

Intellectual Property Strategic Program 2006

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Intellectual Property Strategy Headquarters

Intellectual Property Strategic Program 2006

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1. Why Should We Work on Intellectual Property Policy Now?

National Policy of Making Japan an Intellectual Property-Based Nation

In Prime Minister Junichiro Koizumi's policy speech to the Diet in February 2002, he declared that he would "set as one of our national goals the translation of the results of research activities and creative endeavors into intellectual properties that are strategically protected and utilized so that we can enhance the international competitiveness of Japanese industries." Following this, with the enactment of the Basic Law on Intellectual Property in November 2002, Japan took the first significant step toward achieving the goal of making Japan an "intellectual property-based nation."

Intellectual property policy is a comprehensive policy based on the vision for the future of Japan, and it is also a national policy for enabling Japan to sustain prosperity and gain international trust in the 21st century, the era of advanced information and intensified globalization. It collectively refers to measures to increase national wealth through the creation, protection, and exploitation of valuable information. More specifically, it is a national policy to demonstrate the national orientation toward a respect for inventions and creative works and to emphasize the creation of "information" of value or intangible assets, including technologies, designs, brands, and media contents (e.g. music, movies), in addition to the manufacturing of tangible goods, as the foundation for business activities, thereby promoting the development of the Japanese economy and society.

Based on intellectual property policy, Japan will strive to establish a strong socioeconomic foundation underpinned by respect for individuality and creativity, with the aim of ensuring that people around the world will appreciate our efforts and have a deep trust in Japan. Japan also aims to contribute to the development of cultures and civilizations across the world through such efforts in hopes of gaining a good reputation in the international community.

<Advent of a Knowledge Society>

The basis for the call for intellectual property policy is the advent of a knowledge society. In the 21st century, the major source of national wealth has shifted

from a conventional manufacturing that is oriented toward large-scale processing and assembly, to the production of valuable information as intangible assets. Since independent thinking by individuals is the key to creating intellectual property, namely inventions and creative works, it is absolutely necessary to develop an environment where creativity becomes a priority. Needless to say, legal protection for intellectual property is indispensable for the purpose of providing inventors and authors with the opportunity to recoup their investments. In addition, intellectual property will never benefit inventors, authors or companies unless they are actually exploited.

The rapid progress in information technology in recent years, as typified by the spread of the Internet, has posed new problems and opportunities in the areas of creation, protection, and exploitation of valuable information of intellectual property or information of value.

In the creation area, the fusion between technology and art has advanced along with the rapid expansion of technological frontiers, e.g. images created by computer graphics, thus expanding the overlap between the scope of patent right and the scope of copyright.

In the protection area, it is an urgent task to develop appropriate protective measures to cope with the negative effects of the progress in information technology, such as the infringement of technology and unauthorized copying of contents at a higher speed.

In the exploitation area, the diffusion of broadband networks has made it technically possible for the public to enjoy media contents easily and has increased the demand for movies and music. It has also become easier for multiple people to reuse or engage in the joint production of media contents via the Internet, stimulating people's motivation to create new works.

Other countries have recently been racing to adopt an intellectual property policy in an effort to respond to this technological innovation, following the trends toward a knowledge society. In order to sustain growth in the 21st century, Japan should strongly promote its intellectual property policy while giving consideration to international harmonization.

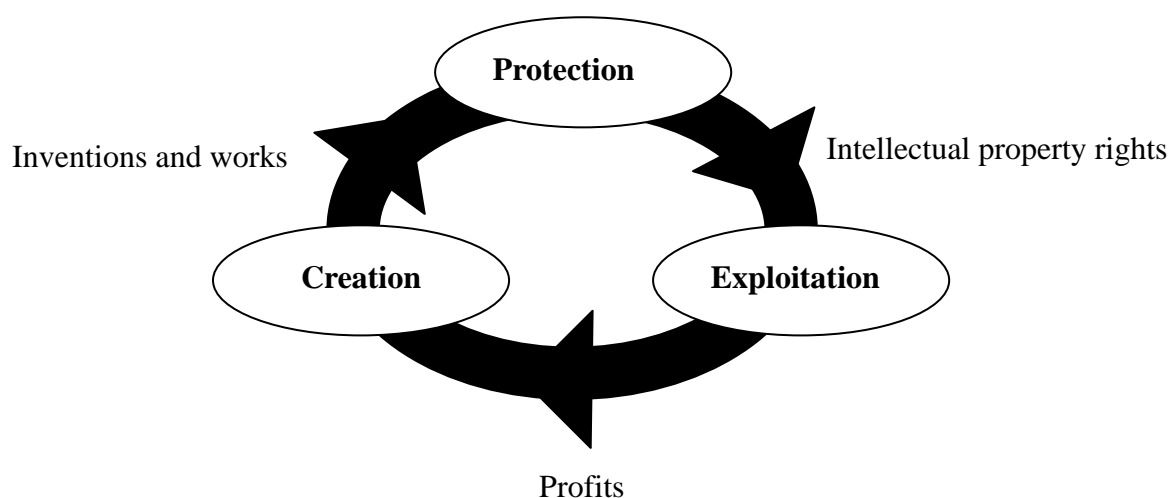
<Make the Intellectual Creation Cycle Move More Speedily and Dynamically>

Technological innovation is speeding up day by day. Success in technological

developments well ahead of other countries brings about a larger share in the international market as well as more profits from which future R&D can be financed, whereas followers gain less. With respect to media contents, appropriate enforcement of rights enables more people to enjoy those contents while providing creators with profits that will motivate them to create new works. However, the recent advancement of information technology has drastically changed the environment for the creation and exploitation of contents.

In order to effectively use intellectual property to increase national wealth, it is necessary to create high-quality intellectual property in the R&D sector and the content businesses, protect it legally in a timely manner, and exploit it practically and commercially. Acceleration of such a virtuous cycle of creation, protection, and exploitation of intellectual property (“intellectual creation cycle”) is the core of intellectual property policy.

Make the intellectual creation cycle move speedily and dynamically



2. Phase I : Start of Intellectual Property Policy

History and achievements (From FY2003 to FY2005)

(1) History

(i) Background

With the growing awareness among the public of the importance of intellectual

property, in March 2002, the Government of Japan (GOJ) established the Strategic Council on Intellectual Property with a membership comprising the Prime Minister and related ministers as well as experts in the private sector. In July, the council adopted the Intellectual Property Policy Outline, which recommended the enactment of the Basic Law on Intellectual Property. Based on this recommendation, a bill for the Basic Law on Intellectual Property was submitted to the extraordinary session of the Diet and was passed in November 2002. In accordance with the new Law, the Intellectual Property Policy Headquarters (Policy Headquarters) was established in March 2003, and Japan's intellectual property policy started on a full-fledged scale.

(ii) Adoption of the Intellectual Property Strategic Program

In July 2003, the Policy Headquarters adopted the Intellectual Property Strategic Program 2003 ("Strategic Program for the Creation, Protection and Exploitation of Intellectual Property") consisting of about 270 measures. While taking into account the progress made for the Strategic Program 2003 and adding necessary measures, in May 2004, the Policy Headquarters adopted the Strategic Program 2004 consisting of about 400 measures. In June 2005, the Policy Headquarters adopted the Strategic Program 2005 consisting of about 450 measures.

(iii) Activities of Task Forces

In order to develop specific measures to cope with important issues in intellectual property policy, the Policy Headquarters established the following task forces and held vigorous discussions.

- Task Force on Strengthening of the Foundation for Rights Protection (from July 2003 to June 2005)
- Task Force on Contents (from July 2003)
- Task Force on the Protection of Patents of Medical-Related Acts (from July 2003 to June 2005)
- Task Force on the Intellectual Creation Cycle (from June 2005)

(2) Achievements

A number of achievements were made in the three years following the enforcement of the Basic Law on Intellectual Property.

In terms of creation, university intellectual property headquarters and technology licensing organizations (TLOs) were established nationwide, improving mechanisms for obtaining rights for research results made at universities and public research institutes and transferring such rights to the private sector. There was a significant increase in the number of domestic patents obtained, number of patents licensed, and amount of royalties received by national universities and public research institutes, as well as in the number of university start-ups. The Patent Law was revised with respect to the provisions on employees' inventions.

In terms of protection, the Intellectual Property High Court was established as a court specializing in handling intellectual property cases. System improvements were made to reduce the time required for examination by formulating the Action Plan for Expedient and Efficient Patent Examination and starting to appoint a large number of fixed-term examiners. Furthermore, with respect to trade secrets, which have recently increased in their value as property, penalties were provided in the Unfair Competition Prevention Law against those who have acquired, used or disclosed trade secrets of others by improper means. Regarding the issue of counterfeits and pirated copies, measures at borders were strengthened through the revision of the Customs Tariff Law.

In terms of exploitation, the revision to the Trust Business Law made intellectual property available as trust property, while expanding the scope of trustees in order to include stock corporations. The formulation of intellectual property strategy was also promoted on a prefectural level, and regional intellectual property strategy headquarters were established in nine regions nationwide.

In terms of contents, the "Law on Promotion of Creation, Protection, and Exploitation of Contents" was enacted, laying out the basic principles for the creation, and protection, and exploitation of contents. Efforts have also started in the private sector, such as the inauguration of the Entertainment Lawyers Network and the establishment of the Visual Industry Promotion Organization. Initiatives to strengthen the Japan Brand were launched through the establishment of the regionally based collective mark system, the private sector movement to promote the study of food culture, and the public-private joint projects for the development of fashion industry.

In terms of the development of human resources related to intellectual property, a comprehensive policy was worked out. Law schools and graduate schools specializing in intellectual property were established with the aim of enhancing educational systems.

Human networks were also established such as the Intellectual Property Lawyers Network and access points of the Japan Patent Attorneys Association.

During the three-year period following the establishment of the Basic Law on Intellectual Property, 22 intellectual property laws were enacted. Major achievements are indicated in the list of “Progress in Intellectual Property Policy” at the end of this report.

3. Phase II : Aim to Make Japan the Most Advanced Intellectual Property-Based Nation in the World

Goal for the period from FY2006 to FY2008

<Goal>

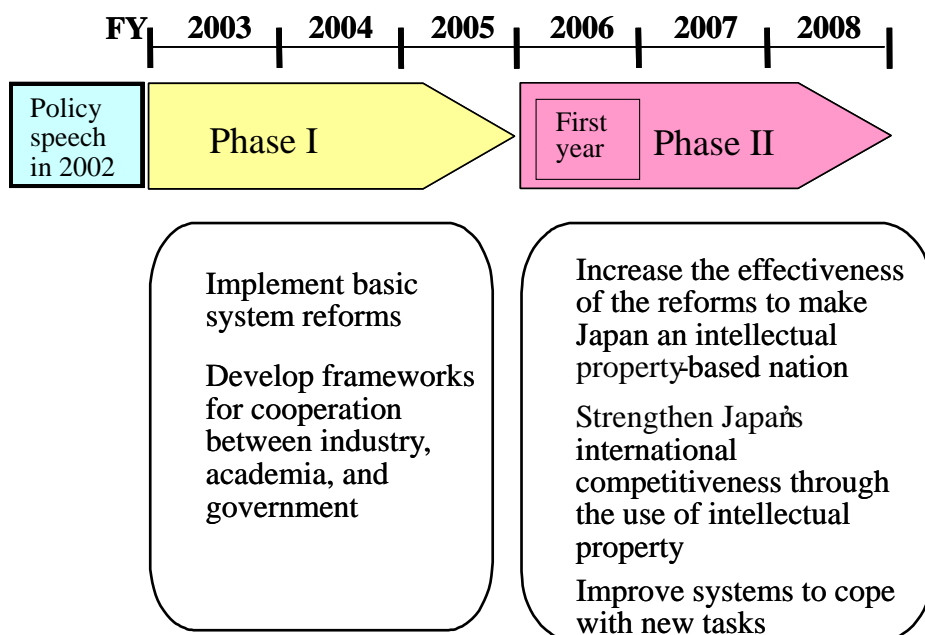
At the meeting of the Policy Headquarters held in February 2006, three years after its establishment, Prime Minister Koizumi declared, based on the achievements in intellectual property reforms in the Phase I, that Japan should aim to become “the most advanced intellectual property-based nation in the world,” and set it as the goal for the Phase II.

