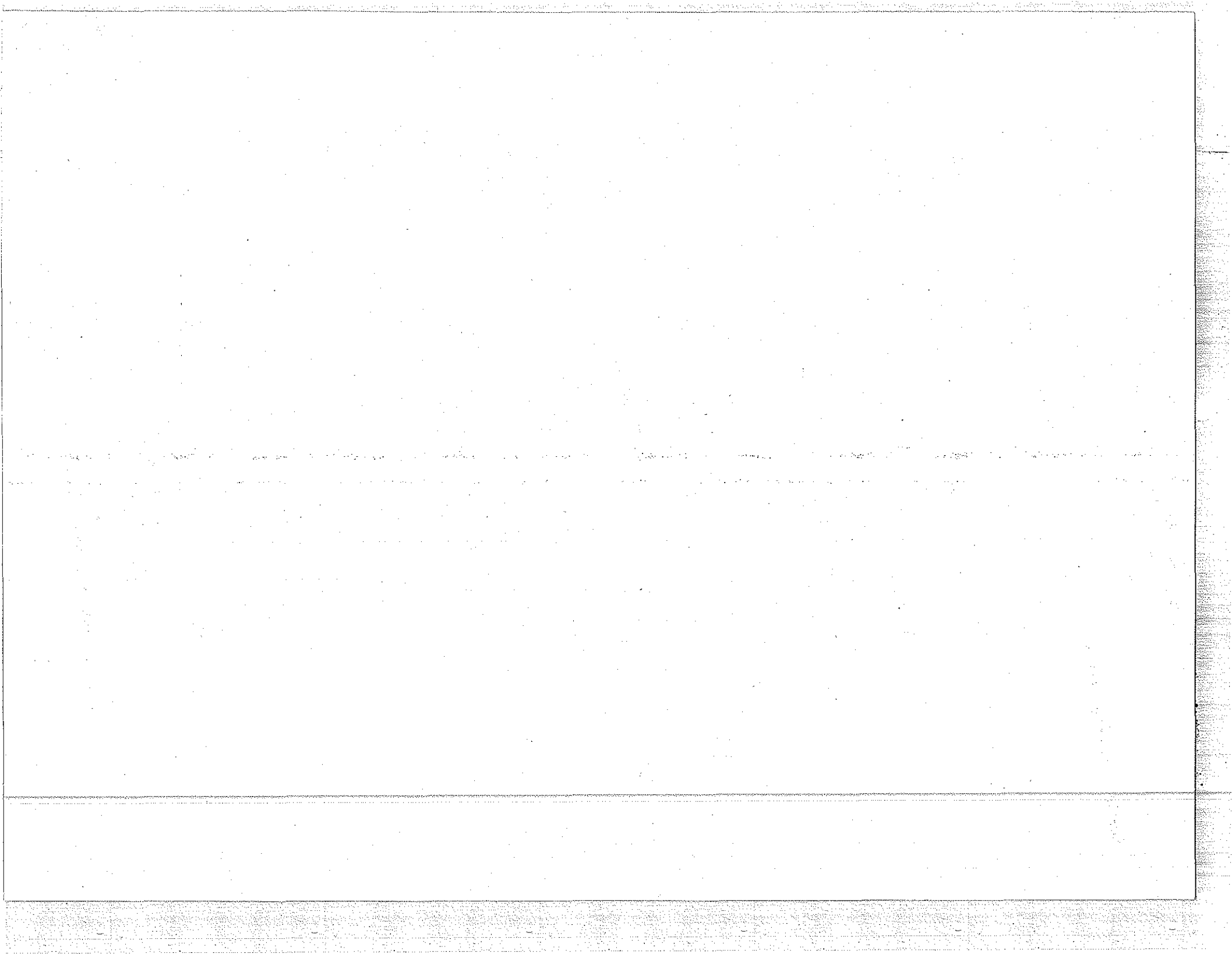
Honorary Chairman

Isamu Yamashita
Chairman Japan Patent Association

Guest Speakers

Michael Kirk
Assistant Commissioner USPTO

Donald Banner



KANAZAWA
PARTICIPATING ORGANIZATIONS

AMERICAN GROUP

AMPEX CORPORATION
AMOCO CORPORATION
AT&T BELL LABORATORIES
BANNER, BIRCH, MCKIE AND BECKETT
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CHEVRON RESEARCH COMPANY
CIBA-GEIGY CORPORATION
DOW CHEMICAL COMPANY
EASTMAN KODAK COMPANY
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GOODYEAR TIRE AND RUBBER COMPANY
IBM CORPORATION
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PFIZER INC.
PFIZER TAITO CO., LTD.
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SYNTEX CORPORATION
UPJOHN COMPANY
WESTINGHOUSE ELECTRIC CORPORATION

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AJINOMOTO CO., LTD.
ASAHI CHEMICAL COMPANY
ASAHI GLASS CO., LTD.
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CHISSO CORP.
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DENKI KAGAKU KOGYO K.K.
DIA RESEARCH INSTITUTE INC.
EBARA CORPORATION
EISAI CO., LTD.
FUJI HEAVY INDUSTRIES
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FUJIKURA LTD.
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FUJITSU LIMITED
FURUKAWA ELECTRIC CO., LTD.
GENERAL ELECTRIC JAPAN LTD.
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JAPAN PATENT ASSOCIATION
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NIPPON TELEGRAPH AND TELEPHONE CORP.
NISSAN MOTOR CO., LTD.

JAPANESE GROUP (CONTINUED)

OKI ELECTRIC IND., CO., LTD.
OMRON TATEISHI ELECTRONICS CO.
OSAKA GLASS CO., LTD.
RICOH CO., LTD.
SEKISUI CHEMICAL CO., LTD.
SHIMADZU CORPORATION
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SUNTORY LIMITED
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YAMANOUCHI PHARM. CO., LTD.
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YOSHITOMI PHARM. IND., LTD.

PROGRAM MINUTES

The 17th International Congress of PIPA was opened at the Kanazawa International Hotel , Kanazawa, Japan, at 9:00 am, by Mr. Shigeo Takeuchi. Mr. Takeuchi, Secretary-Treasurer of the Japanese Group, welcomed congress members, speakers and guests. A report of the 1985 activities was then presented by Mr. William Norris, United States Group President. He reported on the representation of PIPA at the WIPO meeting dealing with the harmonization of the patent laws of the world. He also commented on the discussions that Japanese PIPA members had with the USPTO following the 16th Congress in Chicago. Finally, he thanked Ed Bell of the American group for his many fine years of service as the Secretary Treasurer of the Group.

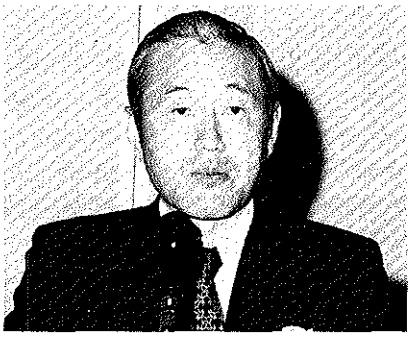
Keynote Address

Mr. Akira Mifune, PIPA President of the Japanese Group delivered the Keynote Address. Mr. Mifune stressed the need for further harmonization of the Patent Laws of the world. Citing the need for increased incentives for investment, he mentioned the need for increased intellectual property protection, particularly in the NICS. Mentioning the trade conflicts between Japan and the United States, he closed his remarks with the hope that the Congress would provide the forum for the frank exchange of ideas which might help the trade situation.

Following his address, Mr. Mifune introduced The Honorary Chairman of the Congress, Mr. Isamu Yamashita, Chairman of Japan Patent Association. Mr. Yamashita expressed his feeling that solutions to difficult problems between two countries are best achieved when representatives talk together frankly.

Following the opening ceremonies, the Congress was honored to hear the guest speakers, the Honorable Donald J. Quigg, U. S. Commissioner of Patents and Trademarks, and the Honorable Akio Kuroda, Director General of the Japanese Patent Office.

Commissioner Quigg focused his remarks on the harmonization efforts of the negotiations under GATT, and to the continued close cooperation between the USPTO, the JPO and the EPO. He also mentioned a pilot program wherein examiners from Japan, Canada and Australia will visit the patent offices of the other countries.



Director General Kuroda mentioned the increased technological exchanges and the resulting need for strong, uniform protection of technology throughout the world. He mentioned the progress on the paperless system in the Japanese Patent Office and finally expressed his hope that PIPA would continue to make proposals for the future development of industrial property systems.

There was then a special presentation by Mr. William S. Thompson on the 8th major round of GATT, known as the Uruguay round. Mr. Thompson noted that if the round failed to accomplish some worthwhile goals, there would be increased protectionist measures discussed in the United States. He reviewed the background and the mechanics of GATT. He noted that it is the position of the industralized countries that GATT should encourage strong anticounterfeiting measures; go beyond trademark protection; and provide strong enforcement mechanisms.

Mr. Donald Banner, PIPA awardee for 1982, gave a guest presentation relating to proposed legislation in the United States. He outlined current proposals for process patent legislation; amendments to section 337 of the Tariff Act; possible implementation of PCT Chapter II; and patent term extention.

Mr. Lawrence T. Welch presented a paper entitled *Prima Facie* Obviousness-- Shifting the Burden of Proof. Mr. Welch outlined the history of the *prima facie* obviousness doctrine and discussed its application to a variey of case types. Considerable detail regarding the special problems of chemical cases was presented. He noted that when the Examiner established a *prima facie* case, the burden of proof that the invention was patentable shifted to the applicant. The use of comparative showings to overcome such a rejection was noted.

Mr. Toshihiro Tanaka presented a paper on the problem of the parallel import of goods with particular emphasis on the case of the "Lacoste" trademark. In summary, the conclusion presented was that the parallel import of goods is legal in Japan but that there are difficult problems in the conflict between the principle of trademark protection and the territorial principle.

Committee No. 2 Panel Discussion
Cochairmen: William D. Roberson
Juro Ichimura

Committee No. 2 presented a panel discussion , the subject of which was: The Possible Effects and Problems which may arrise out of Transfer of Business or of Business Tie-up. The panelists were Hiedo Doi, Katsuhiko Shimizu and Heinz Goretzky.

Committee No. 1 Reports
Cochairmen: William S. Thompson
Shigemitsu Nakajima

Mr. Takashi Sawai presented a paper on the proposed multiple claim system in Japan. The discussion included the background on the need for the new system. As part of the paper, the Japanese group also presented their recommendation for the new system. The benefits of the new system, such as improved protection for inventions and reduced numbers of patent applications in the Patent Office were also mentioned.

Mr. Josef W. Keen gave the second paper. His paper delt with the unity of invention requiements under the PCT. He discussed the history of the requirement and compared the PCT requirement with the restriction practice in the United States Patent Office. Of particular interest was his insight into the Caterpillar Tractor vs. Commissioner of Patents and Trademarks case. In that case the conflict between the two standards was the issue.

For the third presentation, Mr. Michihiro Kameishi discussed the newly introduced accellerated examination process in the Japanese Patent Office. The new process was contrasted with the earlier preferrential examination pocess. The results of a questionaire were presented as part of the paper. The overall conclusion was that there would be more use of the new system than the old and that companies would use the new system under the proper circumstances.

Mr. Kenji Doi presented a paper dealing with the present state of practice under Article 29bis of the Japanese Patent Law. The full details of a recent Tokyo High Court case were presented. In that case, the issue was whether, under Article, 29bis, the important date was the Japanese filing date or the earlier foreign priority date. The Court concluded that the correct date was the foreign priority date. Also discussed was the basis of the "substantially identical" doctrine under 29bis.

Committe No. 3 Reports
Cochairmen: Paul D. Charmichael
Mamoru Takada

Mr. Kazuo Kamisugi presented the first paper for the Committee. The paper presented the Japanese Group Committe No. 3's views on the harmonization of the Japanese Patent Law. The Committe proposed that the unity of invention rule in Japan be made more liberal. They also endorsed a proposal for a grace period for filing a patent application after a disclosure which would be six months. In addition, the Committee recommended that the laws of other countries be harmonized in that the prior art effect of a priority application should be from the priority date and that the applicant's own applications should be excluded from this effect. This then would make the laws of other countries more like Japanese Patent Law Article 29bis.

The second paper was presented by Karl Jorda. He attended a session of the "committee of experts" on patent law harmonization that had been held earlier in the year as the PIPA representative. His paper was a report on the topics discussed at that meeting. The topics included: 1) the grace period for filing a patent application; 2) the requirements for receiving a filing date; 3) the requirements for naming an inventor; 4) the manner of claiming; 5) unity of invention standards; 6) patent term extention; and 7) the prior art effect of an unpublished application.

A paper on the Japanese Group, Committe No. 3's views on the European Patent System was presented by Mr. Mitsuo Taniguchi. From the Japanese perspective, there are several areas in which the European system could be improved. These areas are: 1) self-collision or the whole contents approach in Europe; 2) the grace period; 3) the period for filing the request for examination; 4) the requirements for disclosing the grounds for opposition; 5) the issue of the patentability of the second indication of a use for a pharmaceutical; 6) the furnishing of a microorganism sample; 7) after grant harmonization in the contracting states; 8) the submission of translations of priority documents.

