

## **BOOK REVIEW**

**PATENT AND KNOW-HOW LICENSING IN JAPAN AND THE UNITED STATES**—edited by Teruo Doi and Warren L. Shattuck: University of Washington Press, Seattle and London, 1977. Pp. 430. \$27.50.

The transfer and use of technology is of considerable importance and of great interest to a far wider range of countries than solely the developing ones, the example which perhaps most readily comes to mind these days. Past years of active exchange of technological achievements among Western and Japanese trading partners demonstrates this interest. Trade between the United States and Japan provides one of the best examples. While the transfer is often beneficial in the long run to both sides, the means of transfer and of protecting the parties' interests are often obscured by such barriers as language and cultural diversities and disparities in the legal systems involved.

A book such as this one which examines the patent system and procedures for licensing know-how in Japan and the United States contributes greatly to clarifying the disparities and eliminating these barriers. The practitioner with clients in either country desiring to do business in the other benefits by the compilation of information provided in this book.

Editors Teruo Doi and Warren Shattuck have effectively coordinated the writings of various American and Japanese attorneys, professors, and businessmen experienced in their countries' patent and licensing procedures. Eighteen authors have contributed to a comparative survey which describes and analyzes the procedures, complexities, and pitfalls of patent registration, licensing, and related topics. These articles grew out of a dialogue among experts in these fields sponsored by the Japanese Institute of International Business in Tokyo and the Asian Law Program at the University of Washington.

The survey is useful as an introduction to these areas and the associated antitrust and taxation ramifications for attorneys in either country with little or no knowledge of the other's patenting and licensing procedures. While not an exhaustive study, the book does provide a concise description and analysis of the important aspects of these two systems. It can be used as a guide to further

research of the other system or as a basis for comparing the advantages and disadvantages of each.

The book is effectively organized. The theory of patents, know-how, and protections of such technical information are explained in the first two articles. Theory is followed in the third through fifth chapters by the practical: how to apply for a patent, how to protect it through the courts once registered, and how to draft licensing agreements for technical know-how. Questions concerning the avenues available when a licensing agreement is breached are discussed in a sixth article, while antitrust laws and their application are discussed in their domestic contexts in articles seven and eight. Lastly, taxation aspects which might arise or should be considered are dealt with in the final two articles.

The authors have often used a comparative style to examine elements of the patents and licensing procedures. This method helps to develop succinctly and spotlight the idiosyncracies in each system. For example, the standards of patentability in the two systems are similar, yet the definitions and concepts of novelty and nonobviousness differ. These nuances are comparatively discussed. Where one system's procedure for registering patents or protecting them once registered diverges from the other, the differences are stated and clearly explained. The Japanese system of patent registration procedures permits deferred examination of a patent application; the advantages of such a procedure are outlined. The phenomenon of federal preemption arising from the bifurcated U.S. legal system also receives consideration and explanation.

Citations to and discussions of the major, applicable statutes substantiates this material. The Japanese reader can become familiar with the U.S. Patent Act of 1952, while the American reader can gain an understanding of the 1959 Patent Law of Japan as revised. Discussion of landmark cases, such as *Lear, Inc. v. Adkins*; *Sears, Roebuck & Co. v. Stiffel Co.*; and *Deutsche Werft Aktiengesellschaft v. Chuetsu-Wakuesha Yugen Kaisha*, provide a broader context for examining the full extent of the legal aspects involved.

Several articles are supplemented by appendices which provide, *inter alia*, examples of draft licensing agreements, a secrecy agreement for use with trade secrets, and a form for reporting the conclusion of an international licensing contract as required by Japanese law. A thorough index of topics and cases is also includ-

ed which makes the book an even more valuable introductory research tool.

Only minor criticisms can be made of the book. As these articles describe and analyze current theory and practice, their usefulness will deteriorate with evolutions in these fields. This, of course, is inevitable but is not serious as long as the user remembers to recheck the information subject to frequent change, *e.g.*, the fees required to be paid when making a patent application. Additionally, some descriptions of procedures include unnecessary detail. While it is, of course, necessary in drafting any agreement to be as concise and clear as possible, a reminder to use shortened forms of the parties' names in the preamble of a licensing agreement does not seem particularly worthwhile to list in a description of a draft licensing agreement.

These disadvantages aside, the editors have accomplished their goal of filling a need for a work which can direct attorneys in both countries in these complex fields. The sophisticated, yet simple, survey is a great aid to both sides of a U.S.-Japanese technology transfer transaction. The benefits should exhibit themselves in the favor of clients planning to do business in either country, since a more thorough knowledge of the varying laws and customs can be obtained.

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