The 21st century is referred to as the era of mega-competition over knowledge. In the Phase II, Japan will carry out intellectual property reforms with the aim of becoming a world leader in the areas of creation, protection, and exploitation of intellectual property, as well as contents and human resource development, and establish the most advanced intellectual property systems in the world.

<Policy>

With the objective of making Japan the most advanced intellectual property-based nation in the world, the GOJ will strive to increase the effectiveness of a number of reforms carried out in the Phase I, while taking appropriate measures to cope with new tasks. To end of Phase II, the GOJ will make international comparison as quantitatively as possible regarding the status of intellectual property systems and the use thereof as well as the economic and social benefits arising from such use in the areas of creation, protection, exploitation, contents, and human resource development, thereby identifying the strength and weakness of Japanese intellectual property systems

and further carrying out reforms one after another.



<Approach: Seven Priority Issues and Five Viewpoints>

At the meeting held in February 2006, the Policy Headquarters set seven priority issues for the Phase II as follows.

- i) Implement intellectual property policy on a global scale
- ii) Extend intellectual property policy to local areas and support SMEs and venture companies
- iii) Encourage the creation of intellectual property at universities and public research institutes and promote industry-academia cooperation
- iv) Reform the structure of the patent application system and ensure expeditious patent examination
- v) Develop the content industry
- vi) Promote the Japan Brand
- vii) Develop human resources relating to intellectual property

The GOJ will implement measures from the following five viewpoints.

i) Promote innovation

Full-fledged measures were launched for the protection of intellectual property, which can be regarded as an achievement in intellectual property policy in the Phase I. In the Phase II, more efforts should be made to implement measures for the exploitation of intellectual property in addition to creation.

One of the priority goals of the Third Science and Technology Basic Plan (March 2006, Cabinet Decision) is to promote innovation, which is defined as “generating new social and economic values with advanced scientific findings and technical inventions combined with human insights.” Intellectual property plays a significant role in enabling everybody in society to enjoy the results of innovation satisfactorily.

From this viewpoint, it is necessary to examine whether or not the existing systems and business practice hinder the exploitation of intellectual property and nip new businesses in the bud or restrain advanced creative activities through the reuse of contents, and whether or not they prevent inventors and creators from earning business profits from their creative activities.

ii) Change the current domestically oriented intellectual property culture to internationally oriented culture

Japanese intellectual property culture is often criticized as being domestically oriented. Most patent applications are filed domestically, and content businesses are also focused on the domestic market. International branding strategies of private companies are also inadequate. Amidst the intensification of economic globalization, Japan should change its intellectual property culture to a more internationally oriented culture, which will be fit for an economic power with world's second largest GDP.

To achieve this, all sectors involved in intellectual property affairs, including academia, industry, legal profession, and government, should promote internationalization while regarding the change of intellectual property culture as a necessary task to increase their competitiveness.

iii) Carry out speedy reforms

“I thought that I was able to view the world without being influenced by daily concerns, but actually, I was too concerned about the present situation of Japan. Today, the world

is progressing at a considerable rate,” said Mr. Soichiro Honda 50 years ago. Now, since the world is changing at a much more formidable pace, not only Japanese companies but also the Japanese national system should continue to evolve.

iv) Give consideration to the balance between intellectual property and other values

While strengthening intellectual property rights is an inevitable requirement of this era of a knowledge society and globalization, it might, at the same time, conflict with the basic values of modern society, such as fair and free competition, academic freedom, freedom of expression, and public interest. In order to avoid such adverse effects, when establishing intellectual property systems, we must strike a balance between these values and the protection of intellectual property rights. The Anti-Trust Law and other competition laws play a central role in eliminating obstacles to competition, and therefore these laws need appropriate reinforcement.

v) Implement comprehensive measures

When developing intellectual property measures, we should approach analysis not only from a legal perspective but also from various other perspectives including the promotion of science and technology as well as culture and art, economic growth, and the impact on corporate activities, so as to implement comprehensive measures.

4. Development and Implementation of the Intellectual Property Strategic Program 2006

FY2006, the first year of the Phase II

(1) Development

FY2006 is an important year because it is the first fiscal year of the Phase II of intellectual property policy. The Policy Headquarters developed the Intellectual Property Strategic Program 2006, giving due consideration to the following points:

- (i) place the primary emphasis on bringing about more concrete results by properly operating the intellectual property systems that were reformed in the Phase I, while taking prompt measures to cope with new tasks;
- (ii) respect opinions from the public and users obtained through the public comment

procedure; and

(iii) focus on about 370 important measures, and in particular, select the most important measures as priority measures and place them before the main part of the report.

(2) Implementation

The individual measures included in the Strategic Program shall be undertaken by the ministries or agencies in charge. For these reasons, the Strategic Program assigns individual measures to the specific ministries or agencies in charge.

The Policy Headquarters shall regularly check the progress of the measures taken by the ministry or agency in charge and encourage them to implement such measures if there is any delay. Furthermore, if there is any delay in the implementation of measures because more than one ministry or agency is taking charge, the Policy Headquarters shall comprehensively coordinate the measures. Though it is not specifically designated in the Strategic Program, the Policy Headquarters shall be involved in the implementation of all measures.

The Policy Headquarters shall further build organic cooperation with other councils and headquarters, e.g. the Council for Science and Technology Policy, the IT Strategic Headquarters, and the Japan Tourism Strategic Council.

The goal of making Japan an intellectual property-based nation will not be achieved unless the general public shares the understanding of such a goal. Consequently, the Policy Headquarters shall ask for public opinions constantly and also start holding explanatory meetings and symposia on intellectual property strategy at various locations in order to encourage efforts by local governments and business and to have a frank exchange of views with local people throughout Japan.

List of Priority Measures

1. Creation of Intellectual Property

(1) Promoting Integration and Collaboration between University Intellectual Property Headquarters and TLOs

In order to strengthen intellectual property-related activities at universities and public research institutes from a medium- and long-term perspective, by the end of FY2006, the GOJ will evaluate and analyze the operations at university intellectual property headquarters and those at TLOs based on opinions of a wide range of relevant parties in industry and academia, and will consider and publicize necessary measures to promote integration and collaboration between university intellectual property headquarters and TLOs. The GOJ will also encourage individual universities and TLOs to establish systems that are best suited to them while referring to such measures. (Council for Science and Technology Policy, Ministry of Education, Culture, Sports, Science and Technology, and Ministry of Economy, Trade and Industry)

(2) Expanding the Scope of Availability of Patent Fee Reduction

The GOJ will consider measures to enable universities and public research institutes to enjoy patent fee reduction in cases where postdoctoral fellows and postgraduate and undergraduate students as well as researchers who belong to other universities participate in R&D projects as inventors and where rights are transferred from TLOs to universities, with the aim of submitting related bills to the ordinary session of the Diet in 2007. (Council for Science and Technology Policy and Ministry of Economy, Trade and Industry)

(3) Supporting International Patent Filing

R&D achievements made at universities and public research institutes often include essential inventions for which basic patents can be obtained. In light of this, in order to encourage universities and public research institutes to file foreign patent applications more actively, thereby increasing the international competitiveness of Japanese industry, from FY2006, the GOJ will increase financial support for universities and TLOs to cover expenses for foreign-patent filing, which are provided via the JST and other related agencies. In the course of selecting recipients, the GOJ will encourage

the JST to conduct an investigation and also encourage applicants (universities and public research institutes) to investigate the patentability of their inventions before filing a patent.

(Council for Science and Technology Policy, Ministry of Education, Culture, Sports, Science and Technology, and Ministry of Economy, Trade and Industry)

(4) Developing the Integrated Search System for Patent and Literature Information

In research activities carried out at universities and public research institutes, patent information is as important as literature information. Furthermore, patent information can be regarded as public property because it contributes to the development of science and technology through disclosure to the public. In light of this, the GOJ will develop a system as early as possible whereby researchers at universities and public research institutes can directly access patent gazette data (the data of each gazette has its own address, which will never change), and start the operation of such system by the end of FY2006, with the aim of promoting wide use of the system. Also, as early as possible in FY2007, the GOJ will develop an Integrated Search System for Patent and Literature Information (tentative name), whereby both patent information and literature information can be searched.

(Council for Science and Technology Policy, Ministry of Education, Culture, Sports, Science and Technology, Ministry of Economy, Trade and Industry, and other ministries and agencies concerned)

(5) Promoting Industry-Academia-Government Collaboration on a Global Scale

From FY2006, in order to ensure that universities obtain and exploit international rights based on basic patents and promote industry-academia-government collaboration on a global scale through joint research and contract research-projects with foreign companies, the GOJ will strengthen the international functions of university intellectual property headquarters, which are designated as model organizations, with the aim of establishing a system for industry-academia-government collaboration on a global scale. In this process, the GOJ will focus on functions for formulating intellectual property strategies that cover both domestic and overseas filing, enhancing the capabilities to deal with legal and foreign affairs and disseminate information, and developing human resources related to intellectual property.

Furthermore, by the end of FY2006, the GOJ will investigate issues that may arise in joint research projects between Japanese universities and foreign companies, including cases where Japanese companies and foreign universities are involved, and publish the investigation results.

(Council for Science and Technology Policy and Ministry of Education, Culture, Sports, Science and Technology)

(6) Expanding the Scope of Application of the Japanese Bayh-Dole System

The GOJ will consider measures to ensure that intellectual property rights arising from software development projects sponsored or contracted by the national government will be attributed to the parties that actually carried out the development, with the aim of submitting related bills to the ordinary session of the Diet in 2007.

(Ministry of Economy, Trade and Industry and other ministries and agencies concerned)

2. Protection of Intellectual Property

I. Strengthening the Protection of Intellectual Property

(1) Promoting the Initiatives under the Lead of the Headquarters for Expeditious and Efficient Patent Examination

By the end of FY2005, the number of applications waiting to be examined has increased to about 790,000, and the waiting period for patent examination has also increased to 26 months. With the aim of achieving the end goal of completely eliminating the waiting period for patent examination, the GOJ will strive to achieve the following medium-term and long-term goals.

- Medium-term goal (by 2008): 29 months

- Long-term goal (by 2013): 11 months

To this end, in FY2006, the GOJ will continue to promote comprehensive initiatives under the lead of the Headquarters for Expeditious and Efficient Patent Examination, which was established in December 2005 with the Minister of Economy, Trade and Industry serving as the chief. In addition to implementing individual measures without fail, the GOJ will also provide overall coordination and constant

review of the measures, with the aim of promoting optimization and streamlining of the operations at the Japan Patent Office as a whole.

(Ministry of Economy, Trade and Industry)

(2) Improving Access to Industrial Property Information via the Intellectual Property Digital Library

a) With respect to the Intellectual Property Digital Library (IPDL), which provides industrial property information free of charge via the Internet, by the end of FY2006, the GOJ will improve its performance in order to ensure quick access. The GOJ will also increase its functionality and usability by increasing the number of search items to improve the input function for text search, adding a function to provide information on divisional applications, and facilitating access to examination information.

From FY2006, the GOJ will also take necessary measures to add a function for full-text searches, a function for simultaneous searches of domestic and foreign gazettes, and a function for advanced searches in which search keys that are currently available at the JPO, e.g. FI and F-terms, can be combined with text search.

b) In FY2006, the GOJ will continue to make examiners' search know-how available to the public after proper editing for publication, and will also enhance training for the public regarding how to use such search know-how.

c) By the end of FY2006, the GOJ will start providing industrial property information search services using search terminals equivalent to those used by examiners at the gazette room of the National Center for Industrial Property Information and Training.

(Council for Science and Technology Policy and Ministry of Economy, Trade and Industry)

(3) Promoting Foreign Patent Applications

The ratio of foreign patent applications filed by Japanese applicants is about 21%, significantly lower than the ratios in respect of US applicants (about 44%) and European applicants (about 60%; the ratio of applications filed in non-EPC countries is about 47%). With the aim of ensuring that Japanese technologies will enjoy appropriate protection overseas and contribute to strengthening the international competitiveness of Japanese industry, from FY2006, the GOJ will encourage private companies to establish an overseas patent filing strategy according to their overseas business strategy and

actively file foreign patent applications including international applications under the Patent Cooperation Treaty (PCT).

(Ministry of Economy, Trade and Industry)

(4) Developing an Environment That Prevents Leakage of Technology through Patent Applications

i) In order to promote effective use of the prior user rights so that companies will not have to file patent applications even with respect to know-how, which should have been kept secret, the GOJ will develop, as early as possible in the first half of FY2006, guidelines to clarify the requirements and scope of a prior user right and provide successful examples of means to prove prior use, and thoroughly publicize such guidelines. The GOJ will give attention to problems and court rulings that will occur subsequently, with the aim of ensuring effective use of prior user rights under the patent system.