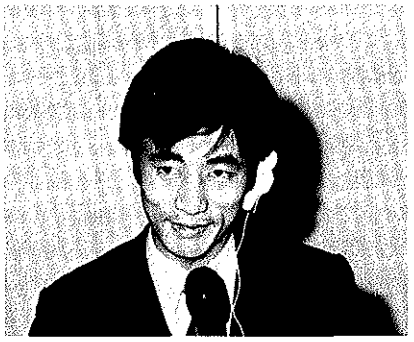
Mr. Arnold Cole reviewed the recent proposals for legislation relating to the International Trade Commission. He indicated that the proposals would change the standards in section 337(a). Rather than the injury to industry standard of the present law, the new law would require only proof that specific industrial property rights had been violated. He indicated that there had been considerable debate in the legislature over whether changes in the law would be consistant with the United States position in the GATT negotiations. The prospects for the approval of any of the pending bills was uncertain.

Mr. Kazuhisa Imai reported on the recent developments in the intellectual property fields in Korea. This was an update of the reports given at previous PIPA meetings. He reported on the proposed product patent protection; the extention of patent term; and the change in the sanction for non-working. He also reviewed the proposed changes in the other industrial property laws including the Utility Model Law, the Design Law, the Trademark Law and the Copyright Law.

Committee No. 4 Reports
Cochairmen: J. Jeffrey Hawley
Shin Ando

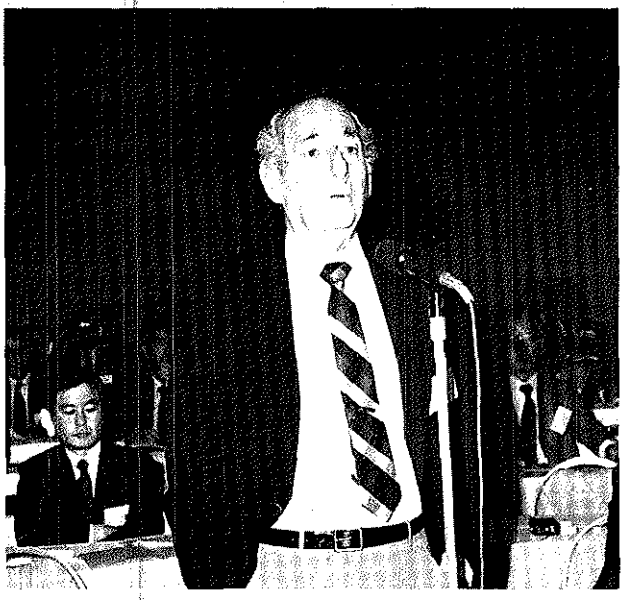
Mr. Masahiko Ohmori reported on the possibility of a non-exclusive license by prior use in Japan under Article 79 of the Patent Law. He discussed the points that were usually disputed under the provision which are 1) proving that the person asserting the right was commercially working the inventionor was in preparation therefor and 2) the technical scope of the license.

Mr. Karl Jorda delivered the second paper for the Committe which was a parallel paper to the first. It discussed the conflict between the first inventor/trade secret owner and the second inventor/patentee. Mr. Jorda reviewed the history of the problem in the United States and pointed out that under the present situation, unlike most countries in the world, there is little protection for the prior secret user in the United States. His presentation ended with a plea that legislation be enacted which provides the kind of protection available in other countries.



Mr. Tetsuya Kondo discussed licensee estopple in Japan. He reviewed the U.S. case of Lear vs. Adkins which defined the doctrine in the U.S. and went on to discuss the parallel situation in Japan. He concluded that there is licensee estopple in Japan, citing several cases. However, no contest clauses are frequently used in Japan and he went on to discuss the validity of such clauses. While valid, he concluded that there were some conflicts under the Civil Code and the Antimonopoly Laws of Japan

Mr. R. H. Childress spoke on the practical aspects of protecting trade secrets in the United States. He reviewed the factors that are considered in determining whether there is a trade secret to protect and went on to give very specific advice on the measures that could be taken to protect these secrets. The proceedures in his own company were described.

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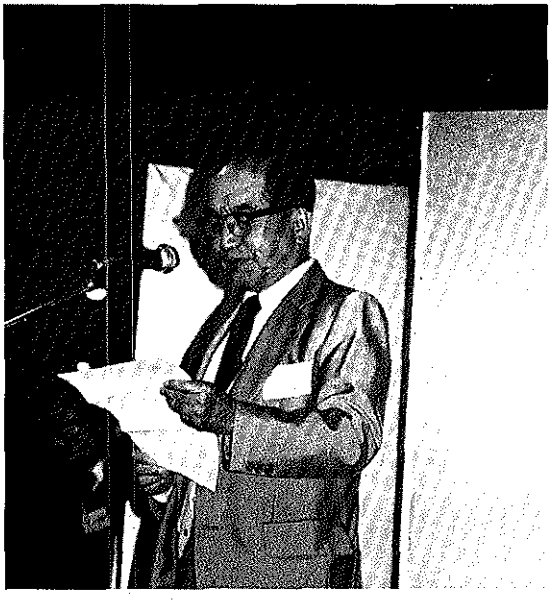

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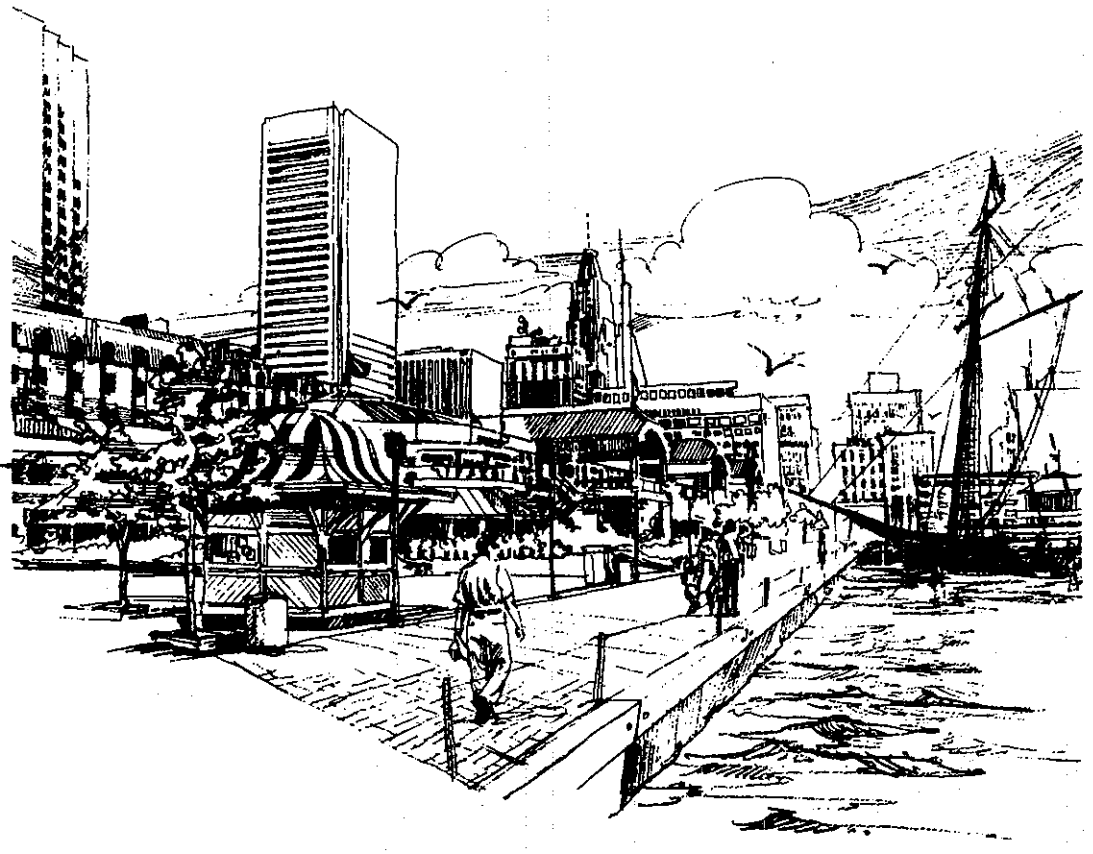
The Eighteenth International Congress

The Harbor Court Hotel
Baltimore, Maryland

September 30, October 1-2, 1987



PROGRAM

WEDNESDAY, SEPTEMBER 30, 1987

7:30 a.m. REGISTRATION

9:00 a.m. OPENING CEREMONIES — Harbor Court Ballroom
Opening of the Congress
Welcome to Baltimore — Baltimore Visitors' Bureau
Report of 1986 Activities — Kyoji Murayama, President of PIPA Japanese Group
Installation of PIPA Officers for 1987 — Alfred E. Hirsch, Jr. and Kyoji Murayama
Message from Honorable Kunio Ogawa, Director General of the Japanese Patent Office, read by Mr. Takao Marui, Director of Technology, JETRO, New York
Keynote Address — Honorable Donald J. Quigg, Assistant Secretary of Commerce and U.S. Commissioner of Patents & Trademarks

10:00 a.m. COFFEE BREAK

10:20 a.m. **REPORTS OF COMMITTEE NO. 1** — Procurement Law and Practice
Monte D. Witte and Takami Aoyama, Chairman

10:30 a.m. Japanese Laying Open System and Examination Request System
Michio Nakamura

10:55 a.m. U.S. Patent Law Since 1984
John P. Sinnott

11:20 a.m. Patent Term Extension in Japan
Yoshiaki Matsui

11:45 a.m. Best Mode: Do We Need It?
Roger L. May

12:30 p.m. LUNCHEON — Hampton's and The Explorers Club
Speaker — Mr. Jacques J. Gorlin, Consulting Economist
The U.S Industry Perspective on the Intellectual Property Initiatives in GATT

2:30 p.m. Grace Period: Japanese Patent Law Section 30
Kenichi Osonoe

2:55 p.m. Protection of Software — A Worldwide Update
Victor Siber

3:20 p.m. What Act Constitutes the Use of A Trademark? (Commentary on the Totenko Case)
Akio Okumura

3:45 p.m. Finding of the Inventive Step and Practices Thereof
Kunio Hirabayashi

6:00 p.m. RECEPTION AND BANQUET — Harbor Court Ballroom
Presentation of PIPA Award to The Honorable Pauline Newman, U.S. Court of Appeals for the Federal Circuit

THURSDAY, OCTOBER 1, 1987

8:30 a.m. **REPORTS OF COMMITTEE NO. 2** — Patent Licensing Law and Practice
William D. Roberson and Katsuhiko Shimizu, Chairmen

8:40 a.m. Some Matters Pertaining to Sponsored Research and Development Programs
Masaharu Fukuma

9:05 a.m. A Guide to Trademark Licensing for the Patent Practitioner
Marcia Pintzuk

9:30 a.m. The Rights and Obligations of the Parties to Know-How License Agreement Surviving the Termination Thereof
Katsuyuki Sadakane

10:00 a.m. COFFEE BREAK

10:30 a.m. **REPORTS OF COMMITTEE NO. 4** — Dispute Resolution
J. Jeffrey Hawley and Kensuke Norichika, Chairmen

10:40 a.m. Panel Presentation — How New Products Are Determined To Be Free of Infringement
U.S. Panelists — Warren Kurz, James Espe, Hesna Pfeiffer
Japanese Panelists — Michio Nishi, Kunio Hirabayashi, Masahisa Hase

12:30 p.m. BOX LUNCHES AND BUS TOUR TO ANNAPOLIS, MARYLAND

7:00 p.m. BUFFET DINNER — U.S.F.&G. Building, Century Room, 16th Floor

FRIDAY, OCTOBER 2, 1987

8:30 a.m. **REPORTS OF COMMITTEE NO. 3** — International Law and Practice
William S. Thompson and Mamoru Takada, Chairmen

8:40 a.m. Harmonization of Patent Laws in WIPO
Mamoru Takada

9:05 a.m. Update of the Status of the Proposal to Change to First-to-File
Richard C. Witte

9:25 a.m. Laying-Open and Deferred Examination System in View of Harmonization
Takeo Hamazaki

10:00 a.m. COFFEE BREAK

10:30 a.m. Comparison of Chemical Claims in the U.S. and Japan
Lawrence T. Welch

10:55 a.m. Patent Protest System in the U.S.A., ETC, and Japan
Mitsuo Taniguchi

12:00 p.m. LUNCHEON AND CLOSING CEREMONIES — Hampton's and The Explorers Club
Speaker — Michael K. Kirk, Assistant Commissioner of Patents for External Affairs, USPTO

BALTIMORE

Baltimore, the 12th largest city in the United States, has been termed "Charm City" because of its residents' well-established concern with the quality of living. Older than most of its neighbors, Baltimore had its roots in the economic needs of 18th century Maryland farmers.

Long considered a Southern city, it owes much of its early growth and prosperity to its extremely desirable location. It is farther west than any other major Atlantic seaport and is blessed with a natural harbor on the Chesapeake Bay.

Baltimore now ranks fifth among U.S. ports, handling more than 3,000 ships from 45 countries annually.

Today, Baltimore's outstanding attractions include Harborplace, the National Aquarium, the Walters Art Gallery, Fort McHenry, and the renowned Johns Hopkins University Hospital.

ANNAPOLIS

For nearly 350 years, the port city of Annapolis on the Chesapeake Bay, has warmly welcomed legislators, seafarers, students, merchants, shoppers, craftsmen and travelers by land and sea.

