JAPANESE PRO-PATENT POLICY:
AN ANALYSIS OF ITS IMPACT ON THE JAPANESE
BIOTECH/PHARMACEUTICAL AND SEMICONDUCTOR INDUSTRIES

A THESIS SUMITTED TO THE
STANFORD PROGRAM IN INTERNATIONAL LEGAL STUDIES
AT THE STANFORD LAW SCHOOL,
STANFORD UNIVERSITY
IN PARTIAL FULFILLMENT OF THE REQUIREMENTS
FOR THE DEGREE OF JURIDICAL SCIENCES MASTER

By
Riwa Horie
May 2000
Abstract

Through the analysis of two particular industries in Japan, the biotech/pharmaceutical and semiconductor industries, this thesis articulates the complexity of a patent system. In particular, the thesis analyzes the divergent impacts of pro-patent policy among different industries and different types of firms in Japan. The author's survey of patent experts in Japanese firms confirmed the complexity of a patent system and further found the respondents' skepticism about the U.S. style of pro-patent policy. Therefore, even though it is unarguable that the Japanese government should aim at pro-patent policy as a long-term policy goal, the timing and the process of such policy reform needs to be determined carefully, taking into account the current international technological competitiveness of major domestic firms and their potential for innovation.
TABLE OF CONTENTS

I. INTRODUCTION 1

II. SOCIAL FUNCTION OF PATENTS 2
   1. Definition 3
   2. Divergent Functions of Patents and Divergent Policy Priorities 4

III. THE RECENT PRO-PATENT POLICY IN JAPAN 11
   1. Economic Background 12
   2. Characteristics of Japanese Patents 14
   4. The need for reviewing the trend toward pro-patent policy 21

IV. ANALYSIS OF PATENT PROBLEMS IN INDIVIDUAL JAPANESE
    INDUSTRIES 22
   1. Comparative Focus on Two Japanese Industries: Biotech/Pharmaceutical and
      Semiconductors 22
   2. Analysis of the Japanese Biotech/Pharmaceutical Industry 28
   3. The Japanese Semi-conductor Industry 86

V. CONCLUSION 109