(Ministry of Economy, Trade and Industry)

ii) In order to promote the effective use of notarial methods such as notarial deeds of fact-observation as means to prove prior use, from FY2006, the GOJ will take necessary measures to increase the number of public notaries who are capable of understanding technical matters and are well versed in intellectual property systems.

(Ministry of Justice)

(5) Promoting the Initiatives under the Lead of the Intellectual Property Policy Headquarters of the Ministry of Agriculture, Forestry and Fisheries

In order to increase the competitiveness of Japanese agriculture, forestry and fishery through the use of intellectual property, from FY2006, under the lead of the Intellectual Property Policy Headquarters of the Ministry of Agriculture, Forestry and Fisheries established in February 2006, the GOJ will strengthen protection of intellectual property in the fields of agriculture, forestry and fishery, and promote comprehensive measures to bring about a virtuous cycle of the creation, protection, and exploitation of intellectual property, including the utilization of regional brands.

(Ministry of Agriculture, Forestry and Fisheries and other ministries and agencies concerned)

(6) Aiming to Achieve the Mutual Recognition of Patents among the Trilateral Patent Offices

With the final goal of establishing a global patent system, the JPO will play a leading role in achieving the mutual recognition of patents among the trilateral patent offices (JPO, USPTO, EPO), and implement the following measures.

- a) As the first step, the Next-Generation Dossier Access System has been put into operation, whereby each of the trilateral offices can effectively use the search results and examination results obtained by other offices. For the second step, the GOJ will promote the mutual use of search and examination results between the trilateral offices. For example, towards the establishment of a Patent Prosecution Highway among the trilateral offices, whereby applications for patents that have been granted at the first office will be eligible for accelerated examination through simple procedures at the second office, the JPO will commence a trial of such system between the JPO and the USPTO from FY2006. In this context, in order to ensure that search and examination results obtained by the first office will be effectively used by the second office, the JPO will clarify its practice by formulating guidelines that clearly specify the issues for which additional search is not required, or develop necessary systems.
- b) While looking at the progress in the efforts mentioned in a) above, as the third step, the JPO will establish a de facto mutual patent recognition system among the trilateral patent offices in which a patent granted in one country will be, in principle, recognized in other countries. In FY2006, the JPO will propose establishing a working group at the trilateral meeting to start concrete discussions toward the establishment of the mutual recognition system, including the possibility of trial recognition of examination results of other offices.
- c) In FY2006 and thereafter, while making the efforts mentioned in a) and b) above, the JPO will approach other foreign patent offices in addition to the USPTO and the EPO, with the ultimate goal of realizing a global patent system.

(Ministry of Economy, Trade and Industry)

(7) Contributing to the Establishment of International Rules with Due Consideration to International Public Policies

In order for Japan to implement appropriate measures to strike a balance

between intellectual property policies and other international public policies with respect to issues such as genetic resources, traditional knowledge, and folklore (traditional cultural expressions), as early as possible in FY2006, the GOJ will establish a Interagency Conference on International Public Policies Relating to Intellectual Property (tentative name) and other frameworks to study international intellectual property-related policies.

From FY2006, the GOJ will also promote dialogues among developed countries, developing countries, and local communities as well as international symposia, in addition to promoting research activities carried out by academic societies and think tanks in this area.

(Cabinet Office, Ministry of Foreign Affairs, Ministry of Education, Culture, Sports, Science and Technology, Ministry of Health, Labor and Welfare, Ministry of Agriculture, Forestry and Fisheries, Ministry of Economy, Trade and Industry, Environment Ministry, and other ministries and agencies concerned)

II. Strengthening Measures Against Counterfeits and Pirated Copies

(1) Aiming to Achieve Early Adoption of the Treaty on the Non-proliferation of Counterfeit and Pirated Goods

The problem of counterfeits and pirated copies did not remain in a specific country but has spread throughout the world. Counterfeits and pirated copies generate funds for criminal groups and terrorist groups as well as threaten consumers' health and safety. In light of these facts, in FY2006, the GOJ will accelerate discussions with the aim of achieving early adoption of the Treaty on the Non-proliferation of Counterfeit and Pirated Goods (tentative name), which was advocated by Japan, in cooperation with other countries as well as international organizations including the Organization for Economic Cooperation and Development (OECD), the World Customs Organization (WCO), and the International Criminal Police Organization (Interpol).

(National Police Agency, Ministry of Internal Affairs and Communications, Ministry of Justice, Ministry of Foreign Affairs, Ministry of Finance, Ministry of Education, Culture, Sports, Science and Technology, Ministry of Agriculture, Forestry and Fisheries, and Ministry of Economy, Trade and Industry)

(2) Strengthening the Regulations of Importation of Counterfeits and Pirated Copies by Individuals

At present, individuals are not prohibited by law from importing or possessing counterfeits and pirated copies, and the public awareness of such acts is very low. Therefore, in order to make it clear to the public that importation and possession of counterfeits and pirated copies by individuals is harmful to society and to prevent a deluge of counterfeits, by the end of FY2006, the GOJ will further reconsider the prohibition of importation and possession of counterfeits and pirated copies by individuals, and will establish a new law or develop systems as appropriate.

(National Police Agency, Ministry of Justice, Ministry of Finance, Ministry of Education, Culture, Sports, Science and Technology, and Ministry of Economy, Trade and Industry)

(3) Preventing the Trade of Counterfeits and Pirated Copies via Internet Auctions

i) In FY2006, the GOJ will thoroughly publicize the Rules for E-Commerce (released on February 1, 2006), which clearly provide that the standards for determining “commercial dealers” are to be regulated under the Special Commercial Transaction Law. The GOJ will strengthen law enforcement against commercial dealers who violate the said Law. Also, the GOJ will review these rules based on the actual situation of counterfeits and pirated copies that are brought to auctions and cause damage, and make revisions if necessary.

(Ministry of Economy, Trade and Industry)

ii) In FY2006, with cooperation between the public and private sectors and consideration given to consumers and sellers at auctions, the GOJ will promote the following measures through the Association for Prevention of Distribution of Intellectual Property-Infringing Products on the Internet established by right holders and auction providers.

(National Police Agency, Ministry of Internal Affairs and Communications, Ministry of Education, Culture, Sports, Science and Technology, and Ministry of Economy, Trade and Industry)

iii) In FY2006, while verifying the effects of the above-mentioned measures, the GOJ will consider additional measures to effectively prevent the trade of counterfeits and pirated copies via Internet auctions, and will revise laws and develop systems as appropriate.

(National Police Agency, Ministry of Internal Affairs and Communications, Ministry of Education, Culture, Sports, Science and Technology, and Ministry of Economy, Trade and Industry)

3. Exploitation of Intellectual Property

I. Strategically Exploiting Intellectual Property

(1) Encouraging Companies to Appoint a Chief Intellectual Property Officer (CIPO)

The GOJ aims to ensure that corporate executives will direct technology and R&D departments and intellectual property departments and promote business strategy from a uniform perspective in formulating and implementing intellectual property strategy relating to patents, designs, know-how, brands, and contents. Therefore, from FY2006, the GOJ will encourage companies to appoint a chief intellectual property officer (CIPO) or directors in charge of intellectual property.

(Ministry of Economy, Trade and Industry)

(2) Revising the Guidelines for Licensing of Patents and Know-How

By the end of FY2006, the GOJ will revise the Guidelines for License Contracts for Patents and Know-How under the Anti-Monopoly Law and publicize the revised version. Companies will then be able to easily look for any problems under the Anti-Monopoly Law when negotiating or concluding license contracts for technology.

(Fair Trade Commission)

(3) Facilitating the Exploitation of Intellectual Property to Promote Innovation

The GOJ will develop and publicize the Rules for Economic Transactions in the Market in order to clarify cases where the exercise of a patent right hinders innovation in software, e.g. interoperability of software applications, and therefore shall

be deemed to be an abuse of right.

(Ministry of Economy, Trade and Industry)

II. Supporting International Standardization Activities

(1) Formulating International Standardization Comprehensive Strategy

Although the impact of international standards on each country's industrial competitiveness has become significantly greater with the globalization of economy, Japan has fallen behind other developed countries in this area. In order to drastically strengthen Japan's international standardization activities, by the end of FY2006, the GOJ will analyze standardization strategies of other developed countries and neighboring countries, and formulate and implement a comprehensive strategy for international standardization based on the analysis results.

(Ministry of Internal Affairs and Communications, Ministry of Economy, Trade and Industry, and other ministries and agencies concerned)

(2) Establishing the Standardization School

By the end of FY2006, the GOJ will establish the Standardization School (tentative name), where persons who have engaged in standardization activities will share their knowledge. The aim is to develop human resources that are equipped with the capabilities required to carry out standardization activities, e.g. technical ability, language ability, bargaining ability, and market analysis ability. The GOJ will also develop a mechanism for registration of existing experts in this area, so that each industry will be able to share experts and utilize them for meetings at international standardization organizations.

(Ministry of Economy, Trade and Industry)

(3) Strengthening Education on Standardization at Educational Institutions

For the purpose of improving the understanding of standardization, the GOJ will encourage universities and graduate schools of science and technology to provide educational programs on standardization in Management of Technology (MOT) courses, Master of Business Administration courses, and courses for the development of

intellectual property experts. By the end of FY2006, the GOJ will provide these educational institutions with model teaching materials on standardization, thereby promoting their independent efforts.

(Ministry of Education, Culture, Sports, Science and Technology and Ministry of Economy, Trade and Industry)

III. Supporting SMEs and Venture Companies

(1) Enhancing Education and Training in Intellectual Property for Managers of SMEs

In FY2006, aiming to enable managers, engineers, and researchers at SMEs and venture companies to improve their knowledge of intellectual property, skills in writing patent specifications, and capabilities to respond to patent infringements, the GOJ will continue its efforts to enhance lectures and training at SME colleges.

(Ministry of Economy, Trade and Industry)

(2) Developing consultation sections such as “Intellectual Property Rescue Organizations”

i) From FY2006, the GOJ will establish “Intellectual Property Rescue Organizations” within associations and chambers of commerce and industry nationwide, to serve as consultation sections that will listen to problems related to intellectual property and then quickly refer the cases to the appropriate public agencies or specialists.

In FY2006, through the use of liaison sections such as the Comprehensive Support Center for SMEs and Venture Companies and the Intellectual Property Center and in cooperation with the Japan Patent Attorneys Association (JPAA) and the Japan Federation of Bar Associations (JFBA), the GOJ will continue to introduce, to SMEs, lawyers who are good at dealing with intellectual property infringement lawsuits, consultants who are familiar with intellectual property-focused management, and patent attorneys who are kind to SMEs or well versed in individual technical fields. The GOJ will also provide SMEs and venture companies with information on model schemes of the strategic use of intellectual property suitable for them, via Intellectual Property Strategy Manual for SMEs and Venture Companies 2005.

In addition, the GOJ will provide consultation services concerning how to

detect and respond to infringements of intellectual property rights committed by large companies and report such infringements to the Japan Fair Trade Commission.

Furthermore, the GOJ will dispatch intellectual property experts and consultants to SMEs and venture companies, in order to provide them with advice for their management problems as well as on how to obtain patents in a timely manner depending on the stage of development, and support them in formulating intellectual property strategies.

(Ministry of Economy, Trade and Industry)

(3) Integrating the “Function to Support SMEs and Venture Companies” in the Online Application Software

With the aim of ensuring that SMEs, venture companies, universities, and individuals will be able to effectively use, as applicants, the accelerated examination system and the fee reduction system, by the end of FY2006, the GOJ will integrate guidance functions for SMEs and venture companies, such as the function to remind applicants of these useful systems, in the online application software.

(Ministry of Economy, Trade and Industry)

IV. Developing Local Areas with the Use of Intellectual Property

(1) Encouraging local governments to formulate intellectual property strategy

i) In FY2006, the GOJ will continue to provide information on the formulation of intellectual property strategies, thereby encouraging local governments, including prefectural governments and governments of major cities designated by Cabinet Order, to formulate intellectual property strategies, implement the strategies in cooperation with local companies and universities, and reflect the implementation results in the next strategy.