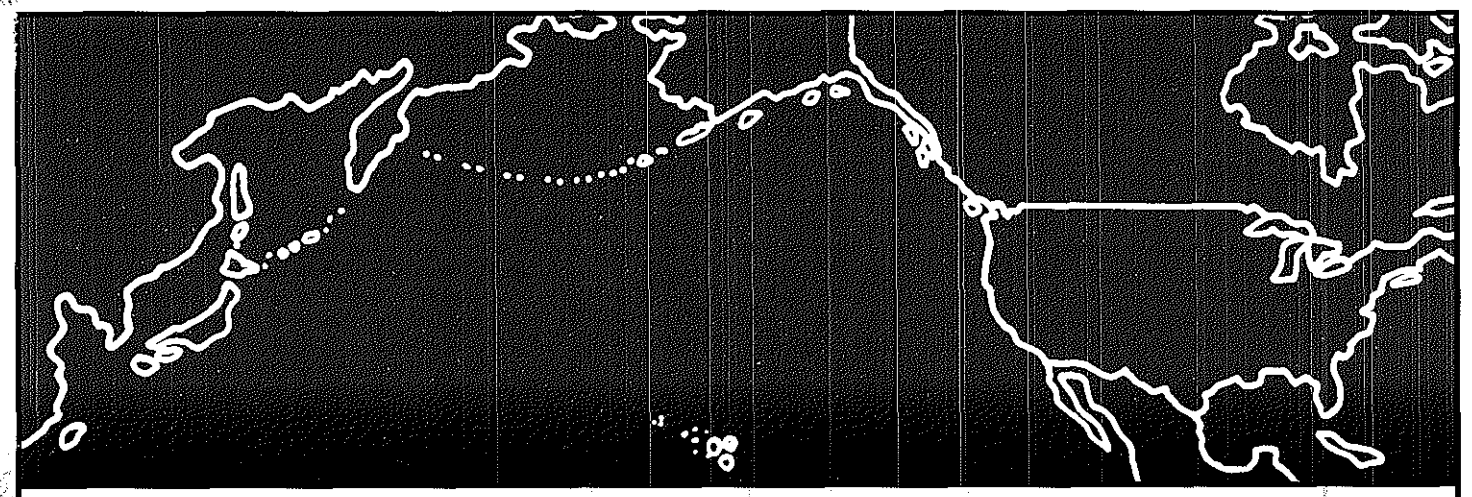
First settled in 1649, Annapolis has played host to state lawmakers since the town became the capital of Maryland in 1649.

Annapolis was the capital of the new United States for nine months. In the Old Senate Chamber of the Maryland State House, General George Washington resigned as Commander-in-Chief of the Continental Armies. Three weeks later, the Continental Congress ratified the Treaty of Paris ending the war with Great Britain, signaling recognition of the new nation.

Today, Maryland's Capital City lives on as the seat of Maryland government, site of eminent centers for higher learning, sailing capital of the United States and hub of diverse restaurants and hostelries.

PIPA Officers & Committee Chairmen

	American Group	Japanese Group
President	A.E. Hirsch, Jr.	K. Murayama
1st Governor	P.D. Carmichael	K. Norichika
2nd Governor	J.J. Hawley	J. Ichimura
Secretary/Treasurer	A.J. Spiegel	S. Takeuchi
Ex-Officio	K.F. Jorda	K. Ono
Ex-Officio	W.R. Norris	A. Mifune
Committee #1	M.D. Witte	T. Aoyama
Committee #2	W.D. Roberson	K. Shimizu
Committee #3	W.S. Thompson	M. Takada
Committee #4	J.J. Hawley	S. Ando



Nineteenth International Congress Toba, Japan October 5 - 7, 1988

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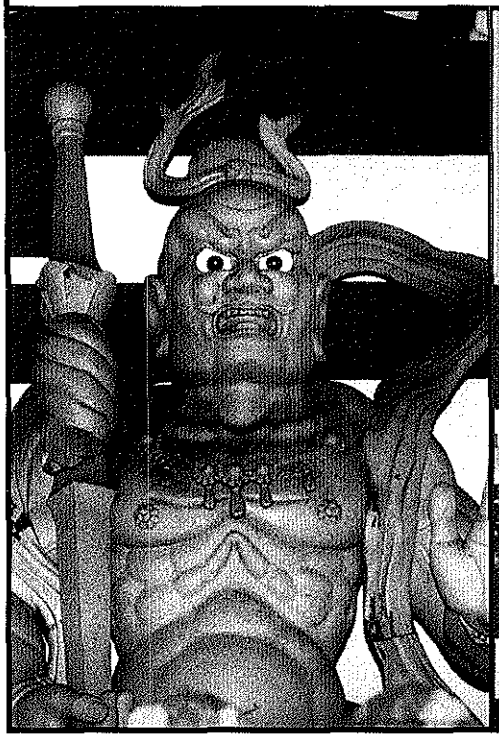
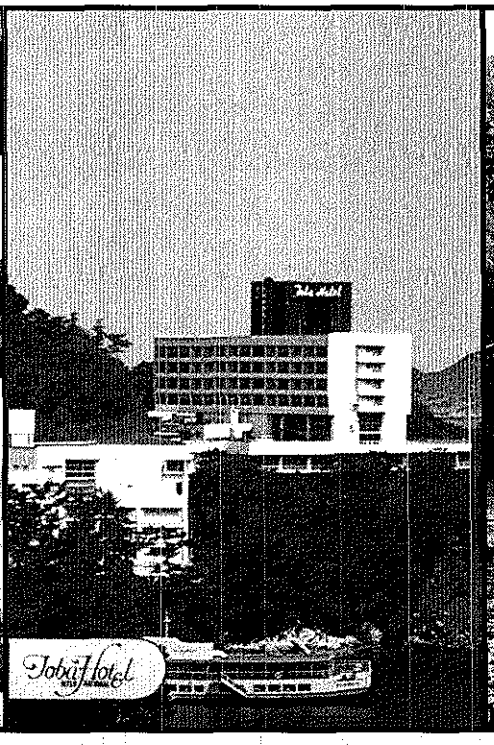
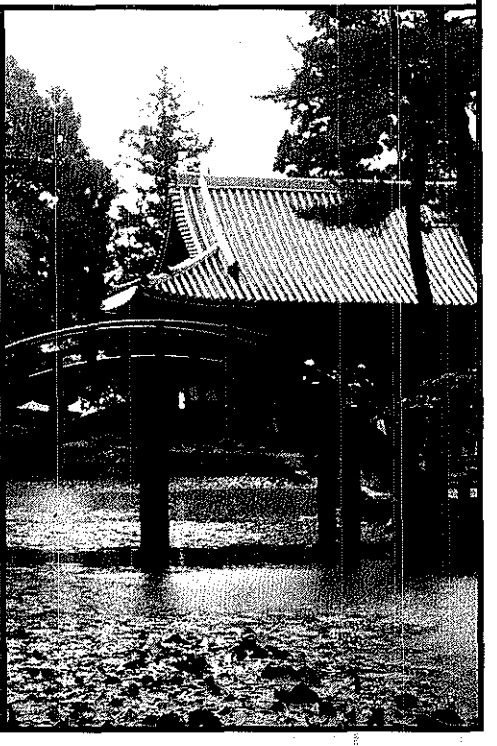
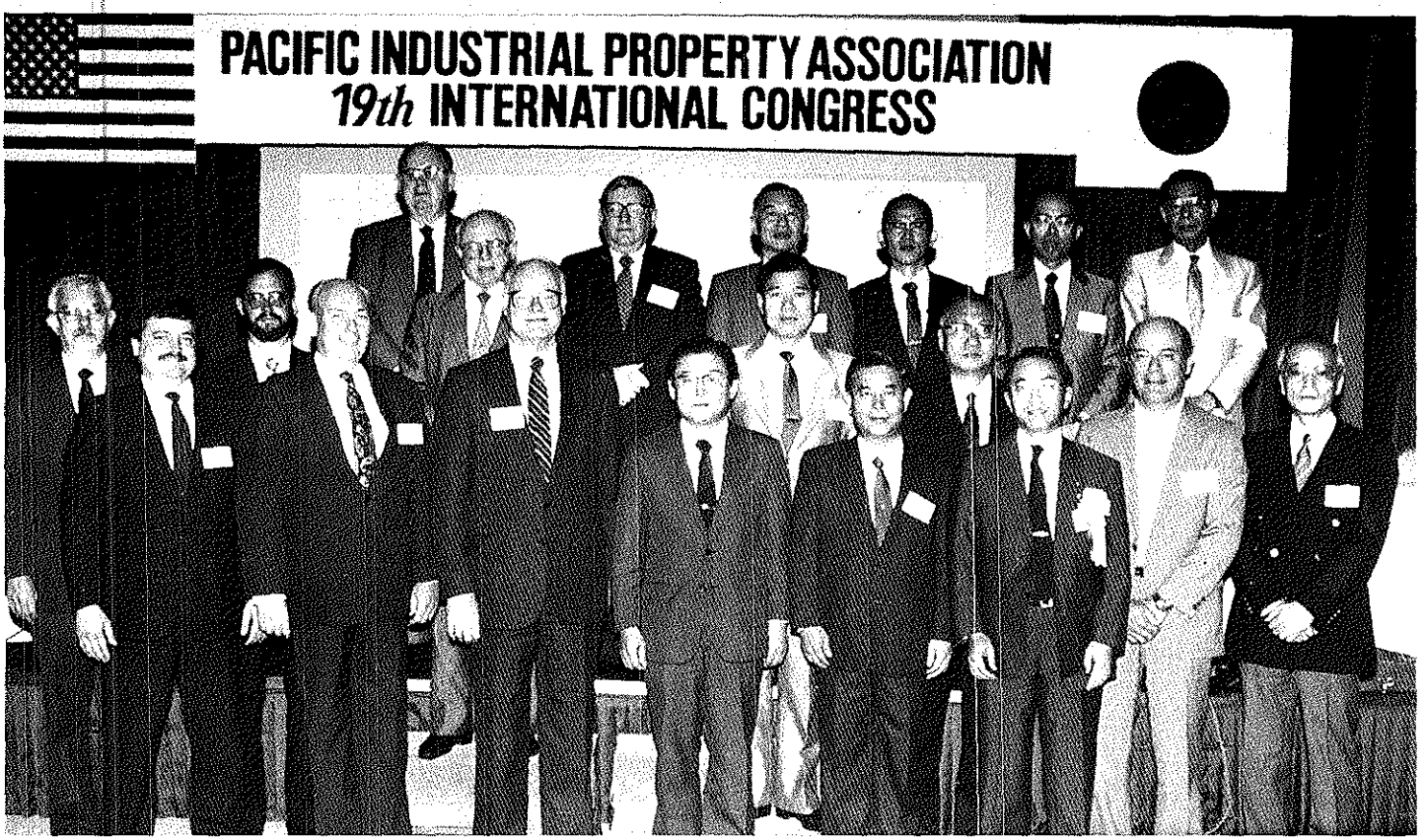
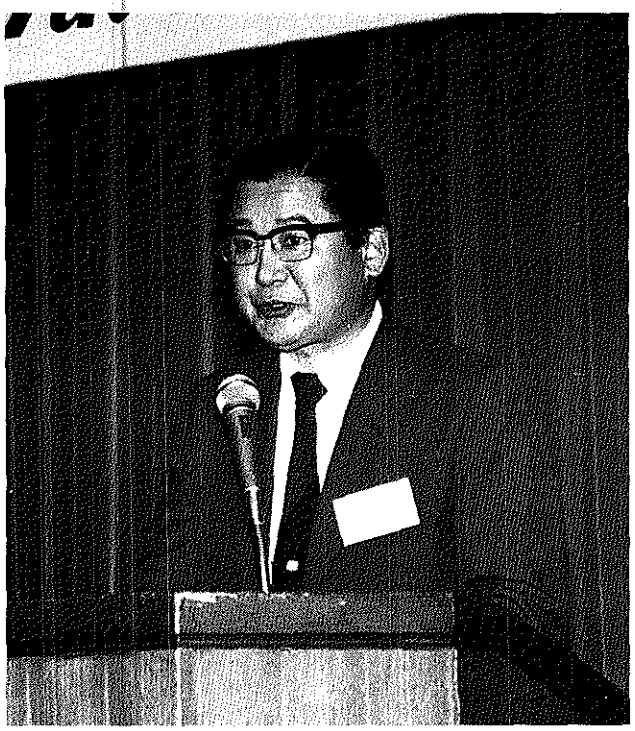