(Ministry of Education, Culture, Sports, Science and Technology, Ministry of Agriculture, Forestry and Fisheries, and Ministry of Economy, Trade and Industry)

(2) Promoting the Activities of Regional Intellectual Property Strategy Headquarters

i) In order to support local development with the use of intellectual property, in FY2006,

the GOJ will continue to promote the activities of the regional intellectual property strategy headquarters established in each Regional Bureaus of Economy, Trade and Industry as a regional public-private organization. Regional intellectual property strategy headquarters will implement regional intellectual property strategies that are based on the actual conditions in the regions. It will also promote local development with the use of intellectual property by building local human resource networks, providing support for SMEs, and promoting industry-academia collaboration.

(Ministry of Economy, Trade and Industry)

(3) Developing Human Resources in Charge of Local Development

In order to promote local development with the use of intellectual property, from FY2006, the GOJ will enhance education and training for human resources relating to intellectual property in local areas, including managers and intellectual property personnel of local SMEs, people engaged in supporting SMEs, farmers and farming instructors, university researchers, people engaged in industry-academia collaboration, researchers at publicly funded research institutes, and government employees in charge of intellectual property policy.

(Ministry of Education, Culture, Sports, Science and Technology, Ministry of Economy, Trade and Industry, Ministry of Agriculture, Forestry and Fisheries, and other ministries and agencies concerned)

4. Efforts to Create Culture with the Use of Content

I. Make Japan a World-Class Content Superpower

(1) Promoting Active Use of IP Multicasting

With the aim of smoothly achieving the complete shift to terrestrial digital broadcasting in 2011, the GOJ will submit a revision bill for the Copyright Law as early as possible in FY2006. The revision aims to treat simultaneous retransmission of terrestrial broadcasts by IP multicasting in the same manner as wire diffusion under the said Law. The GOJ will also promptly implement necessary measures to reform systems under the Broadcast Law. In terms of how to adjust related systems under the

Broadcast Law and the Copyright Law to flexibly respond to the expected fusion between communication and broadcasting, and in terms of the progress in technological innovation, including how to treat independent broadcasting by IP multicasting, the GOJ will continue discussion through cooperation among the related ministries and agencies and implement necessary measures. In putting these measures into practice, the GOJ should be careful to ensure that creators will be sufficiently rewarded.

From FY2006, the GOJ will encourage IP multicasting operators to independently create attractive broadcast content and also provide creators with opportunities for content creation.

(Ministry of Internal Affairs and Communications, Ministry of Education, Culture, Sports, Science and Technology, and Ministry of Economy, Trade and Industry)

(2) Adopting Protection Systems with Due Consideration to Users

In the course of promoting the distribution of content, it is necessary to enable citizens to enjoy the advantages and convenience of innovative technologies to the maximum extent. From this perspective, and with the objective of achieving a balance between convenience for users and appropriate protection of copyrights, thereby expanding content industry, the GOJ will implement the following measures to encourage the development and introduction of balanced protection systems.

a) As represented by the review of the “copy-once” rule for terrestrial digital broadcasting, the establishment and implementation of radio utilization systems within a fixed framework as well as the establishment of protection systems for the specification and operation of broadcasting devices and systems are likely to virtually restrict the use of content. Therefore, in FY2006, the GOJ will continue to disclose the review process with cooperation from a wide range of participants including users, manufacturers, and related businesses, and make the process more transparent, thereby promoting competition between systems. The GOJ will also consider a desirable review process that is transparent, competitive, and continuous, and draw a conclusion by the end of FY2006.

b) Where private businesses consider protection systems, the GOJ will encourage them to learn from unsuccessful cases in the past and give due consideration to users’ convenience.

(Ministry of Internal Affairs and Communications, Ministry of Education, Culture,

Sports, Science and Technology, and Ministry of Economy, Trade and Industry)

(3) Studying the Resale Price Maintenance System for Music CDs

In order to provide content users with a wide variety of options in terms of price, in FY2006, the GOJ will study the actual status of the operation of the resale price maintenance system for music CDs and the effects thereof, and consider a more effective measure if necessary.

(Japan Fair Trade Commission, Ministry of Education, Culture, Sports, Science and Technology, and Ministry of Economy, Trade and Industry)

(4) Promoting the Development of Self-Imposed Regulations and Sample Forms for Contracts

In order to expand the content industry and provide creators with fair returns, the GOJ will collaborate with the Entertainment Lawyers Network to encourage efforts to conclude contracts in writing and develop self-imposed regulations and sample forms for contracts that cover the secondary use of content. In FY2006, the GOJ will implement the following measures in the field of visual content. The GOJ will also implement necessary measures to promote the use of such standards and samples forms, by publishing achievements via the Internet and raising awareness among a wide range of related parties including young creators.

a) In accordance with the principle “protect your rights by yourself,” the GOJ will encourage performers to strengthen their organizational power, and provide support for performers in visual content when creating a favorable environment for their activities and holding discussions with movie companies and broadcasting organizations toward developing copyright rules.

b) The GOJ will promote the development of sample forms of contracts in the movie industry. With respect to broadcast programs, based on the follow-up survey on the status of use of the self-imposed regulations of subcontracts for production of broadcasting programs developed by broadcasting organizations and the Model Contracts Concerning Subcontracts for Production of Broadcast Programs, the GOJ will encourage revision and practical use of the regulations and model contracts as appropriate.

(Ministry of Internal Affairs and Communications, Ministry of Education, Culture,

Sports, Science and Technology, and Ministry of Economy, Trade and Industry)

(5) Promoting the Creation of New Works through the Reuse of Existing Content

From FY2006, the GOJ will support creators who wish to have their works actively used by clearly indicating the terms of use on the works, and encourage creative activities through the use of existing works created by others and works for which the period of protection has expired. In this process, the GOJ will increase the usability of such a mechanism with cooperation from copyright management organizations.

(Ministry of Education, Culture, Sports, Science and Technology and Ministry of Economy, Trade and Industry)

(6) Strengthening the Functions of Content Producers and Promoting Business Operation on a Global Scale

i) In order to support Japanese content producers in developing international joint projects, from FY2006, the Japan Association for the International Promotion of Moving Images (UniJapan) will, as a contact for international joint projects, support efforts to provide information and match the supply and needs, and also hold workshops at overseas film festivals.

(Ministry of Economy, Trade and Industry)

ii) In FY2006, the GOJ will continue to support the initiatives of universities and other institutions to develop content producers equipped with the ability to operate business overseas and knowledge on content technology, as well as instructors for the development of such producers.

(Ministry of Education, Culture, Sports, Science and Technology)

(7) Establishing a Portal Site to Provide Content-Related Information

In order to provide Japanese and overseas users with smooth access to information on Japanese content, the GOJ will enhance the system to provide information on right holders through cooperation of related parties, and support the initiative to establish a content portal site by the end of FY2006.

(Ministry of Internal Affairs and Communications, Ministry of Education, Culture,

Sports, Science and Technology, and Ministry of Economy, Trade and Industry)

(8) Further Promoting the Networking of Information Appliances

In order to further promote the networking of information appliances in a user-friendly manner by making best use of Japan's advanced technology, the GOJ will implement the following R&D and experimental projects by the end of FY2006.

- a) Establish technology whereby information appliances that differ in performance can be used to provide various services, such as online banking, e-commerce, and automatic adjustment, in a safe and secure manner.
- b) Establish specifications of home servers and home gateways that are the minimum required systems to secure interoperability between information appliances.
- c) Verify model systems for content distribution.

(Ministry of Internal Affairs and Communications and Ministry of Economy, Trade and Industry)

II. Implementing the Japan Brand Strategy Based on the Japanese Lifestyle

(1) Dispatching the Food Safety Caravan throughout the World

In order to make safe, secure, and healthy Japanese food and foodstuff known worldwide, from FY2006, the GOJ will hold cooking lessons around the world, teaching not only cooking skills but also food sanitation issues such as how to cook raw fish.

(Ministry of Foreign Affairs, Ministry of Health, Labor and Welfare, and Ministry of Agriculture, Forestry and Fisheries)

(2) Utilizing the Regionally-Based Collective Mark System

With respect to the regionally-based collective mark system that was put into force in April 2006, the GOJ will, as early as possible in FY2006, clarify the system and the operation thereof based on the status of implementation after the system was put into force. Through collaboration with related parties, the GOJ will also continue activities to raise awareness of the system among relevant organizations and encourage

active use of the system as a means to protect local brands.

(Ministry of Agriculture, Forestry and Fisheries and Ministry of Economy, Trade and Industry)

(3) Drastically Enhancing the Japanese Fashion Week in Tokyo

With the aim of turning Japanese Fashion Week in Tokyo into a business success, from FY2006, the GOJ will drastically enhance the event's quality and the ability to disseminate information.

- a) Drastically enhance public relations to famous overseas fashion buyers and journalists through JETRO and Overseas Establishments.
 - b) Display Japanese cloths, made with Japan's advanced textile-manufacturing technology, at sites affixed to the venue of the main event, so that overseas fashion buyers and journalists can touch and feel Japanese cloths.
 - c) Play a role as a center of information dissemination in Asia and invite new world-class designers and models from Asian countries to participate in the event.
- (Ministry of Foreign Affairs and Ministry of Economy, Trade and Industry)

(4) Strengthening Dissemination of Information at Overseas Establishments and International Airports

i) From FY2006, Overseas Establishments will actively support private companies that contribute to spreading the Japan Brand worldwide, by holding product exhibitions, making arrangements with the governments of foreign counties, and providing information. The GOJ will also promote the dissemination of the Japan Brand.
(Ministry of Foreign Affairs, Ministry of Education, Culture, Sports, Science and Technology, Ministry of Agriculture, Forestry and Fisheries, Ministry of Economy, Trade and Industry, Ministry of Land, Infrastructure and Transport, and other ministries and agencies concerned)

ii) From FY2006, the GOJ will promote the sale of Japan Brand products and dissemination of various related information at places easily accessible for foreign people, such as duty-free shops at international airports.

(Ministry of Foreign Affairs, Ministry of Education, Culture, Sports, Science and Technology, Ministry of Agriculture, Forestry and Fisheries, Ministry of

Economy, Trade and Industry, and Ministry of Land, Infrastructure and Transport)

5. Developing Human Resources and Improving Public Awareness

(1) Implementing the Comprehensive Strategy for Fostering Intellectual Property Experts

From FY2006, the GOJ will implement the Comprehensive Strategy for Fostering Intellectual Property Experts in order to further increase the number of intellectual property experts as well to advance and broaden their skills, advance the intellectual property exploitation skills of human resources who create and manage intellectual property, and increase the public awareness of intellectual property. In addition, the GOJ will encourage universities and companies to implement the strategy as well.

(Ministry of Justice, Ministry of Education, Culture, Sports, Science and Technology, Ministry of Economy, Trade and Industry, and other ministries and agencies concerned)

(2) Supporting the Council for Promoting the Development of Intellectual Property Experts

In order to promote the concrete and effective development of human resources related to intellectual property in the private sector based on the Comprehensive Strategy for Fostering Intellectual Property Experts, the Council for Promoting the Development of Intellectual Property Experts was established in March 2006. It was to serve as a framework for coordination among institutes in human resource development. The GOJ will encourage and support the activities of the council in FY2006.

Also, in FY2006, the GOJ will continue to urge the National Center for Industrial Property Information and Training (NCIPI), the Association of Intellectual Property Education, the Intellectual Property Association of Japan, the Japan Intellectual Property Association, the Japan Federation of Bar Associations, the Japan Patent Attorneys Association, the Japan Institute of Invention and Innovation, and other private organizations to provide training programs for developing not only human resources who will lead the respective phases of the intellectual creation cycle, but also human resources with practical skills who will oversee the entire intellectual creation

cycle, human resources with expertise in two or more areas, and human resources with intellectual property management ability.

(Ministry of Justice, Ministry of Education, Culture, Sports, Science and Technology, Ministry of Economy, Trade and Industry, and other ministries and agencies concerned)

(3) Developing International Intellectual Property Experts

In order to promote international industry-academia-government collaboration and companies' business development via intellectual property, from FY2006, the GOJ will work on developing and securing intellectual property experts who have strong knowledge in science and technology, familiarity with infringement litigation and contracts overseas, business sense, and international skills. In particular, from FY2006, the GOJ will promote overseas training for developing and securing intellectual property experts with international skills at the university intellectual property headquarters.