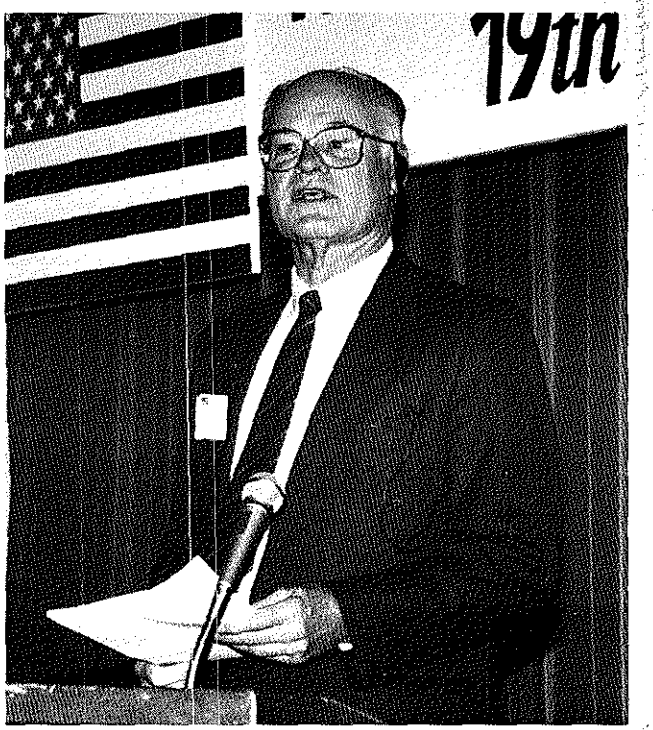






L to R: Back Row - M. Witte, J. Hawley, R. Childress, K. Jorda, A. Spiegel, A. Mifune, T. Aoyama, K. Shimizu, S. Takeuchi, M. Takada, J. Ichimura
FRONT ROW - L. Welch, P. Carmichael, A. Hirsch, K. Murayama, K. Norichika, T. Aoki, W. Thompson, K. Ono





Nineteenth
International Congress
Toba, Japan
October 5-7, 1988

PACIFIC INDUSTRIAL PROPERTY ASSOCIATION
太平洋工業所有権協会

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Advisor Japan Patent Association
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Guest Speakers

The Honorable Donald J. Quigg
Asst. Secretary/Commissioner of Patents
US Department of Commerce

The Honorable Hiromichi Obana
Deputy Commissioner
Department of Commerce

The Honorable Glichi Marusima
President
Japan Patent Association

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Chevron Research Co.
Banner, Birch, McKie & Beckett
Minnesota Mining & Manuf.Co.
IBM Corp.
The Goodyear Tire & Rubber Co.
Unisys Corp.
Texas Instruments Inc.
General Electric Co.
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Mitsubishi Gas Chem. Co.
Ajinomoto Co., Inc.
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Asahi Chem. Ind. Co., Ltd.
Osaka Gas Co., Ltd.
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PROGRAM MINUTES

FIRST DAY, WEDNESDAY, OCTOBER 5, 1988

The Nineteenth International Congress of PIPA was opened at the Hotel Toba International, Toba, Japan at 8:45 a.m. by Mr. Shigeo Takeuchi, PIPA Secretary-Treasurer of the Japanese Group, who welcomed Congress members, speakers, and guests. A report on 1987 activities was then presented by Mr. Alfred E. Hirsch Jr., United States Group President, who began with an overview of PIPA history, the significant issues addressed in 1988, and the positive changes that have been made due to PIPA's involvement. Mr. Hirsch then addressed the criticism pertaining to the Japanese Patent System and the Rockefeller Hearings that took place in the U. S. Senate. The American PIPA group has prepared a position statement disagreeing with the testimony and have offered to work with Senator Rockefeller and his committee in helping them to understand the issues.

Highlighted events of 1987 mentioned by Mr. Hirsch included the WIPO meetings in Geneva on harmonization of Patent Laws, the announcement of a new Chairman of U. S. Committee #2, Mr. Childress of the Goodyear Tire & Rubber Company, as well as a new Chairman of Committee #4, Mr. Welch of The UpJohn Co. Earlier this year the Japanese held its second follow up meeting in the USPTO, as well as prepared a valuable book containing presentations from the Baltimore Congress and the new PIPA group directory. Finally, Mr. Hirsch complimented the Japanese and American members of Committee #3 for their teamwork in preparing the Harmonization Program scheduled for Thursday morning. Following Mr. Hirsch's address, the 1988 PIPA officers were installed.

KEYNOTE ADDRESS

Mr. Kyoji Murayama, PIPA President of the Japanese Group, delivered the Keynote Address. In discussing global patent protection and harmonization in the intellectual property field, Mr. Murayama addressed the controversy on appropriate patent protection stemming from the Rockefeller Hearings held in the U.S. Senate last summer. Citing the importance of the Japanese and American Groups in working together to resolve differences and help each other to improve both systems, Mr. Murayama pointed to the opportunity for PIPA, that being the exchange of information regarding intellectual matters, as well as proposals and ideas to improve both systems. A final comment made by Mr. Murayama was the hope that the U. S. and Japanese Groups of PIPA would not limit their attention to intellectual property of both countries, but would open the gate of PIPA to certain other countries, especially in the area of commercial and industrial relations.

Mr. Murayama introduced the Honorary Chairman, Mr. Isamu Sakamoto, Advisor and Former Chairman of the Japanese Patent Association. In speaking of the importance of effectively protecting intellectual property, Mr. Sakamoto commended the U.S.'s IPO, Japan's Federation of Economic Organization, and Europe's UNICE for their efforts in producing a document describing a basic framework for the GATT provisions. Supporting Mr. Murayama's views on the importance of harmonization of intellectual property rights, Mr. Sakamoto stated his hope that the U.S. and Japan can resolve their differences and work together to promote positive solutions.

A message was read from the Honorable Donald J. Quigg, Assistant U. S. Secretary and Commissioner of Patents and Trademarks, expressing his regrets for not being able to attend the Nineteenth International Congress, but hopeful that this conference will open doors to a workable solution regarding differences between Japanese and U.S. systems for protecting inventions.

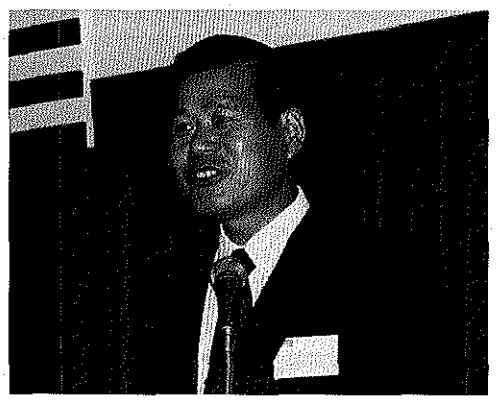
The Congress was honored to hear Special Addresses by the Honorable Hiromichi Obana, Deputy Commissioner of the Japanese Patent Office, and the Honorable Giichi Marusima, President of the Japan Patent Association.

Commissioner Obana reported on the status of industrial property administration in Japan, noting that progress has been made on the Paperless project of 1984, and that steps are being taken to speed up examination periods for patent applications. Regarding the relationships with Pacific basin countries, Mr. Obana commented on the U. S. Senate Hearings on the Japanese Patent System, concluding that constructive solutions will hopefully be found regarding trilateral cooperation among U.S., European and Japanese Patent Offices.

President Marusima spoke on the JPA, its 5th Anniversary and the study missions being sent abroad to address matters related to industrial property rights. While thanking American members of PIPA for making these missions possible, Mr. Marusima also brought to the American Group's attention the controversy regarding the Japanese Patent System, hoping that these two countries will take this opportunity at the Nineteenth Congress to exchange opinions and enhance mutual understandings to resolve this conflict.

The special addresses were concluded by a Special Memorial address for the late Edward L. Bell, given by his friend and contemporary, Mr. William R. Norris and Mr. Shigeo Takeuchi.

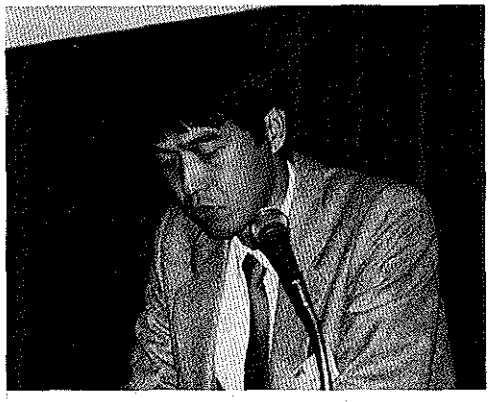
COMMITTEE NO. 1 REPORTS - Monte D. Witte, and Takami Aoyama, Chairmen



Mr. John Sinnott reported to the Congress on the recent changes in U.S. Patent Law. Highlights included two treaties signed between the U.S. and Japan pertaining to defense related information in patent applications and cooperation in research and development. 'Animal' patentability is another issue now being considered. Mr. Sinnott announced new orders and notices of changes to the Rules of Patent practice.

Michio Nakamura delivered the second report on the amended Japanese Patent Law, providing for fuller protection of more highly developed and more complex technological achievements, as well as for international harmonization of the patent system. Mr. Nakamura commented on the amendment made to the "Unity of Invention" law and outlined the revisions and results of questionnaires sent to member companies of the Japanese Group regarding the impact on application practice.

Mr. William S. Thompson reported on U.S. Restriction Practice as a corollary to "Unity of Invention" rules. U.S. practice has resulted in fragmentation of subject matter and the entire subject is now under reconsideration in the U.S.

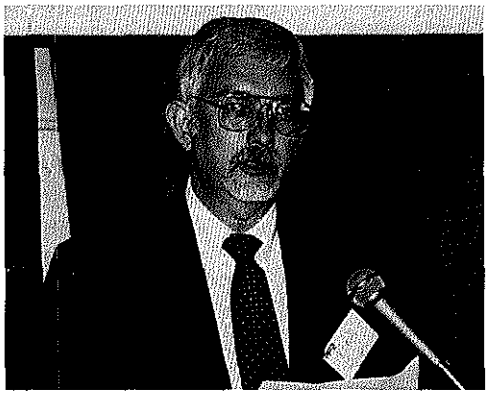


Committee No. 1 reports continued with Mr. Takashi Sawai's address on limits of identical inventions under Section 29 bis of the Japanese Patent Law. After outlining three cases where Section 29 bis was contested and the application rejected by the JPO, Mr. Sawai reported that upon later review, the court concluded that the inventions were patentable because of different results produced by the invention relative to a prior application. Mr. Sawai recommended to those whose applications had been rejected pursuant to Section 29 bis to take legal action to revoke the trial proceedings at the JPO.

Upon return from lunch, Mr. Paul D. Carmichael continued the reports with an update on the duty of "disclosures" in the United States. After outlining several cases where the CAFC found no intentional failure to disclose material information, Mr. Carmichael noted that the CAFC is quite intent on changing the law on the standard of materiality. Mr. Carmichael then reported on the revised USPTO rule on duty of "disclosure", whereby USPTO will pass to the Courts the responsibility of determining fraud and inequitable conduct matters, claiming the office is not the best forum. Mr. Carmichael noted that this policy raises concern among applicants and the courts and is presently the subject of pending legislation.

The Japanese appeal system and its present state was reviewed by Mr. Yoshiaki Matsui. Under the Japanese Patent Law, there is provided an appeal system dealing with seven kinds of demands including revocation of faulty decision, invalidation of faulty patent or revision of faulty patent specification. Annual demands for trial are about 11,500 cases of which 98% are directed against final rejection. The proportion of cases where the decision of rejection is revoked and patent is granted as the result of trial is about 60%. As for a period for carrying out the trial, of the earliest-processed cases (where publication and decision of opposition took place in the prior examination), about 60% is 2 years or less and 90% 4 years or less, and of the latest-processed cases (where no publication nor decision of opposition took place in the examination) 60% is about 5 years or less and about 90% 7 years or less.

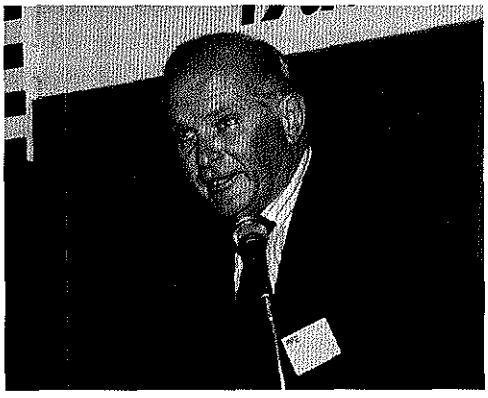
Mr. Monte D. Witte reported on the interview practice before the United States Patent and Trademark Office, i.e., an oral discussion between the patent attorney and the patent examiner about a pending patent application. Briefly discussed were the rules of practice concerning such interviews and recent case law pertaining to interviews. Practical suggestions were offered and mention was made of certain cautions.

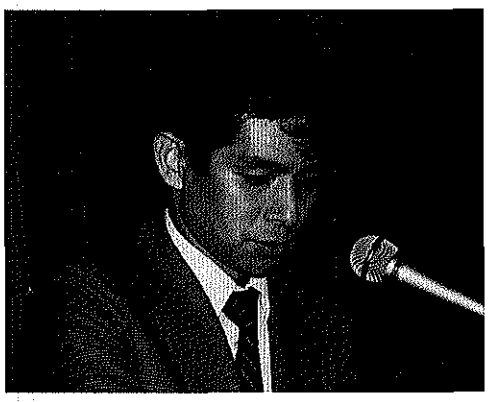


The final report from Committee No. 1 was by Mr. Hajime Kuwayama on the problems concerning trademark searches and the planned adoption of the International Classification of Goods. With an aim of participating at the end of 1989 in the Nice Agreement prescribing International Classification of goods for trademark registration, Japanese Patent Office is considering standards for the examination of similarity of goods. Anticipated problems and countermeasures therefor were reviewed. Several points to which U.S. applicants should pay attention were highlighted.