(Council for Science and Technology Policy, Ministry of Economy, Trade and Industry, Ministry of Economy, Trade and Industry, and other ministries and agencies concerned)

(4) Strengthening Activities for Increasing Public Awareness of Intellectual Property

In FY2006, the GOJ will continue to hold seminars on intellectual property for students, adults in general, and practitioners based on their respective attributes, by also making use of intellectual property specialists in the private sector, and promote active use of such seminars according to the circumstances of the respective communities. The GOJ will also enhance awareness-raising projects such as a campaign using a publicly solicited slogan.

(Cabinet Office, Ministry of Agriculture, Forestry and Fisheries, Ministry of Education, Culture, Sports, Science and Technology and Ministry of Economy, Trade and Industry)

Main Part

Chapter 1 Creation of Intellectual Property

An intellectual creation cycle begins with the creation of intellectual property. The goal of making Japan an “intellectual property-based nation” cannot be achieved without a mechanism for producing creative and innovative R&D assets and for supplying those assets to society by way of innovation.

Universities and public research institutes, which own most of the R&D resources in Japan, play an extremely important role in this respect. Individual universities and public research institutes should work harder to carry out activities relating to intellectual property on a full-fledged scale, constantly striving to improve contract terms and management systems and to establish various necessary rules. They should also endeavor to strategically obtain and exploit rights based on basic patent rights for essential inventions at home and abroad, with the aim of increasing not only the number but also the quality of rights. It is also important for them to establish a system and the operation thereof to maintain and strengthen their intellectual property-related activities on a global scale from a medium- and long-term perspective.

Private companies should shift the emphasis in their intellectual property strategy from quantity to quality and intensify their efforts for industry-academia-government collaboration.

Based on such awareness, the GOJ will implement measures to encourage the creation of high-quality R&D assets as well as technological innovation at universities, public research institutes, and private companies, while establishing a society where researchers who create outstanding intellectual property are sufficiently rewarded.

1. Promoting the Creation of Intellectual Property at Universities and Public Research Institutes

(1) Strengthening Comprehensive Systems for Intellectual Property

1) Promoting integration and collaboration between university intellectual property headquarters and TLOs

In order to strengthen intellectual property-related activities at universities and public research institutes from a medium- and long-term perspective, by the end of

FY2006, the GOJ will evaluate and analyze the operations at university intellectual property headquarters and those at TLOs based on opinions of a wide range of relevant parties in industry and academia, and will consider and publicize necessary measures to promote integration and collaboration between university intellectual property headquarters and TLOs. The GOJ will also encourage individual universities and TLOs to establish systems that are best suited to them while referring to such measures. (Council for Science and Technology Policy, Ministry of Education, Culture, Sports, Science and Technology, and Ministry of Economy, Trade and Industry)

2) Strengthening university intellectual property headquarters

i) From FY2006, the GOJ will encourage university intellectual property headquarters, which are designated as model organizations, to strengthen their international functions to develop and secure internationally oriented intellectual property experts and implement necessary measures to strategically obtain and exploit intellectual property rights.

(Council for Science and Technology Policy and Ministry of Education, Culture, Sports, Science and Technology)

ii) In FY2006, the GOJ will continue to evaluate intellectual property-related activities carried out by university intellectual property headquarters, and in particular, such activities carried out by Super Industry-Academia-Government Collaboration Headquarters that are expected to strengthen the international competitiveness of Japanese industry, and reinforce support for such headquarters. In this course, the GOJ will give due consideration to the efforts of university intellectual property headquarters to transfer their know-how to neighboring universities and revitalize local industries.

(Ministry of Education, Culture, Sports, Science and Technology)

3) Strengthening TLOs

In FY2006, the GOJ will continue to provide newly established TLOs with financial support for a certain period and assistance in filing foreign patent applications. The GOJ will also continue to provide Super TLOs with support for their efforts to develop research personnel as technology transfer specialists and improve the practical skills of those engaging in technology transfer.

(Council for Science and Technology Policy, Ministry of Education, Culture, Sports, Science and Technology, Ministry of Economy, Trade and Industry, and other ministries and agencies concerned)

(2) Promoting Activities Relating to Intellectual Property Management

1) Supporting appropriate management of intellectual property

To appropriately manage intellectual property, universities need helpful references to conduct a fair evaluation and selection of inventions upon filing patent applications and upon making requests for patent examination. Therefore, by the end of FY2006, the GOJ will investigate the current status of intellectual property management at universities and publicize particular problems to be solved as well as successful examples of intellectual property management.

(Council for Science and Technology Policy, Ministry of Education, Culture, Sports, Science and Technology, and Ministry of Economy, Trade and Industry)

2) Supporting the development of systems for handling contracts and settling disputes

i) From FY2006, the GOJ will support independent initiatives of the Japan Patent Attorneys Association (JPAA) to provide patent attorney information via its regional contacts established in prefectural governments. The GOJ will also provide universities and public research institutes with consultation services regarding how to develop intellectual property rules and how to deal with applications, contracts, and disputes. By the end of FY2006, the GOJ will encourage the JPAA to provide training focused on how to deal with issues that patent attorneys might face when they are authorized by universities to conduct patent filing and other procedures.

(Council for Science and Technology Policy and Ministry of Economy, Trade and Industry)

ii) In FY2006, in order to enable universities and public research institutes to take appropriate measures to conclude contracts and cope with legal issues concerning intellectual property, the GOJ will continue to help them to find lawyers who are versed in intellectual property via the Intellectual Property Lawyers Network and acquire people who have engaged in legal affairs and licensing negotiations at private companies.

(Council for Science and Technology Policy, Ministry of Education, Culture, Sports, Science and Technology, and other ministries and agencies concerned)

iii) By the end of FY2006, the GOJ will establish a consultation section for dispute settlement within the Japan Science and Technology Agency (JST) and raise awareness of the section among universities and public research institutes.

(Council for Science and Technology Policy and Ministry of Education, Culture, Sports, Science and Technology)

3) Promoting the Establishment of Consolidated Management

Many universities and public research institutes have established rules and systems of consolidated management by individual organizations in respect to the attribution of inventions and research materials. In order to further promote such movement, the GOJ will implement the following measures.

i) For universities and public research institutes where rules and systems for consolidated management have not yet been established, the GOJ will encourage these organizations to adopt, as early as possible in FY2006, the principle of attributing inventions and research materials to the organizations where they have been created.

(Council for Science and Technology Policy, Ministry of Education, Culture, Sports, Science and Technology, and other ministries and agencies concerned)

ii) As early as possible in FY2006, the GOJ will encourage universities and public research institutes to clarify rules between the organization and researchers in order to enable researchers to continue their research even if they have changed the organizations to which they belong.

(Council for Science and Technology Policy, Ministry of Education, Culture, Sports, Science and Technology, and other ministries and agencies concerned)

iii) From FY2006, the GOJ will investigate the status of the development of rules for consolidated management of inventions and research materials as well as rules for handling inventions created by postgraduate and undergraduate students and for the mobility of researchers, and publicize the investigation results.

(Council for Science and Technology Policy, Ministry of Education, Culture, Sports,

Science and Technology, and other ministries and agencies concerned)

(3) Providing Financial Support for Intellectual Property-Related Activities

1) Expanding the scope of availability of patent fee reduction

The GOJ will consider measures to enable universities and public research institutes to enjoy patent fee reduction in cases where postdoctoral fellows and postgraduate and undergraduate students as well as researchers who belong to other universities participate in R&D projects as inventors and where rights are transferred from TLOs to universities, with the aim of submitting related bills to the ordinary session of the Diet in 2007.

(Council for Science and Technology Policy and Ministry of Economy, Trade and Industry)

2) Supporting international patent filing

R&D achievements made at universities and public research institutes often include essential inventions for which basic patents can be obtained. In light of this, in order to encourage universities and public research institutes to file foreign patent applications more actively, thereby increasing the international competitiveness of Japanese industry, from FY2006, the GOJ will increase financial support for universities and TLOs to cover expenses for foreign-patent filing, which are provided via the JST and other related agencies. In the course of selecting recipients, the GOJ will encourage the JST to conduct an investigation and also encourage applicants (universities and public research institutes) to investigate the patentability of their inventions before filing a patent.

(Council for Science and Technology Policy, Ministry of Education, Culture, Sports, Science and Technology, and Ministry of Economy, Trade and Industry)

3) Securing funds to obtain and maintain intellectual property

In FY2006, with respect to joint research projects in which universities and public research institutes are proactively engaged, the GOJ will continue efforts to secure sufficient funds to strategically obtain and maintain intellectual property for the purpose of commercializing the research results. To this end, the GOJ will encourage universities and public research institutes to secure, in advance, the cost of obtaining

and maintaining intellectual property from research funds provided by sponsoring companies. In doing so, the GOJ will promote the flexible handling that enables universities and public research institutes to carry over such research funds or use them for other research results.

(Council for Science and Technology Policy, Ministry of Education, Culture, Sports, Science and Technology, Ministry of Economy, Trade and Industry, and other ministries and agencies concerned)

(4) Utilizing Patent Information in R&D

1) Developing the Integrated Search System for Patent and Literature Information

In research activities carried out at universities and public research institutes, patent information is as important as literature information. Furthermore, patent information can be regarded as public property because it contributes to the development of science and technology through disclosure to the public. In light of this, the GOJ will develop a system as early as possible whereby researchers at universities and public research institutes can directly access patent gazette data (the data of each gazette has its own address, which will never change), and start the operation of such system by the end of FY2006, with the aim of promoting wide use of the system. Also, as early as possible in FY2007, the GOJ will develop an Integrated Search System for Patent and Literature Information (tentative name), whereby both patent information and literature information can be searched.

(Council for Science and Technology Policy, Ministry of Education, Culture, Sports, Science and Technology, Ministry of Economy, Trade and Industry, and other ministries and agencies concerned)

2) Encouraging efficient R&D through the use of patent information

i) In order to encourage universities to effectively use patent maps when selecting research themes and carrying out research activities, thereby promoting R&D efficiently and strategically, by the end of FY2006, the GOJ will arrange successful examples of patent maps developed by private companies and universities as well as know-how for the development of patent maps, and provide such information for universities.

(Council for Science and Technology Policy and Ministry of Economy, Trade and Industry)

ii) In order to promote the use of patent information by universities, by the end of FY2006, the GOJ will provide universities and public research institutes with information, by way of the patent information database, regarding successful measures implemented by universities to encourage students and researchers to use patent information.

(Council for Science and Technology Policy, Ministry of Education, Culture, Sports, Science and Technology, and Ministry of Economy, Trade and Industry)

iii) By the end of FY2006, in the Survey on Technical Trends in Patent Filing, which focused on the four priority fields for promotion and four fields for promotion designated in the Science and Technology Basic Plan, the GOJ will investigate the needs of university researchers in related technical fields and publicize the investigation results.

(Council for Science and Technology Policy and Ministry of Economy, Trade and Industry)

iv) In order to complete the system design for the integration of databases in the field of life science by the end of FY2007, the GOJ will continue its research and study on databases in this field in FY2006, under the initiative of the Council for Science and Technology Policy.

(Council for Science and Technology Policy, Ministry of Education, Culture, Sports, Science and Technology, Ministry of Health, Labor and Welfare, Ministry of Agriculture, Forestry and Fisheries, and Ministry of Economy, Trade and Industry)

(5) Giving Due Consideration to Intellectual Property-Related Activities in Evaluating Universities and Public Research Institutes

In FY2006, the GOJ will continue to evaluate national universities and R&D-type independent administrative institutions in consideration of their characteristics and on the basis of their efforts relating to intellectual property in accordance with the National Guidelines for Research and Development, and will publish the evaluation results.

(Council for Science and Technology Policy, Ministry of Education, Culture, Sports,

Science and Technology, Ministry of Economy, Trade and Industry, and other ministries and agencies concerned)

2. Promoting Industry-Academia-Government Collaboration Based on Intellectual Property

(1) Strengthening the Foundation for Industry-Academia-Government Collaboration

1) Supporting universities and other institutions in reforming their administrative and operational systems

i) In FY2006, the GOJ will continue to encourage universities and public research institutes to take independent measures to achieve appropriate sharing of responsibilities among those engaging in research, education, and industry-academia-government collaboration, by introducing effort management based on the flexible working hour system, so that researchers who are active in contributing to society through the use of intellectual property will be able to spend sufficient time and labor on their activities. (Council for Science and Technology Policy, Ministry of Education, Culture, Sports, Science and Technology, Ministry of Economy, Trade and Industry, and other ministries and agencies concerned)

ii) In FY2006, the GOJ will continue to evaluate universities and determine the allocation of resources, while giving consideration to their activities to promote industry-academia-government collaboration. The GOJ will also give consideration to this point when providing support for joint research projects under industry-academia collaboration.

(Council for Science and Technology Policy, Ministry of Education, Culture, Sports, Science and Technology, Ministry of Economy, Trade and Industry, and other ministries and agencies concerned)

iii) In FY2006, the GOJ will continue to encourage independent efforts of universities for regarding it as the duty of university researchers to engage in joint research projects and give technical advice to private companies including SMEs, and evaluating researchers based on their performance of such duty.

(Ministry of Education, Culture, Sports, Science and Technology)

2) Promoting industry-academia-government collaboration on a global scale

From FY2006, in order to ensure that universities obtain and exploit international rights based on basic patents and promote industry-academia-government collaboration on a global scale through joint research and contract research-projects with foreign companies, the GOJ will strengthen the international functions of university intellectual property headquarters, which are designated as model organizations, with the aim of establishing a system for industry-academia-government collaboration on a global scale. In this process, the GOJ will focus on functions for formulating intellectual property strategies that cover both domestic and overseas filing, enhancing the capabilities to deal with legal and foreign affairs and disseminate information, and developing human resources related to intellectual property. Furthermore, by the end of FY2006, the GOJ will investigate issues that may arise in joint research projects between Japanese universities and foreign companies, including cases where Japanese companies and foreign universities are involved, and publish the investigation results.

(Council for Science and Technology Policy and Ministry of Education, Culture, Sports, Science and Technology)

3) Promoting project-type R&D

In order to bring industry-academia-government collaboration up to a higher level, from FY2006, the GOJ will promote initiatives to systematically and strategically carry out project-type R&D, which will be able to generate a cluster of strong and broad patents. In the case of project-type R&D, during the research process from the discovery of technical seeds to the implementation of joint research, the industrial sector and the academic sector cooperate with each other through dialogue from the initial stage of selecting research themes and set goals based on long-term planning.

(Council for Science and Technology Policy, Ministry of Education, Culture, Sports, Science and Technology, and Ministry of Economy, Trade and Industry)

4) Strengthening the intermediary function to promote cooperation with private companies

i) From FY2006, the GOJ will continue to provide universities and public research institutes with support for improving their functions as intermediaries with SMEs and venture companies, e.g. matching the supply from universities with the needs of companies and making research results, which are made at universities and public research institutes, available for commercialization in the private sector, so as to facilitate technical transfer, joint research, and contract research with companies. The GOJ will also encourage universities and public research institutes to use, as intermediaries with private companies, intellectual property experts including patent licensing advisers as well as publicly funded research institutes and private businesses. (Council for Science and Technology Policy, Ministry of Education, Culture, Sports, Science and Technology, Ministry of Economy, Trade and Industry, and other ministries and agencies concerned)

ii) In order to increase the management ability in intellectual property personnel at universities, the GOJ will continue its efforts to diffuse know-how obtained by university intellectual property headquarters and support their measures to develop people with the “ability to discern.” In FY2006, the GOJ will entrust intellectual property specialists, who are dispatched to universities where university intellectual property headquarters have yet to be established, with the additional duty of giving guidance based on the intellectual property management manual, which covers the process from prior art search to evaluation of inventions, the procedure to obtain rights, and licensing activities.

(Council for Science and Technology Policy, Ministry of Education, Culture, Sports, Science and Technology, and Ministry of Economy, Trade and Industry)

(2) Developing Rules for Industry-Academia-Government Collaboration

1) Clarifying rules for joint research and contract research

In order for universities and public research institutes to promote their own strategies for the exploitation of intellectual property and the implementation of joint research and contract research, in FY2006, the GOJ will continue to encourage such organizations to clarify policies and rules for implementing and handling joint research and contract research with private companies as well as to develop and disclose their own contract formats and operation manuals. These policies and rules include:

- Rules for handling trade secrets and other confidential information
- Rules concerning the attribution of intellectual property rights that are the results of joint research
- Policies for the assignment and licensing of rights to private companies
- Rules for handling rights in cases where intellectual property is created in cooperation with researchers of other domestic or foreign universities.

(Council for Science and Technology Policy, Ministry of Education, Culture, Sports, Science and Technology, Ministry of Economy, Trade and Industry, and other ministries and agencies concerned)

2) Clarifying the positions of postdoctoral fellows and postgraduate students who participate in joint research

In order to clarify the positions of postdoctoral fellows and postgraduate students who participate in joint research projects based on industry-academia collaboration, thereby promoting such collaboration, by the end of FY2006, the GOJ will investigate the status of the development of rules for the attribution of rights for inventions created by postdoctoral fellows and postgraduate and undergraduate students who participate in joint research projects and confidentiality rules as well as the operation thereof, and publicize the investigation results.

(Council for Science and Technology Policy and Ministry of Education, Culture, Sports, Science and Technology)

3) Ensuring flexible and prompt conclusion of contracts relating to joint patents

i) In order to promote joint research and contract research and ensure the effective use of research results, by the end of FY2006, the GOJ will investigate the present situation and problems with respect to licensing of joint patents, including the application of Article 73 of the Patent Law, which provides for joint patents.

(Council for Science and Technology Policy and Ministry of Economy, Trade and Industry)

ii) In order to ensure that contracts for joint research based on industry-academia collaboration will be formulated and implemented flexibly and promptly, by the end of FY2006, the GOJ will develop model contracts for individual technical fields by

arranging an example of contract negotiations, and provide advanced training that covers the points to note for each model contract.

(Council for Science and Technology Policy, Ministry of Education, Culture, Sports, Science and Technology, and Ministry of Economy, Trade and Industry)

iii) By the end of FY2006, in order to ensure the flexible and prompt conclusion of joint research contracts, the GOJ will, with the cooperation of the University Technology Transfer Association Japan and the Japan Intellectual Property Association, make efforts to provide related parties in the industrial and academic sectors with the opportunity to hold discussions, and publicize opinions presented at such discussions.

(Council for Science and Technology Policy, Ministry of Education, Culture, Sports, Science and Technology, and Ministry of Economy, Trade and Industry)

4) Strengthening management of conflicts of interest

i) In order to encourage universities to develop and appropriately operate policy and rules for conflicts of interest, by the end of FY2006, the GOJ will investigate the status of the development of such rules and the operation of management systems at individual universities, and publicize the investigation results.

(Council for Science and Technology Policy and Ministry of Education, Culture, Sports, Science and Technology)

ii) In order to clarify the judgment criteria for conflicts of interest in the field of medicine, by the end of FY2006, the GOJ will aim to raise awareness of the Guidelines for Developing a Conflict of Interest Policy for Clinical Study, which were published in February 2006. The GOJ will conduct a case study on specific know-how relating to the management of conflicts of interest obtained through the use of the guidelines and publicize the study results, thereby encouraging universities and public research institutes to establish a conflict of interest policy and management system.

(Council for Science and Technology Policy and Ministry of Education, Culture, Sports, Science and Technology)

(3) Establishing Rules for Acquiring and Selling Stocks as Compensation for Licensing

In order to promote the transfer of technologies possessed by national

universities, in FY2006, the GOJ will continue its efforts to raise awareness among universities and public research institutes of the guidelines entitled How to Handle Cases Where National Universities and Inter-University Research Institute Corporations Acquire Stocks as Compensation for Donation or Licensing, which were developed in March 2005. In FY2006, while encouraging universities to formulate in-house rules for acquiring stocks and stock options, the GOJ will conduct research and a study for the purpose of developing guidelines for ensuring the smooth operation of the whole process from acquisition to sale of stocks, and publicize the study results.

(Council for Science and Technology Policy and Ministry of Education, Culture, Sports, Science and Technology)

(4) Promoting University Start-ups

In FY2006, the GOJ will continue to provide support for university start-ups in carrying out empirical testing and practical application research through the matching of industries and universities. The GOJ will also continue to dispatch specialists such as lawyers and certified accountants to them, and will also enhance networks of supporters of university start-ups.

(Council for Science and Technology Policy, Ministry of Education, Culture, Sports, Science and Technology, Ministry of Economy, Trade and Industry, and other ministries and agencies concerned)

(5) Expanding the Scope of Application of the Japanese Bayh-Dole System

The GOJ will consider measures to ensure that intellectual property rights arising from software development projects sponsored or contracted by the national government will be attributed to the parties that actually carried out the development, with the aim of submitting related bills to the ordinary session of the Diet in 2007.

(Ministry of Economy, Trade and Industry and other ministries and agencies concerned)

3. Improving the Creation Environment for Researchers

(1) Promoting R&D Focused on the Creation of Intellectual Property

1) Providing incentives to researchers

In FY2006, the GOJ will continue to encourage universities and other research institutes to clarify the payment rules for returning royalties to individual researchers, who have obtained relevant research results in cases where universities and public research institutes are assigned the rights for research results created by the researchers and receive the royalties corresponding to such rights, and to clarify the payment rules for universities' returning royalties to the researchers themselves or the faculties and departments to which relevant researchers belong, while giving due consideration to the treatment of employees' inventions at companies.

(Council for Science and Technology Policy, Ministry of Education, Culture, Sports, Science and Technology, Ministry of Economy, Trade and Industry, and other ministries and agencies concerned)

2) Utilizing intellectual property in evaluating R&D

In accordance with the National Guidelines for Research and Development, in FY2006, the GOJ will continue to evaluate the allocation of resources and performance in R&D projects in the fields where creation of intellectual property is expected, by using the acquisition and use of intellectual property rights as evaluation indicators. When publicizing R&D results and evaluation results, researchers' performance in R&D projects, and examination results on the issuance of competitive research grants, consideration will be given to preservation of intellectual property.

(Council for Science and Technology Policy, Ministry of Education, Culture, Sports, Science and Technology, and other ministries and agencies concerned)

(2) Facilitating the Use of Patented Inventions in Research

i) In order to facilitate the use of intellectual property rights in research activities, by the end of FY2006, the GOJ will raise awareness among universities and public research institutes of the Guidelines for Research-Purpose Licensing of Intellectual Property Rights Generated in Government-Sponsored R&D at Universities and Public Research Institutes. The GOJ will make efforts to diffuse the guidelines so that they will be appropriately applied in research activities. The GOJ will also develop and publicize simple model formats of contract documents for research-purpose licensing and collected examples of licensing.

(Council for Science and Technology Policy, Ministry of Education, Culture, Sports,

Science and Technology, Ministry of Agriculture, Forestry and Fisheries, Ministry of Health, Labor and Welfare, Ministry of Economy, Trade and Industry, and other ministries and agencies concerned)

ii) From FY2006, according to the progress in the implementation of related measures at universities and public research institutes with respect to the guidelines mentioned above, the GOJ will investigate the status of the development of policy and rules for research-purpose licensing as well as the status of use and management of such licenses, and report the investigation results to the Council for Science and Technology Policy. (Council for Science and Technology Policy, Ministry of Education, Culture, Sports, Science and Technology, Ministry of Agriculture, Forestry and Fisheries, Ministry of Health, Labor and Welfare, Ministry of Economy, Trade and Industry, and other ministries and agencies concerned)

(3) Coping with Intellectual Property Issues in the Fields of Cutting-Edge Technology

By the end of FY2006, the GOJ will discuss, under the initiative of the Council for Science and Technology Policy, various intellectual property issues in the field of life science from a broad perspective based on international trends, and implement necessary measures. Such issues include: how to promote the use of patents relating to research tools such as genetically-modified animals with high versatility and low substitutability and screening methods; how to protect cutting-edge technologies under the patent system; and how to secure human resources relating to intellectual property specializing in technology transfer.

(Council for Science and Technology Policy, Ministry of Education, Culture, Sports, Science and Technology, Ministry of Economy, Trade and Industry, and other ministries and agencies concerned)

(4) Encouraging the Use of Laboratory Notebooks

In order to clearly identify the inventors and the date of invention and prevent wrongful acts in research activities, in FY2006, the GOJ will continue to encourage the positive use of laboratory notebooks, and stipulate rules and promote training on how to prepare and manage such notebooks.