COMMITTEE NO. 4 REPORTS - Lawrence T. Welch and Shin Ando, Chairmen

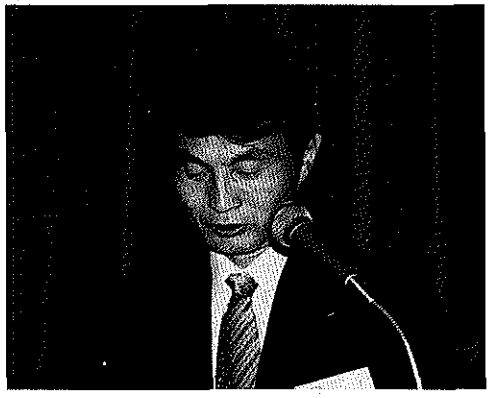
The afternoon continued with reports from Committee #4. Mr. Donald W. Banner spoke on amendments to Section 337 of the Tariff Act of 1930. To reduce the expense of Section 337 proceedings, the requirements that an industry "efficiently and economically operated" had suffered injury was eliminated with respect to actions based on statutory intellectual property. An industry is protected by Section 337 when it is shown to involve significant capital investment, employment or investment in exploitation of intellectual property. This could be an important feature of the law for foreign companies licensing into the United States.





The second paper of Committee #4 was delivered by Mr. Hironari Kitamura concerning Japanese patented inventions in research. Japanese Patent Law stipulates in Article 69-1 that "effect of patent right does not extend to working of patented invention for experiment/research". However, there are no stipulations in the law as to the objects and the allowable scope of such experiment/research. While there are no related decisions, Mr. Kitamura presented analysis of its probable application.

Mr. Lawrence T. Welch spoke on the experimental use exception to Patent Infringement. Under U.S. law, U.S. precedents on the patent were reviewed and the recent limited legislative reversal of the Bolar decision was explained. Criteria for determining whether a use is experimental were summarized.



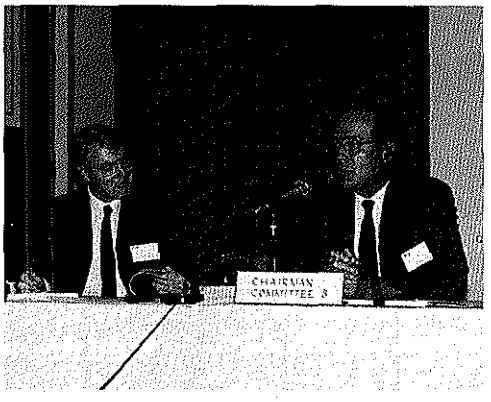
Exclusion of invalidating factors after grant of a patent by patentee was reviewed by Mr. Kazutaka Yoshida. A patentee may resort to a trial for correction for exclusion of invalidating factors if the patent specification is found to be defective after grant. Corrections cannot be made broader than those granted, but they are advantageous in that a decision of invalidation may be overruled. The use of this system is extremely limited compared to the re-issue system in the U.S. Mr. Yoshida discussed the overall use of trials for correction, the manner of excluding invalidating factors, and the limits of corrections allowed.

The final report of Committee #4 was written by Hesna J. Pfeiffer, presented by Mr. Bernard Snyder on the use of reissue and reexamination by U.S. Companies. The concept in U.S. Law of reexamination is here to stay. The procedure for reexamination was reviewed and contrasted with reissue procedures. Commentators have criticized one or the other of them and have called for changes in the U.S. Law. Briefly outlined were examples when the procedures have been useful.Similarities to the opposition proceeding in the Japanese patent practice were noted.

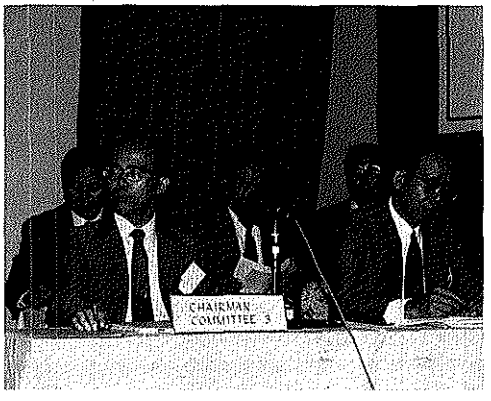
The first day of the Congress concluded with a dinner and reception in honor of Mr. Takashi Aoki, the current year's recipient of the PIPA Award for exemplary service and contributions to Intellectual Property Law development. Mr. Akira Mifune made the presentation.

SECOND DAY, THURSDAY, OCTOBER 6, 1988

COMMITTEE No. 3 REPORT - William S.Thompson and Mamoru Takada Chairmen



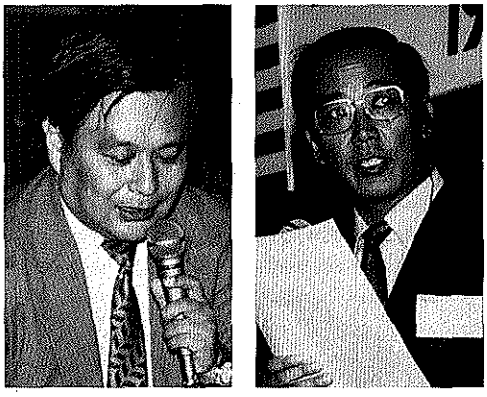
Committee No. 3 presented to the Congress a series of reports on Harmonization, addressing six areas of interest. These topics have been examined in hopes of coming one step closer to full harmonization between countries.



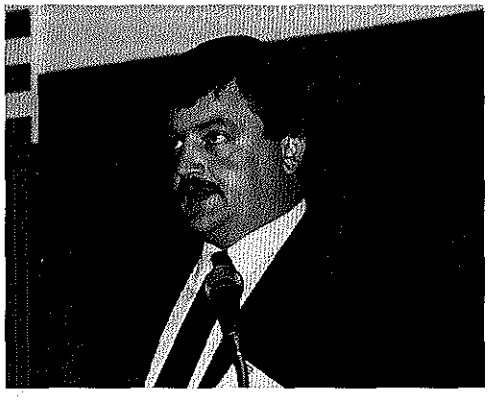
HARMONIZATION I: CLAIM INTERPRETATION

The first report was delivered by Mr. Yorozu Noda on recent developments on the application of Doctrine of Equivalents in Japan. It has been asserted that the Doctrine of Equivalents is seldom adopted by Japanese courts. Though such complaint may have been true several years ago, recent judgments on the Doctrine of Equivalents is deemed reasonable as seen from the decisions in the past seven years. However, such decisions contain few expressions such as "equivalent, therefore infringement". This is probably because Japanese Patent Law, Article 70 uses the word "technical scope" to describe the scope of patent protection, taking the shape of inclusion of both "literal infringement" and "infringement under the Doctrine of Equivalents". In fact, courts give so much consideration to the Doctrine of Equivalents that the Doctrine of Equivalents may come to the fore in Japan without objection.

A second report was presented by Mr. Warren W. Kurz speaking on the scope of U.S. Patent claims and the Doctrine of Equivalents. Upon addressing the inconsistency in defining an "equivalent" and the lack of distinction between infringement and literal infringement, Mr. Kurz proposed a compromise between traditional Japanese and U.S. approaches to claim interpretation. Patent applicants were encouraged to claim their inventions with great care.

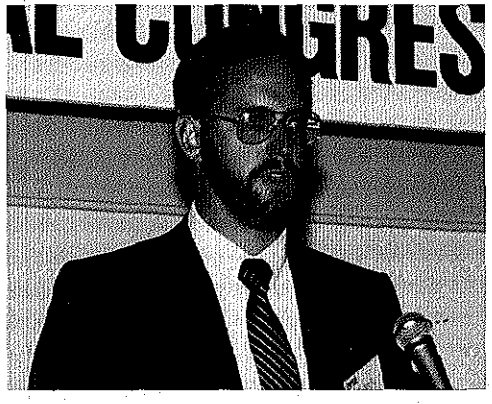


Another report on Japanese patent claim interpretation was presented by Mr. Kozo Hirase and Mr. Masahiko Omori. They reviewed the status of chemical patents in Japan. Over the past few years, comments have been made from abroad concerning the scope of claim granted to chemical patents, particularly new chemical substances in Japan. Current focus is on examples. A proposal has been made to treat examples flexibly, based on the common ground to grasp the invention as a technical idea by returning to the origin of the patent system.



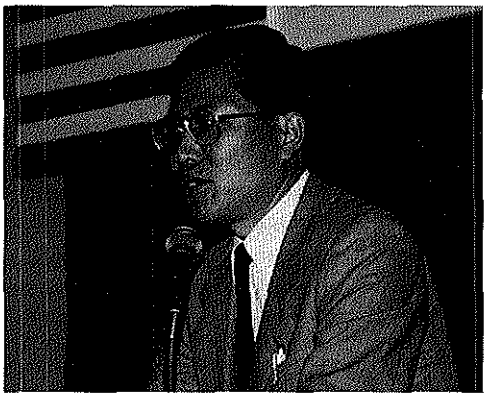
The final report from the subcommittee reporting on Claim Interpretation came from Mr. Lawrence T. Welch on the U.S.Patent Office Procedural Requirements. Finding mutual agreement on how patent claims should be treated by patent offices, Mr. Welch submitted that comparison of claims alone cannot determine whether one claim is narrower than another. While agreeing that an applicant should be entitled to a wide range of protection, Mr. Welch adds that the protection should be extended to allow for "pioneer inventions". He concluded by suggesting an alternate means of claiming chemical compounds of an invention.

HARMONIZATION II: OPPOSITION/REEXAMINATION



The next subcommittee on Harmonization addressed opposition and reexamination of patents. Mr. Jeffrey Hawley and Karl F. Jorda offered a proposal for challenges to patent validity. Proposing that a third party challenge be allowed, it should come from the patent office and the challenger should participate throughout the proceedings, including the appeal. Regarding the scope of the challenge, it is believed that all issues that might affect patentability should be included, and that the duration of the challenge period should be limited to five years. After that, challenges would be allowed only if it is a clear case of fraud. The report concluded with proposals that the patent challenge system be only for issued patents and that certain procedural features be changed.

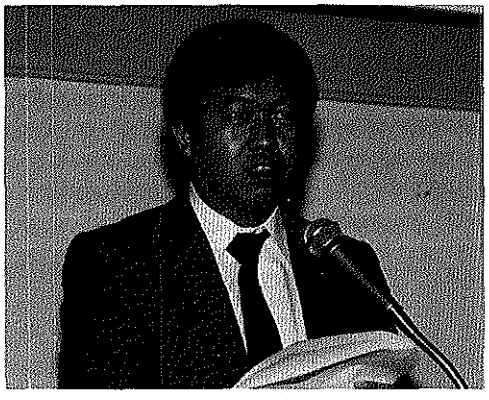
The second report came from Mr. Mitsuo Taniguchi offering some views on the Patent Opposition system in Japan. The system in Japan was established under the 1921 Law and has been functioning as an effective means for preventing defective patents from being issued,contributing greatly to enhancing the reliability of Japanese patents. On the other hand, there are some compliants originating in the U.S. that the grant of patent is delayed because the patent opposition system occurs before the patent grant.



HARMONIZATION III: DEFERRED EXAMINATION

Mr. William R. Norris presented "Deferred Examination: A U.S. Perspective." While a full seven year deferred examination system has some practical advantages, its abuse leads to costly uncertainties for both patent applicants and the public sector. An intermediate position of 30 months deferred examination would be in harmony with the PCT.

Mr. Ichiro Enomoto presented a paper written by Mr. Kazuya Hosaka on Japanese Patent Office measures to accelerate the examination of patents. It was observed that the use of the deferred examination system in Japan was for improving quality and avoiding delays. Mr. Hosaka discussed various measures being promoted by both government and private sectors to accelerate examination and the current status of these efforts.

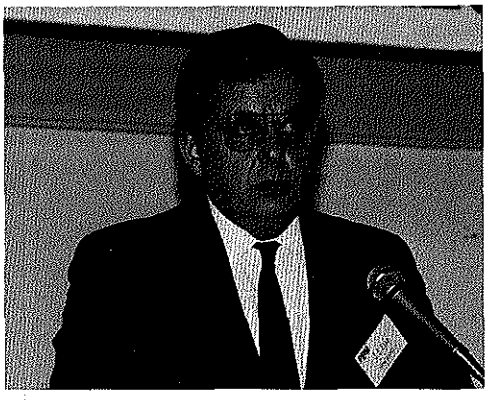


HARMONIZATION IV: GRACE PERIODS

Jon S. Saxe and Peter G. Stringer presented a report on grace periods, criticizing the European Patent Convention for eliminating grace periods in major industrialized European countries. After reviewing the present situation of 14 countries that grant grace periods, a recommendation was made for the adoption of the twelve month precedent of Draft Article 201 from the WIPO Treaty.

More comments regarding grace periods for patent filings was presented by Mr. Eiji Satoh. A grace period affords exceptional relief to early disclosure of an invention under the first-to-file system, and is one of the important items for harmonizing this system with the first-to-invent system. Mr. Sato presented views on "public disclosure", "a person who made the disclosure", "the scope of the benefit of a grace period", "the length of the period", and "the burden of proof", on the basis of Article 201 proposed by WIPO.

HARMONIZATION V: DURATION OF PATENTS



Mr. James E. Espe and Mr. Arnold H. Cole addressed the topic of patent duration, proposing that the duration of a patent extend twenty (20) years from the earliest actual date of filing in a country, with provisions to extend the period so as to compensate for unusual delay.