(Council for Science and Technology Policy, Ministry of Education, Culture, Sports,

Science and Technology, Ministry of Economy, Trade and Industry, and other ministries and agencies concerned)

4. Promoting the Creation of High-Quality Intellectual Property at Companies

(1) Promoting Efforts of Companies for Industry-Academia-Government Cooperation

In FY2006, the GOJ will continue to encourage industry to positively regard cooperation with universities and public research institutes in corporate management strategy and actively publish efforts for and results of industry-academia-government cooperation. The GOJ will also continue to encourage industry to clarify the liaisons at companies for industry-academia-government cooperation so that universities and companies will be able to promote negotiations smoothly and efficiently.

(Council for Science and Technology Policy, Ministry of Education, Culture, Sports, Science and Technology, Ministry of Economy, Trade and Industry, and other ministries and agencies concerned)

(2) Promoting Strategic R&D Using Technology Strategy Maps

In FY2006, the GOJ will continue to promote effective R&D projects at both companies and universities with the use of technology strategy maps developed in FY2004, and will make reviews on the maps based on the patent and technical trends as well as market trends.

(Ministry of Economy, Trade and Industry)

(3) Promoting the Creation of Attractive Designs

i) In order to comprehensively promote Japan's national design strategy based on the idea that the creation of attractive designs is an effective branding method, from FY2006, the GOJ will start industry-academia-government initiatives focused on the design policy of utilizing designs as business resources.

(Ministry of Economy, Trade and Industry and other ministries and agencies concerned)

ii) In order to develop useful design information and make it broadly available for the

purpose of encouraging the creation of attractive designs, in FY2006, the GOJ will strengthen the measures to develop basic information concerning human property according to the Strategy on Technology for Human Lifestyle developed in April 2006. (Ministry of Economy, Trade and Industry)

Chapter 2 Protection of Intellectual Property

I. Strengthening the Protection of Intellectual Property

In order to secure incentives for the creation of intellectual property and to utilize intellectual property effectively, its proper protection must be deemed indispensable, and the related systems and frameworks must be further developed. Therefore, the Government of Japan (GOJ) will strive to establish the foundation for the sufficient protection of intellectual property by appropriately protecting new intellectual property, while monitoring the trend in the global harmonization of intellectual property systems and in the progress made in technological innovation, as well as by developing frameworks for improving and expediting right-obtainment procedures and enhancing dispute-resolution procedures.

1. Speeding Up the Procedures to Grant Intellectual Property Rights

(1) Achieving Expeditious and Accurate Patent Examination at the Highest Global Standard

1) Promoting the initiatives under the lead of the Headquarters for Expeditious and Efficient Patent Examination

a) By the end of FY2005, the number of applications waiting to be examined has increased to about 790,000, and the waiting period for patent examination has also increased to 26 months. With the aim of achieving the end goal of completely eliminating the waiting period for patent examination, the GOJ will strive to achieve the following medium-term and long-term goals.

- Medium-term goal (by 2008): 29 months

- Long-term goal (by 2013): 11 months

To this end, in FY2006, the GOJ will continue to promote comprehensive initiatives under the lead of the Headquarters for Expeditious and Efficient Patent Examination, which was established in December 2005 with the Minister of Economy, Trade and Industry serving as the chief. In addition to implementing individual measures without fail, the GOJ will also provide overall coordination and constant

review of the measures, with the aim of promoting optimization and streamlining of the operations at the Japan Patent Office as a whole.

b) The GOJ will hold a Patent Strategy Committee (tentative name) with a wide range of participants from industry. The purpose of the committee will be to take follow-up measures for the joint efforts of the public and private sectors toward achieving expeditious patent examinations and to provide the opportunity to discuss measures to strategically obtain and exploit intellectual property rights, which may differ depending on the types of business.

c) The Ministry of Economy, Trade and Industry will formulate an implementation plan for every fiscal year to achieve the medium-term and long-term goals mentioned above, in line with the schedule of formulating the intellectual property strategic program for that fiscal year, and will submit the plan to the Intellectual Property Strategy Headquarters, with the report on the status of achievement of the goals and the implementation plan of the previous fiscal year, and make these materials public.

d) The Intellectual Property Strategy Headquarters will carry out comprehensive and multifaceted verification of the report mentioned above and will take necessary measures, such as providing information to persons concerned, inside and outside of the government, and requesting the cooperation of such persons, as appropriate.

(Ministry of Economy, Trade and Industry)

2) Strengthening the human resource capacity of the Japan Patent Office

a) In FY2006, the GOJ will continue efforts to secure a sufficient number of examiners who are continuously necessary and fixed-term examiners who are necessary for the period of the medium-term goal. In particular, the GOJ will take active measures to publicize the work of fixed-term examiners, thereby securing a sufficient amount of high-quality human resources.

b) In order to increase the examination ability and efficiency of examiners and appeal examiners, in FY2006, the GOJ will continue its efforts to strengthen the training system for examiners and appeal examiners through the active use of external human resources, including persons who have engaged in patent examination. The GOJ plans to achieve efficient and speedy development of examiners by arranging rational and flexible training curricula.

c) In FY2006, the GOJ will continue to appoint more personnel equipped with technical

expertise (e.g. postdoctoral fellows, former researchers, and former JPO examiners) as expert assistants for examiners. Their role will be to help examiners understand technical issues, conduct searches of prior art documents, and develop a database for patent searches.

(Ministry of Economy, Trade and Industry)

3) Expanding outsourcing of prior art search to the private sector in order to increase efficiency

In FY2006, the GOJ will continue to encourage private organizations to become registered search agencies, while also encouraging individual registered search agencies to acquire high-quality human resources and increase their operational capacity, by recommending them to consider measures to facilitate the acquisition of human resources equipped with technical expertise available in local communities. Through such efforts, the GOJ will aim to expand outsourcing of prior art searches to registered search agencies.

(Ministry of Economy, Trade and Industry)

4) Increasing examination efficiency

a) From FY2006, the GOJ will strengthen support measures to achieve expeditious and efficient patent examination by increasing the usability of examination-related operational systems, extending the operating hours of such systems, and effectively increasing the time available for examination through the rationalization of examiners' peripheral duties.

b) In addition to the use of examination through interview, from FY2006, the GOJ will make efforts to enable examiners to make a final decision as early as possible by clearly notifying applicants or agents of their intentions, e.g. by specifying, in notification of reasons for refusal, claims for which there is no reason for refusal.

(Ministry of Economy, Trade and Industry)

5) Encourage companies to use the withdrawal/abandonment system

In FY2006, the GOJ will continue to encourage companies to use the system of withdrawal/abandonment of applications (system of partial return of examination request fees) with respect to applications for which it becomes no longer necessary to

obtain patents after the request for examination has been made. By the end of FY2006, the GOJ will consider expanding the existing system so as to return the full amount of examination request fees upon withdrawal of applications, and develop systems as appropriate.

(Ministry of Economy, Trade and Industry)

(2) Reducing the Time Required for the Examination for the Registration of Plant Varieties

a) The increase in the number of applications for registration of plant variety under the Seeds and Seedlings Law has been accompanied by an increase in the waiting time for examination. In order to meet applicants' needs for an early establishment of rights, the GOJ will aim to reduce the average time required for examination to 2.5 years by FY2008, ahead of the initial schedule.

b) In FY2006, the GOJ will continue to enhance training for examiners so that they will acquire high-level and advanced knowledge on plant varieties, which is also necessary to promote international cooperation in examination.

c) In FY2006, the GOJ will promote measures to increase the examination efficiency by establishing a cultivation testing system as well as an information processing system relating to application, examination, and registration at the National Center for Seeds and Seedlings. Furthermore, the GOJ will conclude an agreement with the EU for the mutual use of examination data by the end of FY2006, and make technical arrangements with the aim of starting mutual use of examination data from FY2007.

(Ministry of Agriculture, Forestry and Fisheries)

2. Increasing the Stability of Intellectual Property Rights

(1) Unifying the Criteria for Judging Patentability

In order to enable individual examiners and appeal examiners to grant patent rights in a stable and uniform manner, from FY2006, the GOJ will promote discussions and exchanges of opinions among examiners and appeal examiners. The GOJ will also consider making the criteria for judging patentability, and in particular those for judging inventive step, more objective and clearer, while taking into consideration international

harmonization in examination practice, and take necessary measures including revision to the Examination Guidelines. Furthermore, the GOJ will make efforts to prevent differences in judgment between the JPO and courts by promoting the exchange of opinions between them in accordance with Article 168 of the Patent Law.

(Ministry of Economy, Trade and Industry)

(2) Preventing Recurrence of Patent Invalidation Proceedings

It has been pointed out that where a patent infringement lawsuit is filed, invalidation proceedings are repeatedly requested and a number of lawsuits are filed with respect to related patents. This causes extreme difficulty for SMEs that have limited financial means in dealing with such proceedings and lawsuits. In light of this situation, the GOJ will consider measures to prevent the recurrence of invalidation proceedings initiated by the same party or its privy based on substantially the same reason, while giving due consideration to the right of access to board of appeals and trials, and draw a conclusion by the end of FY2006.

(Ministry of Economy, Trade and Industry)

(3) Clarifying the criteria for judging trademark registration

i) In order to enable individual examiners and appeal examiners to grant trademark rights appropriately, from FY2006, the GOJ will consider how to clarify and refine the criteria for judgement such as those for judging registrability of trademarks, and take necessary measures including revision to the Examination Guidelines for Trademarks.

(Ministry of Economy, Trade and Industry)

ii) From FY2006, the GOJ will review the existing Examination Guidelines for Similar Goods and Services, which are currently applied when judging the similarity of goods or services in the trademark examination, in order to reflect the actual situation of transactions. The GOJ will also consider a scheme to judge similarity based on the opinions of parties who are well versed in the actual situation of transactions, and develop systems as appropriate.

(Ministry of Economy, Trade and Industry)

3. Increasing Convenience of Users

(1) Improving Access to Industrial Property Information via the Intellectual Property Digital Library

a) With respect to the Intellectual Property Digital Library (IPDL), which provides industrial property information free of charge via the Internet, by the end of FY2006, the GOJ will improve its performance in order to ensure quick access. The GOJ will also increase its functionality and usability by increasing the number of search items to improve the input function for text search, adding a function to provide information on divisional applications, and facilitating access to examination information.

From FY2006, the GOJ will also take necessary measures to add a function for full-text searches, a function for simultaneous searches of domestic and foreign gazettes, and a function for advanced searches in which search keys that are currently available at the JPO, e.g. FI and F-terms, can be combined with text search.

b) In FY2006, the GOJ will continue to make examiners' search know-how available to the public after proper editing for publication, and will also enhance training for the public regarding how to use such search know-how.

c) By the end of FY2006, the GOJ will start providing industrial property information search services using search terminals equivalent to those used by examiners at the gazette room of the National Center for Industrial Property Information and Training. (Council for Science and Technology Policy and Ministry of Economy, Trade and Industry)

(2) Increasing Flexibility and Usability

i) In order to make patent examination documents available for public inspection via the Internet, free of charge, the GOJ will take the necessary steps with the aim of submitting related bills to the ordinary session of the Diet in 2007.

(Ministry of Economy, Trade and Industry)

ii) With respect to payment methods for application fees and other fees relating to industrial property rights, the GOJ will make available automatic debit transfer from a bank account by the end of 2006. The GOJ will also finish studying payments by credit cards by the end of FY2006 and take necessary measures as soon as possible based on

the study results.

(Ministry of Economy, Trade and Industry)

iii) With respect to the extension of the period for responding to a notification of reasons for refusal (currently 60 days), the GOJ will develop systems as appropriate by the end of FY2006 so as to grant an extension of about one month if there is rational reason to do so.

(Ministry of Economy, Trade and Industry)

iv) The GOJ will introduce, as soon as possible, services to give prior notice to right holders of the time limit for payment of renewal fees relating to industrial property rights, and start the trial of such services by the end of FY2006.

(Ministry of Economy, Trade and Industry)

4. Encouraging Appropriate Use of Intellectual Property Systems

(1) Promoting Structural Reforms of Patent Application and Examination Request Practice

1) Promoting foreign patent applications

The ratio of foreign patent applications filed by Japanese applicants is about 21%, significantly lower than the ratios in respect of US applicants (about 44%) and European applicants (about 60%; the ratio of applications filed in non-EPC countries is about 47%). With the aim of ensuring that Japanese technologies will enjoy appropriate protection overseas and contribute to strengthening the international competitiveness of Japanese industry, from FY2006, the GOJ will encourage private companies to establish an overseas patent filing strategy according to their overseas business strategy and actively file foreign patent applications including international applications under the Patent Cooperation Treaty (PCT).