Another report on duration of patents was presented by Mr. Keiji Komaki. The interests of each country in this issue may conflict and, in particular, strong opposition may be made by the developing countries. Nevertheless, the duration of patent is one of the essential and important items in harmonization.

HARMONIZATION VI: PRIOR USER'S RIGHTS

The final harmonization issue addressed was that of prior user's rights, by Mr. Karl Hormann (presented by Richard Childress). Upon explaining U.S. procedure on prior rights of a third person being sued for infringement of a patent (statutory provisions notwithstanding), Mr. Hormann believes certain requirements must be met to raise the right of prior invention to the level where it can be used successfully as a defense in a patent infringement suit. Mr. Hormann suggested that the U.S. could reduce the number of legal disputes if it adopted a first-to-file system.

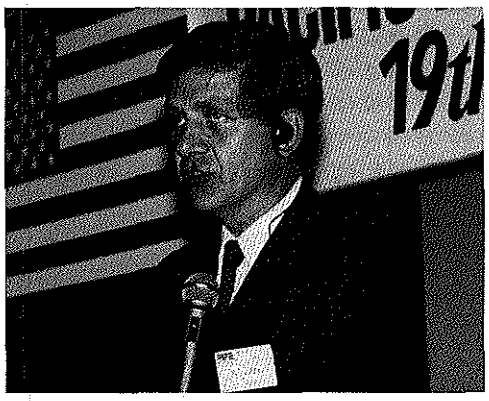
The final paper of Committee No. 3 was presented by Mr. Takeo Hamazaki. Many countries have adopted the first-to-file system. It makes provision for prior user's rights by granting nonexclusive license under the patent right of the third party to maintain equity between the patentee and the prior user who used the invention in good faith prior to the filing of a patent application. The paper discussed the system of prior user's right as defined in Article 79 of the Japanese Patent Law and recent decisions and the proposed WIPO Article 308 related to the prior use. Suggestions were made for certain changes.

Subsequent to Mr. Hamazaki's address, the Congress adjourned to participate in the bus tour to the Kongoshoji Temple and Isle Jingu Shrine. The day concluded with a dinner and reception for members and guests.

THIRD DAY, FRIDAY, OCTOBER 7, 1988

COMMITTEE NO. 2 REPORTS - Richard H. Childress and Katsuhiko Shimizu, Chairmen

The third day of the Nineteenth Congress began with Mr. Joseph Marhoefer, of Committee 2, discussing computer programs and their copyrights. Describing examples of current issues related to copyrights of computer programs in the U.S., Mr. Marhoefer pointed out that simple, universal copyright concepts may not be as simple as originally thought. Problems with proving and identifying "authorship" of programs was addressed as well as the copyrightability of screen displays in the U.S. Mr. Marhoefer concluded that there are no quick answers to these problems.



Mr. Richard P. Lange then addressed the question of whether the Shrink Wrap License for computer software is necessary. While enforceability of these contracts is questionable, there is a strong public interest in workable protection for maintaining development incentives.

Committee No. 2 reports continued with Mr. Hiroatsu Kaneko's paper on software licensing developed by third parties. Problems encountered under the Japanese Copyright Law in licensing or marketing software programs developed by software houses on consignment were reviewed. To ensure problem free marketing or licensing of such software, care should be taken in consigning software development work to third parties. Not only should the legal aspects be investigated, but the past development and licensing performance of software houses also should be known. The inalienable moral right of a software author often reverts to the software house which employs the author. Therefore, a consignor should realize that the whole copyright to such software cannot be acquired.

The next paper was presented by Mr. Richard L. Donaldson on Employment Agreements and how to protect trade secrets in a high technology environment. In order to obtain a fair return on technology investment, it is imperative that technology be protected from unauthorized disclosure to competitors. The various methods available to protect such technology, and specific measures for protecting trade secrets are described. Special attention was directed to the importance of employee contracts for protecting a company's trade secrets. Alternatives and remedies for unauthorized use or disclosure of Trade Secrets were briefly summarized.

Mr. Richard H. Childress continued with Committee No. 2's presentations by addressing various aspects of trade secret licensing. Be aware that the contract language governs all business risks and contingencies. When licensing trade secrets and patents in the same agreement, the royalty rates or fees should be differentiated or allocated in order to clearly distinguish what the licenses is obligated to pay for. A final comment was that restrictions and restraints should be analyzed to determine whether such provisions expose the parties to antitrust concerns.

Concluding Committee No. 2's reports and the last presentation of the Congress was Mr. Michihisa Ohkawa on the current status of intellectual property protection in Japan. There are special laws such as patent law, utility model law, trademark law, design law, copyright law and other specific laws. These laws are explained, particularly in respect of items of the intellectual property which are not sufficiently protected thereunder. The paper enumerates and analyzes several items or objects of the property (e.g. service marks, confidential information) for which protection is difficult under these industrial property laws. Their protection is also subject to one or more general laws or a combination thereof, such as the unfair competition prevention laws, the commercial code, and the civil code. Full protection of intellectual properties requires further review of the current legal system or formation of a new system.

A luncheon and closing ceremonies brought the 19th Congress of PIPA to an end. The closing address was presented by Mr. Alfred E. Hirsch Jr., commenting on the success of the conference reports and activities, and inviting all to attend the next assembly of the Congress in Tuscon Arizona, scheduled for October 4-6, 1989.

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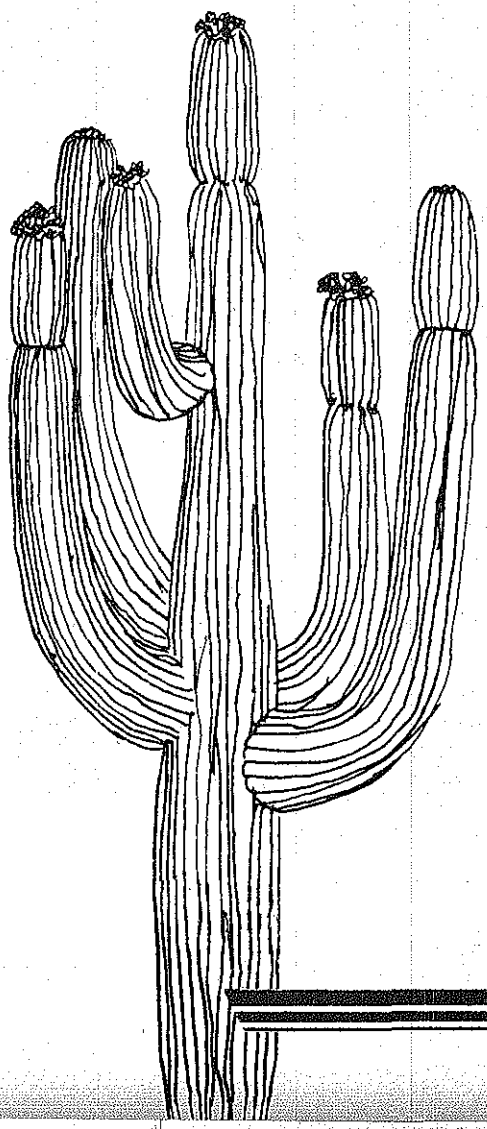
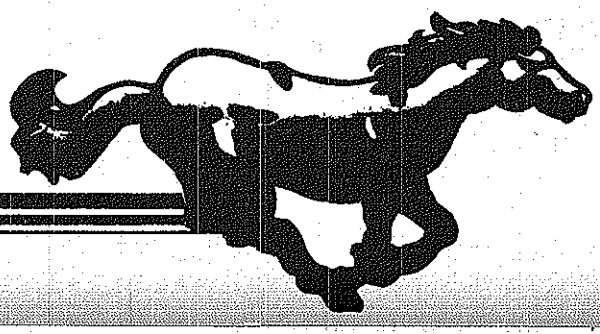
The Twentieth International Congress



TUCSON

October 4 - 6, 1989



PROGRAM

WEDNESDAY, OCTOBER 4, 1988

7:30 a.m. REGISTRATION

8:00 a.m. OPENING CEREMONIES

Opening of the Congress - P. Carmichael
Report of the 1988 Activities - K. Norichika
Installation of PIPA Officers for 1989
Remarks of U.S. Commissioner - D. Quigg
Historical Perspective: American Perspective - M. Kalikow
Japanese Perspective - K. Ono

10:00 a.m. COFFEE BREAK

10:20 a.m. **REPORTS OF COMMITTEE No. 1** - Chairmen: J. Sinnott/T. Sawai

Y. Miura: "Examination Practice and Problems in Cases Involving Invention of Compositions and Products Defined by its Physical Properties"

L. Gibson: "Management of Trademarks in a U.S. Company and Service Marks in the U.S."

F. Hayakawa: "Interviews by Examiners in Japan"

12:00 p.m. LUNCH

1:30 p.m. G. Samuels: "The Status of Parameter Claims in the Court of Appeals for the Federal Circuit"

J. Sinnott: "Recent Changes in U.S. Patent, Copyright and Trademark Law with Some Speculations About the Future"

K. Okada: "Amendment and a Change of Gist"

Y. Suzuki: "Japanese Associated Trademark System"

2:30 p.m. **REPORTS OF COMMITTEE No. 2** - Chairmen: R. Childress/K. Shimizu

R. Brink: "U.S. Antitrust Guidelines for International Licensing"

S. Naganuma: "On Guidelines for Regulation of Unfair Trade Practices With Respect to Patent and Know-How Licensing Agreements"

3:30 p.m. COFFEE BREAK

3:50 p.m. K. Okamoto: "Software Protection and Reverse Engineering in Japan"

W. Ellis: "Legal Considerations of Reverse Compilation and its Adverse Effects on the Commercial Right of the Originator"

J. Ambrosius: "Licensor Tort Liability in U.S. Licensing Know-How and Patents"

7:00 p.m. RECEPTION AND BANQUET

Presentation of the 1989 PIPA Award to Karl Jorda

THURSDAY, OCTOBER 5, 1989

8:00 a.m. **REPORTS OF COMMITTEE No. 3** - Chairmen: W. Thompson/K. Kamisugi

Harmonization of Patent Laws

-Publication and Accelerated Examination	M. Taniguchi/A. Cole
-Administrative Revocation	K. Takehawa/B. Snyder
-Changes in Granted Patents	K. Komaki/R. Megley
-Claim Interpretation	Y. Noda/P. Wilde

10:00 a.m. COFFEE BREAK

10:20 a.m. Y. Noda: "On the Doctrine of Equivalents Among the U.S., West Germany and Japan"

M. Omori: "Comparative Study on Identical Inventions Between Japanese and European Patent Offices"

P. Stringer: "Whole Contents, A European Perspective"

M. Ueda: "Present Situation of Computer Programs by Copyright Laws and Issues Therein"

T. Hosaka: "On Amendments to Section 337 of 1930 United States Tarriff Act and Current Problems"

11:30 a.m. Address by Ira Wolf, Legislative Assistant to Senator John D. Rockefeller IV

12:30 p.m. TOUR

6:00 p.m. DINNER AND SOCIAL EVENING

FRIDAY OCTOBER 6, 1989

8:00 a.m. **REPORTS OF COMMITTEE No. 4** - L. Welch/A. Wakamatsu

T. Tetsuka: "Warnings of Infringements and Unfair Competition Law"

W. Norris: "The Right to Use Confidential Information on the Expiration of Confidentiality Obligations"

A. Wakamatsu: "Assessment of Damages When Part of a Product Constitutes a Patent Infringement"

10:00 a.m. COFFEE BREAK

10:20 a.m. **PANEL DISCUSSION ON ITC**

V. Fabiano: "Conflict of ITC Procedures and the GATT"

K. Kamisugi: "Japanese View of ITC Issues"

12:00 p.m. LUNCHEON AND CLOSING CEREMONIES

Tucson and the Southwest

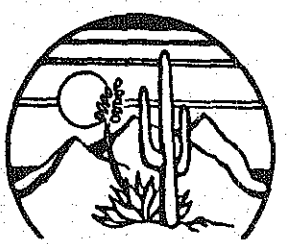
Betty Levengood will give a one-hour program on Tucson and the southwest at 7:00 p.m. on Tuesday evening, October 4. Betty Levengood is a historian from the Tucson area.

Old Tucson

Located on the western side of the city, Old Tucson is a reconstruction of a southwest city as it would have been in the Wild West Days. In addition to serving as a tourist attraction, it is often used as a movie set.

Desert Museum

This is not an ordinary museum. Located mostly outdoors, the exhibits include living plants and animals that have adapted to survive in the harsh desert climate.



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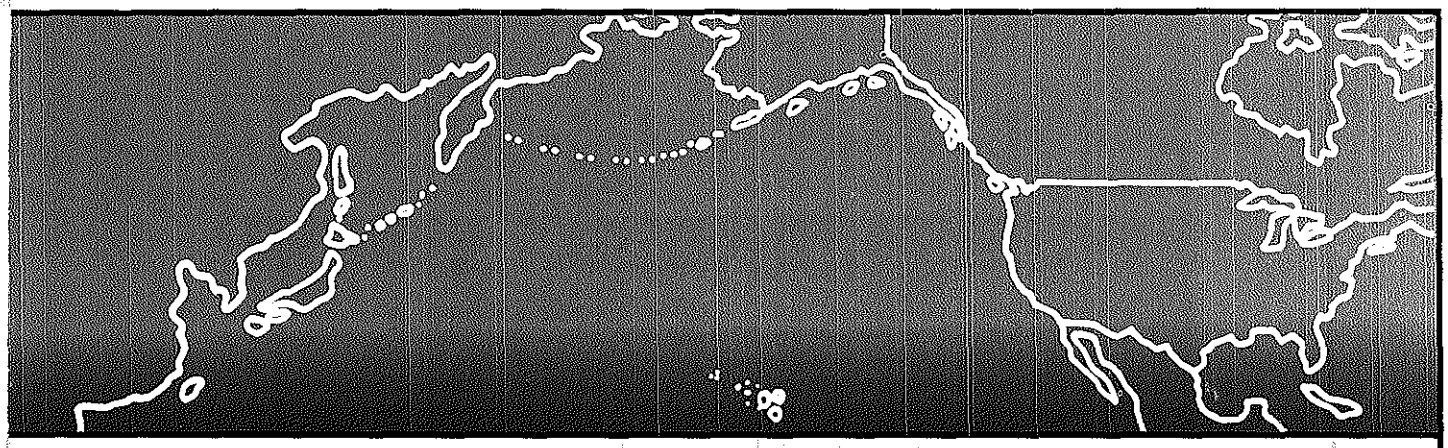

TWENTIETH INTERNATIONAL CONGRESS TUCSON, ARIZONA OCTOBER 4 - 6, 1989

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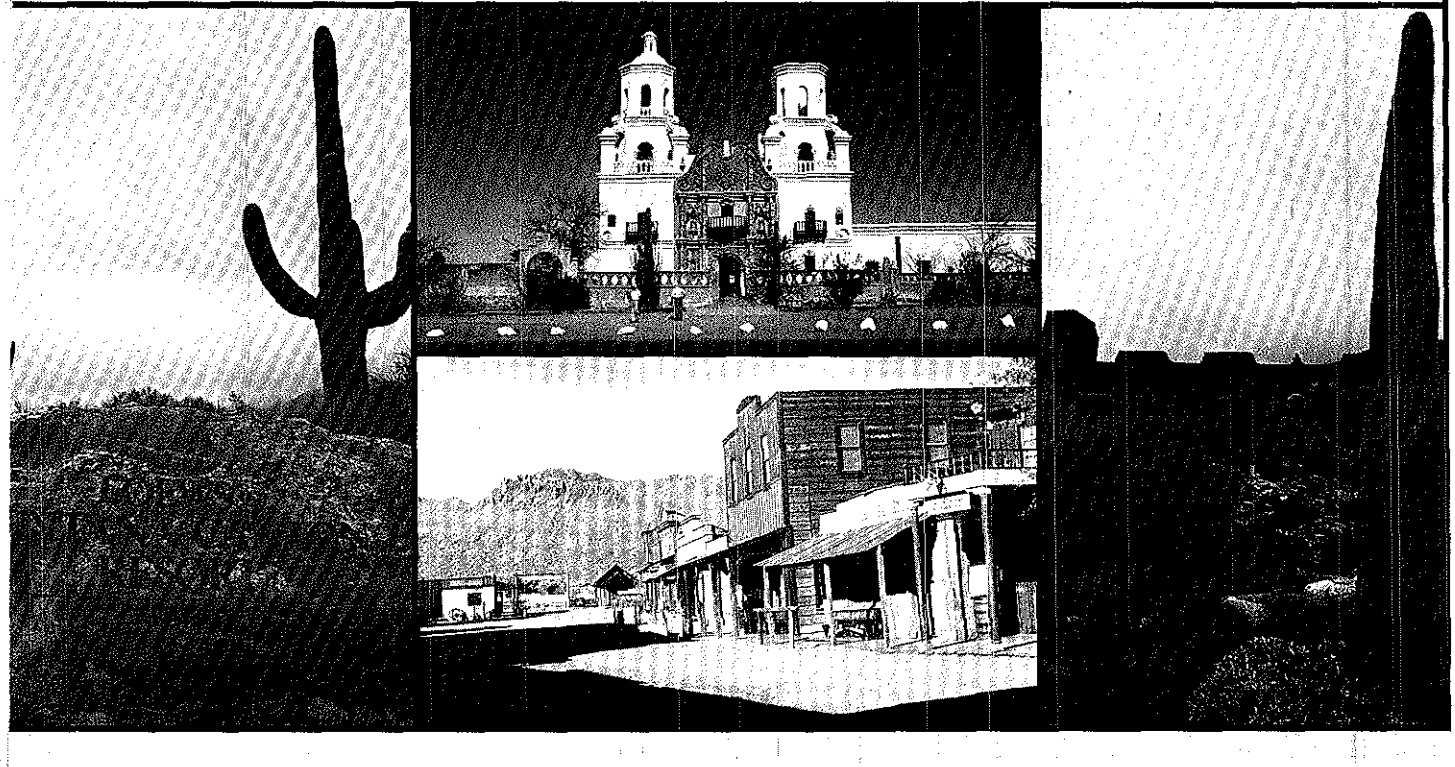

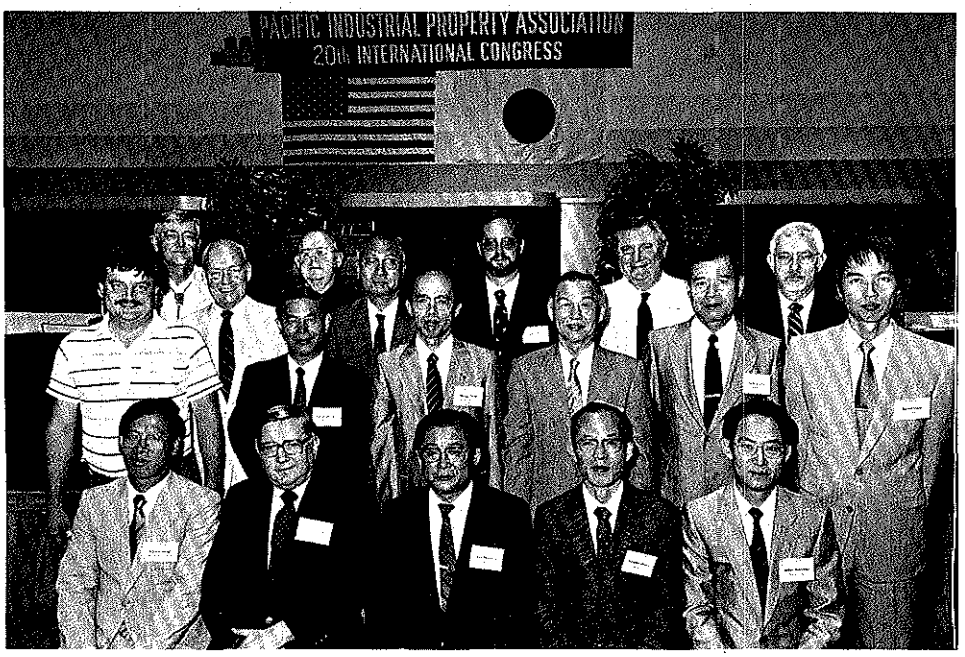

LEFT TO RIGHT: FRONT ROW: K. Kamisugi; A. Spiegel; K. Murayama; K. Shimizu; A. Wakamatsu.

MIDDLE ROW: L. Welch; K. Norichika; M. Takada; Y. Mifune; T. Aoyama; T. Sawai.

BACK ROW: W. Norris; P. Carmichael; R. Childress; S. Takeuchi; J. Hawley; J. Sinnott; M. Witte.

Twentieth
International Congress
Tucson, Arizona
October 4 - 6, 1989

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Committee No. 1	Takashi Sawai	John P. Sinnott
Committee No. 2	Katsuhiko Shimizu	Richard H. Childress
Committee No. 3	Kazuo Kamisugi	William S. Thompson
Committee No. 4	Akihide Wakamatsu	Lawrence T. Welch

Program Chairman — J. Jeffery Hawley

Guest Speakers

Edward R. Kazenske
Executive Assistant to the
Assistant Secretary of Commerce and
Commissioner of Patents and Trademarks

Ira Wolf
Legislative Assistant to
Senator John D. Rockefeller IV

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PROGRAM MINUTES

FIRST DAY
WEDNESDAY, OCTOBER 4, 1989

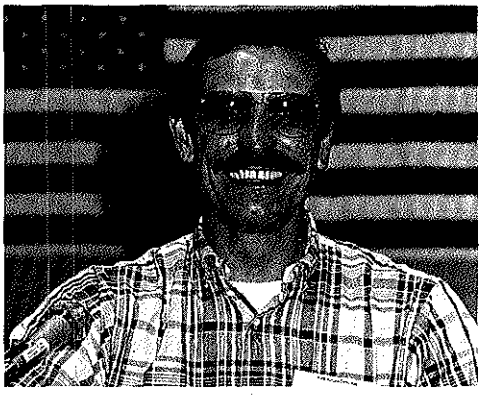
Opening of the Congress

The Twentieth International Congress of PIPA was officially opened at Lowe's Ventana Canyon Resort in Tucson, Arizona by Mr. Paul D. Carmichael, President of the US Group and presiding officer of the Congress. In his opening remarks, Mr. Carmichael emphasized the importance of this Congress as commemorating the twentieth anniversary of the founding of PIPA. It is, he said, a time to look back at what has been accomplished. It is also a time to look forward to the direction the organization will take during the next twenty years which will take us into the twenty-first century. PIPA has been very successful in bringing about better understandings and appreciations of the intellectual property systems of our two countries. Continued discussion and negotiation will be required to resolve the problems and disputes which are bound to arise in the next twenty years. PIPA will continue to occupy a significant place in the future. Mr. Carmichael also recognized the presence of observers from Canada and the Republic of China. Officers for 1990 of both the Japanese and the American Group were introduced and installed.

The Past Year of PIPA

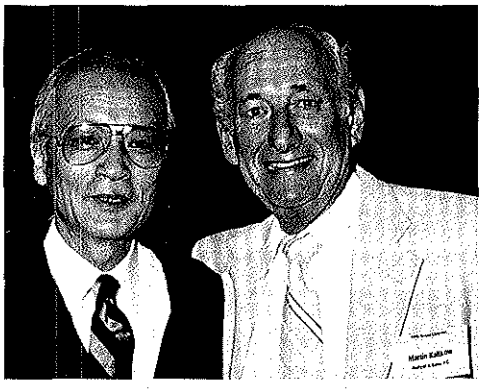
During the morning of the First Day, Mr. Kensuke Norichika, President of the Japanese Group, took the podium to review PIPA's activities during the year since the Nineteenth International Congress. Criticism of the Japanese patent system by certain American companies (non-members of PIPA) and Senator Rockefeller's hearings were important events of the past year. The written responses and other efforts of various American Group members helped significantly in presenting a balanced picture of the Japanese system. Attendance of Japanese Group members at various international meetings was important to the whole profession.

GUEST SPEAKER



Mr. Edward R. Kazenske, Executive Assistant to the Assistant Secretary of Commerce and Commissioner of Patents and Trademarks of the United States, presented greetings from Commissioner Quigg, reviewed recent activities at the US PTO, and discussed certain international topics facing intellectual property. A major milestone was reached in the PTO: average pendency was reduced to the goal of 18 months despite the receipt of record numbers of applications. Improvements have been made in the areas of examinations of applications relating to biotechnology, office automation, and the Quality Reinforcement Program. Implementation of the Trademark Law Revision Act of 1988 has also been accomplished. In the international arena, talks among Japan, the EPO, and the United States are continuing. Discussions in the GATT and with WIPO are also continuing. Harmonization of patent laws and the lowering of international patenting hurdles continue to be important topics of negotiation. Mr. Kazenske anticipates progress during future negotiating sessions.

Retrospective



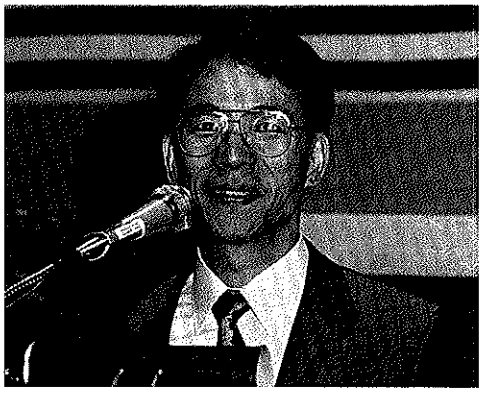
A highlight of the opening session of the Twentieth International Congress was the pair of talks by Mr. Martin Kalikow and Mr. Koichi Ono. These gentlemen, each a past president of his respective group and each a long-time member of PIPA, reviewed the founding of the organization and its development over the past twenty years. Each emphasized the growth of understanding of the Japanese and American patent systems and of trust among the members of the two groups. The willingness of the founding members of PIPA to frankly discuss intellectual property problems and to strive to understand a culture and system different from their own was in major part responsible for the success of the organization. Mr. Ono and Mr. Kalikow anticipate the continued growth and achievement of the organization.

Greetings from Past Officers

Mr. Carmichael concluded the Opening Ceremonies by reading several letters written by former officers of PIPA on the occasion of the Twentieth International Congress. Similar letters were read at various times during the Congress.

COMMITTEE NO. 1 REPORTS

John P. Sinnott and
Takashi Sawai,
Chairmen

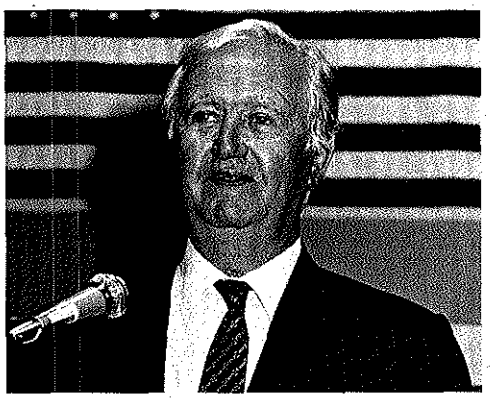


Mr. Yoshikazu Miura opened the technical portion of the Congress with a paper discussing the Japanese examination practice in applications involving compositions and products defined by physical properties. Problems such as breadth of claims and disclosure, demonstration of patentability, and the differences between properties and results were addressed in terms of Standards of Examination and trial decisions.

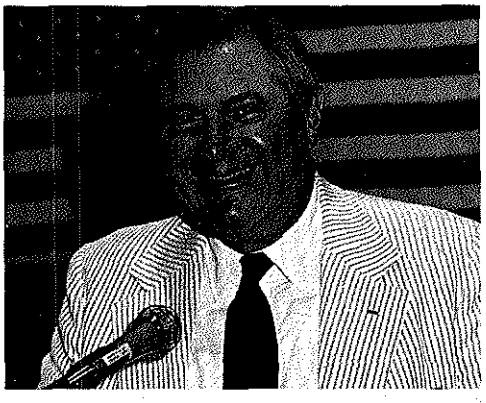
Mr. Gary A. Samuels then presented a review of the subject (characterized in terms of "parameter claims") from the perspective of American practice. Decisions of the PTO Board of Appeals and of the CAFC directed to this topic were examined.

Next on the technical program was Mr. Futoshi Hayakawa who compared the practice of interviewing examiners in Japan with the corresponding practice in the U.S. He also discussed the results of the harmonization meetings of 1988 as they relate to this subject.

Mr. Louis M. Gibson described how a large estate of trademark registrations is managed in a U.S. company. In addition, Mr. Gibson discussed U.S. service mark practice.

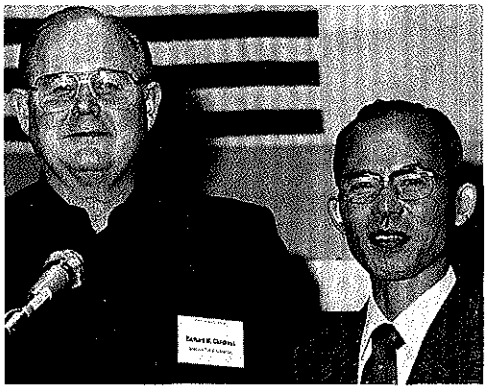


The last speaker before lunch was Mr. John P. Sinnott who described recent changes in U.S. patent and trademark law. In this talk, the third of what is becoming an eagerly awaited annual event, Mr. Sinnott covered not only patent laws, but also rules of practice in patent cases. He particularly emphasized the changes in trademark law which will become effective in the U.S. in 1989.



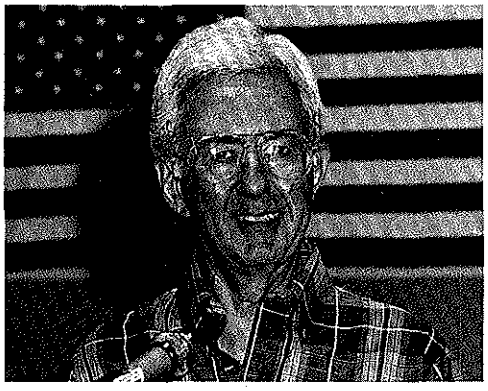
Immediately following lunch, Mr. Kazuhisa Okada presented a summary of a detailed analysis of the amendment of Japanese patent applications in so far as a change of gist may be involved. The conclusion reached from this study is that any amendment requires an essential understanding of the invention if change in gist is to be avoided.

The final paper from Committee No. 1 was read by Mr. Yuji Suzuki. The Japanese associated trademark system has no counterpart in U.S. law. Mr. Suzuki discussed the characteristics of the system, its inherent problems, and possible solutions to those problems.



COMMITTEE NO. 2 REPORTS

Richard H. Childress and
Katsuhiko Shimizu,
Chairmen

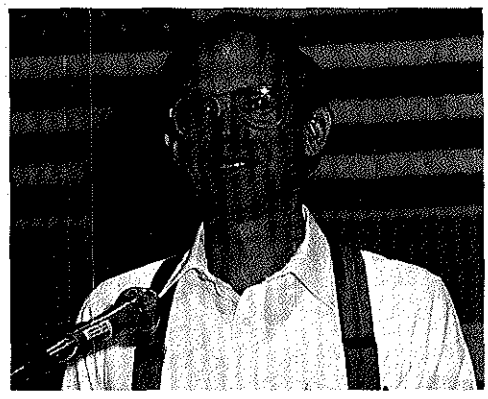


Mr. Richard E. Brink was the first speaker representing Committee No. 2. His paper covered the U.S. antitrust aspects of international licenses. His conclusion is that the U.S. Department of Justice will not concern itself with any particular license unless there is an impact on U.S. Consumers.

In 1989, Japan's Fair Trade Commission revised its guidelines concerning the regulation of unfair trade practices in patent and know-how licenses. Mr. Seikoh Naganuma reported not only the substance of the revised guidelines, but also on the process followed in revising them.

Software licenses frequently contain provisions restricting reverse engineering. Mr. Kiyohiko Okamoto reviewed the reasons for such provisions and Japanese statutory rules and case law respecting such provisions. He was particularly concerned with the reasonableness of such provisions in view of software protection and maintenance of fair competition.

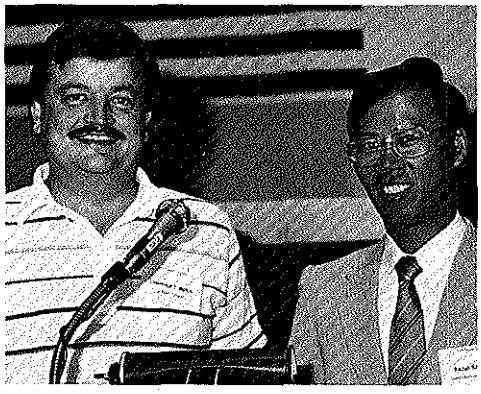
Mr. William T. Ellis considered in depth the adverse effects of reverse compilation on the commercial rights of the originator. He concluded that recent proposals to legalize reverse compilation should be rejected because widespread application of the practice would eliminate the motivation of programmers to develop new products.



The final paper from Committee No. 2, and of the first day's program, was presented by Mr. James W. Ambrosius. He discussed recent U.S. case law which demonstrates that licensors of intellectual property may be subject in tort to third parties. Techniques for reducing this risk were presented.

Banquet

The final event of the Twentieth Congress's first day was the annual banquet. Mr. Karl Jorda was honored as the 1989 winner of the PIPA Award for exemplary service and contributions to intellectual property law development. Past Presidents of the Japanese and American Groups were recognized for their services to the organization.

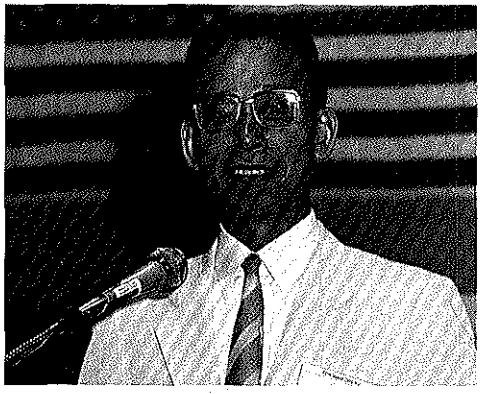


SECOND DAY
THURSDAY, OCTOBER 5, 1989

COMMITTEE NO. 3 REPORTS

William Thompson and
Kazuo Kamisugi,
Chairmen
Mr. Lawrence T. Welch substituted on the podium for Mr. Thompson.

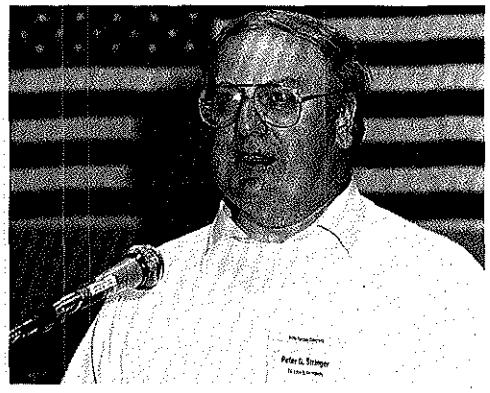
Thursday morning's technical session began with a panel discussion of recent developments in harmonization. Messers. Mitsuo Taniguchi and Arnold H. Cole addressed the subjects of publication and accelerated examination; E. Sato and Bernard Snyder, administrative revocation; Keiji Komaki and Richard B. Megley, changes in granted patents; and Yorozu Noda and Peter V. D. Wilde, claim interpretation. The speakers mentioned the status of the draft harmonization treaty and each presented his personal views of the various topics.



Following the panel discussion, Mr. Yorozu Noda gave a paper dealing with the doctrine of equivalents in the U.S., German, and Japanese systems. In addition to a comparative study, the paper also discussed the WIPO draft Article 304.

Mr. Keiji Komaki reported on a comparative study of identical inventions between the Japanese and European offices. He concluded that the interpretation in the European office is narrower than in the Japanese office.

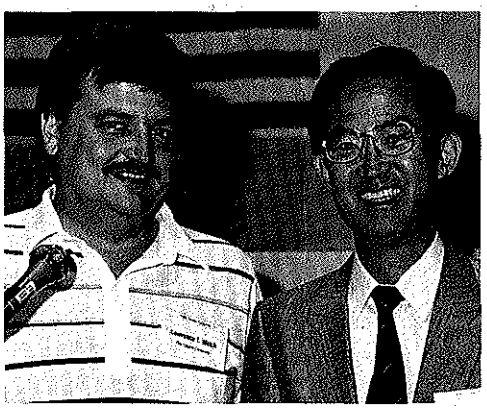
Article 202 of the Harmonization treaty, according to Mr. Peter G. Stringer, is founded on both Japanese Article 29bis and EPO article 54(3). The ramifications of such a combination were discussed.



Mr. N. Kuroishi read a paper dealing with the protection of computer programs by copyright. This worldwide trend was traced through several recent judicial decisions.

Guest Speaker

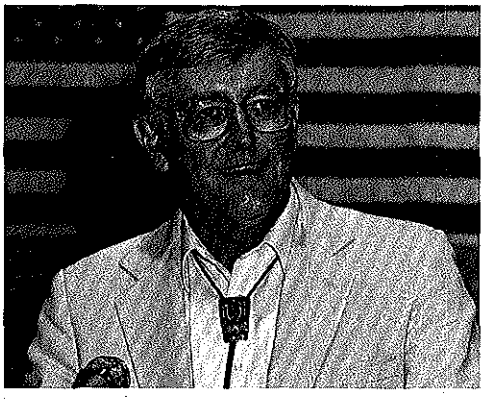
The second day's technical program concluded with an address by Mr. Ira Wolf, Legislative Assistant to Senator John D. Rockefeller IV. Mr. Wolf traced the genesis and the development of the Senator's recent interest in intellectual property on an international scale. Problems facing the patent systems in the major industrialized nations and possible solutions were mentioned. All interested parties in the various countries must work together to advance trade and commerce.



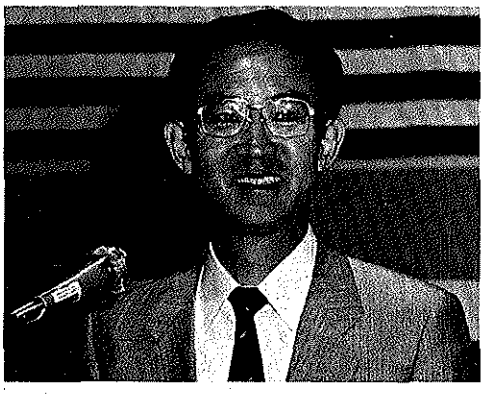
THIRD DAY
FRIDAY, OCTOBER 6, 1989

COMMITTEE NO. 4 REPORTS
Lawrence T. Welch and
Akihide Wakamatsu,
Chairmen

The first paper from Committee No. 4 was read by Mr. Toshio Tetsuka. He developed his subject, warnings of infringement and unfair competition law, by describing the procedures usually followed in infringement situations in the context of the statutes and case law.



Mr. William R. Norris reviewed the U.S. case law which has considered the right to use confidential information following the expiration of confidentiality obligations. Mr. Norris concluded that not all serious potential problems have been decided by the courts. He suggests that the topic be addressed comprehensively in negotiated written confidentiality agreements.



The assessment of damages where only part of a product constitutes patent infringement was the subject of the paper read by Mr. Akihide Wakamatsu. The legal bases of damage recoveries and the recent case law on the subject were fully developed by the speaker.

PACIFIC INDUSTRIAL PROPERTY ASSOCIATION

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