(Ministry of Economy, Trade and Industry)

2) Promoting the use of plain and clear expressions in writing specifications

a) In light of problems arising from incorrect translations of patent specifications

prepared for filing foreign patent applications, from FY2006, the GOJ will thoroughly promote, through seminars and instruction manuals, the use of plain and clear terminology and expressions when writing patent specifications in order to avoid incorrect translations. More specifically, the GOJ will recommend that each sentence be short, the correspondence between the subject and the predicate be clear, and ambiguous and abstract terms be avoided.

b) In FY2006, the GOJ will continue to request cooperation to the JPAA for writing patent specifications clearly and concisely by expressing technical matters in simple and clear language.

(Ministry of Economy, Trade and Industry)

3) Encouraging applicants to improve the quality of their prior art searches

i) In FY2006, the GOJ will continue to encourage private companies to conduct sufficient prior art searches before filing patent applications or making requests for examination, thereby reducing patent applications for which patents are unlikely to be granted while obtaining high-quality patents intensively. To this end, the GOJ will thoroughly improve the public's access to patent information, and will also encourage private organizations to provide services for prior art searches and become specified registered search agencies so as to ensure stable prior art searches.

(Ministry of Economy, Trade and Industry)

ii) From FY2006, the GOJ will thoroughly enforce the system for disclosure of prior art document information, and will collect and analyze data of cases where prior assessment of inventions seems insufficient, e.g. the application being refused because of the applicant's own prior art, and provide applicants with analysis results as feedback, thereby encouraging high-quality patent applications.

(Ministry of Economy, Trade and Industry)

4) Publicizing information useful for companies in formulating a patent filing strategy

i) From FY2006, the GOJ will publicize information useful for companies in formulating a patent filing strategy, such as the ratio of foreign patent applications and the grant ratio of leading companies.

(Ministry of Economy, Trade and Industry)

ii) In FY2006, the GOJ will continue to request cooperation to the JPAA in terms of guidance for prior art search given by patent attorneys to applicants and the disclosure/provision of information useful for applicants when selecting patent attorneys.

(Ministry of Economy, Trade and Industry)

(2) Taking Measures to Reduce Unused Trademarks

By the end of FY2006, the GOJ will consider measures to reduce unused registered trademarks and invigorate the use of trademarks, while giving due consideration to the necessity to register trademarks for the purpose of protecting brand images, and will make operational changes or legal revisions as appropriate.

(Ministry of Economy, Trade and Industry)

5. Strengthening Intellectual Property Systems

(1) Paying Attention to Patent Protection in the Medical Field

In FY2006, the GOJ will continue to pay attention to the application of the Examination Guidelines for Patents revised in April 2005 with respect to “methods of operating medical devices” and “methods for bringing about new efficacy or effects of medicine for the purpose of manufacturing and selling medicine.”

(Ministry of Economy, Trade and Industry)

(2) Strengthening Protection of Trade Secrets

1) Developing an environment that prevents leakage of technology through patent applications

i) In order to promote effective use of the prior user rights so that companies will not have to file patent applications even with respect to know-how, which should have been kept secret, the GOJ will develop, as early as possible in the first half of FY2006, guidelines to clarify the requirements and scope of a prior user right and provide successful examples of means to prove prior use, and thoroughly publicize such guidelines. The GOJ will give attention to problems and court rulings that will occur

subsequently, with the aim of ensuring effective use of prior user rights under the patent system.

(Ministry of Economy, Trade and Industry)

ii) In order to promote the effective use of notarial methods such as notarial deeds of fact-observation as means to prove prior use, from FY2006, the GOJ will take necessary measures to increase the number of public notaries who are capable of understanding technical matters and are well versed in intellectual property systems.

(Ministry of Justice)

2) Preventing Overseas Leakage of Know-How, etc.

In FY2006, the GOJ will continue to promote the establishment of the practice of concluding confidentiality agreements for specified secrets. Furthermore, based on the results of the investigation being conducted since FY2005, the GOJ will consider measures, as early as possible, aiming to impose additional criminal penalties where retired employees have used or disclosed trade secrets, if protection is insufficient under contracts or with civil or criminal remedy under the Unfair Competition Prevention Law as revised in 2005, and will develop necessary systems.

(Ministry of Justice and Ministry of Economy, Trade and Industry)

3) Strengthening protection of pharmaceutical test data

From the perspective of ensuring the quality, effectiveness, and safety of generic drugs that are equivalent to a new drug, the Medicine Law provides that applicants for approval for generic drugs should submit test data of such drugs, and this test data should be equivalent to the data of the new drug for a period of six years from the grant of approval for the new drug. During this period, the test data of the new drug is practically protected by the provision. By the end of FY2006, the GOJ will consider specific measures to further increase drug safety, such as extending the period during which test data equivalent to the one for new drugs is required to eight years, and take necessary measures.

(Ministry of Health, Labor and Welfare)

(3) Strengthening Protection of Typefaces

Along with the progress of digitization, the importance of typefaces has been increasing for various media. However, according to the current interpretation of the Copyright Law, typeface designs per se that are not embodied in computer programs are not deemed to be copyrightable. From FY2006, the GOJ will consider how to protect typeface designs and take appropriate measures when necessary.

(Ministry of Economy, Trade and Industry)

(4) Strengthening Protection of Intellectual Property in the Fields of Agriculture, Forestry, and Fishery

1) Promoting initiatives under the lead of the Intellectual Property Policy Headquarters of the Ministry of Agriculture, Forestry and Fisheries

In order to increase the competitiveness of Japanese agriculture, forestry and fishery through the use of intellectual property, from FY2006, under the lead of the Intellectual Property Policy Headquarters of the Ministry of Agriculture, Forestry and Fisheries established in February 2006, the GOJ will strengthen protection of intellectual property in the fields of agriculture, forestry and fishery, and promote comprehensive measures to bring about a virtuous cycle of the creation, protection, and exploitation of intellectual property, including the utilization of regional brands.

(Ministry of Agriculture, Forestry and Fisheries and other ministries and agencies concerned)

2) Strengthening protection of new varieties of plants

i) From the viewpoint of making the protection system for new varieties of plants more usable and effective, from FY2006, the GOJ will consider measures to properly protect plant varieties under the Seeds and Seedlings Law from various viewpoints, including the development of a system to facilitate the exercise of rights, and develop systems as appropriate.

(Ministry of Agriculture, Forestry and Fisheries)

ii) In FY2006, the GOJ will continue to hold periodical discussions with related parties regarding the expansion of the scope of plants for which farmers need to obtain permission from holders of plant breeder's rights for their independent cultivation, and develop necessary systems by increasing the number of plant varieties designated by

Ministry Ordinance, while creating an environment to promote the conclusion of licensing agreements.

(Ministry of Agriculture, Forestry and Fisheries)

iii) In the course of developing DNA analysis technologies aimed to facilitate the detection of infringing products with respect to plant varieties used for the harvested materials and/or processed goods made from the materials, from FY2006, the GOJ will increase the number of targeted varieties and support the standardization process for DNA analysis technologies.

(Ministry of Agriculture, Forestry and Fisheries)

iv) In order to prevent farmers from infringing breeder's rights, without intention, when growing or assigning plant seeds and seedlings, in FY2006, the GOJ will continue to support the diffusion of *PVP* mark, a mark created in the private sector for registered varieties.

(Ministry of Agriculture, Forestry and Fisheries)

v) Plant varieties originating in Japan are often bred overseas and crops of such varieties are even being imported to Japan, whereas Japanese breeders have not yet sufficiently obtained or exploited rights overseas. In light of such circumstances, from FY2006, the GOJ will hold seminars and provide more information about protection systems for plant varieties in foreign countries, thereby encouraging Japanese breeders to actively obtain and exploit rights overseas.

(Ministry of Agriculture, Forestry and Fisheries)

3) Considering protection of genetic resources of livestock

From FY2006, the GOJ will consider protection of genetic resources of livestock such as Japanese beef cattle (Japanese Black) , for which an international protection system has not yet been established. This will be done by setting up a Study Group for Protection of Genetic Resources of Livestock under the Intellectual Property Policy Headquarters of the Ministry of Agriculture, Forestry and Fisheries, with experts in this area as members, and clarifying the possibility of protection and exploitation of genetic resources by way of intellectual property systems.

(Ministry of Agriculture, Forestry and Fisheries)

(5) Reviewing the Penalties for Infringements of Intellectual Property Rights

In order to increase deterrents against the infringement of intellectual property rights, from FY2006, the GOJ will continue to consider raising the upper limit of the term of criminal penalty (imprisonment with labor) for infringement of copyrights and plant breeder's rights to ten years, and will develop systems as appropriate.

(Ministry of Justice, Ministry of Education, Culture, Sports, Science and Technology, and Ministry of Agriculture, Forestry and Fisheries)

6. Strengthening the Dispute Settlement Functions

(1) Counting on the Intellectual Property High Court

a) The Intellectual Property High Court established in April 2005 is expected to realize more appropriate and prompt trial proceedings while meeting various needs, including: (i) making judgments based on technical expertise with the use of expert officials who are versed in intellectual property and technical matters; (ii) increasing the predictability of judgments by presenting de facto uniform standards in the earlier stage; (iii) operating the judicial system in line with the actual conditions of the economy and society. Judges at the Intellectual Property High Court are also expected to vigorously participate in training programs provided in the private sector and international exchange activities in order to further improve their knowledge on business reality and international perspective. It is also desirable to disseminate information on the Intellectual Property High Court across the world.

b) The expert-official system, which was launched in April 2004, is expected to contribute to the proper adjudication of cases where a high level of expertise is required due to the sophistication and diversification of technologies. In FY2006, it is also desirable to make this system function effectively, while securing users' confidence in it.

(2) Reinforcing Alternative Dispute Resolution (ADR)

In accordance with the Law on the Promotion of the Use of Alternative Dispute

Resolution Procedures (ADR Law), a system for certifying services of private dispute resolution procedures to arrange reconciliation or mediation will be put into practice on April 1, 2007. In order to reinforce and revitalize the functions of ADR organizations from the perspective of providing a variety of dispute resolution methods concerning intellectual property while establishing simple and effective ADR systems in local areas, in FY2006, the GOJ will increase awareness of the significance of the ADR Law and the details of the certification system among private organizations that are engaging in dispute resolution procedures. Furthermore, from the viewpoint of user convenience, the GOJ will provide information, through seminars for private companies and organizations as well as via the Internet, regarding the certified private organizations and the advantages of using ADR organizations (e.g. prompt settlement, non-disclosure, flexibility), with the aim of establishing the use of ADR systems.
(Ministry of Justice and Ministry of Agriculture, Forestry and Fisheries)

7. Promoting International Protection of Intellectual Property and International Cooperation Therefor

(1) Promoting Efforts to Establish a Global Patent System

1) Aiming to Achieve the Mutual Recognition of Patents among the Trilateral Patent Offices

With the final goal of establishing a global patent system, the JPO will play a leading role in achieving the mutual recognition of patents among the trilateral patent offices (JPO, USPTO, EPO), and implement the following measures.

a) As the first step, the Next-Generation Dossier Access System has been put into operation, whereby each of the trilateral offices can effectively use the search results and examination results obtained by other offices. For the second step, the GOJ will promote the mutual use of search and examination results between the trilateral offices. For example, towards the establishment of a Patent Prosecution Highway among the trilateral offices, whereby applications for patents that have been granted at the first office will be eligible for accelerated examination through simple procedures at the second office, the JPO will commence a trial of such system between the JPO and the USPTO from FY2006. In this context, in order to ensure that search and examination

results obtained by the first office will be effectively used by the second office, the JPO will clarify its practice by formulating guidelines that clearly specify the issues for which additional search is not required, or develop necessary systems.

b) While looking at the progress in the efforts mentioned in a) above, as the third step, the JPO will establish a de facto mutual patent recognition system among the trilateral patent offices in which a patent granted in one country will be, in principle, recognized in other countries. In FY2006, the JPO will propose establishing a working group at the trilateral meeting to start concrete discussions toward the establishment of the mutual recognition system, including the possibility of trial recognition of examination results of other offices.

c) In FY2006 and thereafter, while making the efforts mentioned in a) and b) above, the JPO will approach other foreign patent offices in addition to the USPTO and the EPO, with the ultimate goal of realizing a global patent system.

(Ministry of Economy, Trade and Industry)

2) Promoting Unification of Formats of Patent Specifications among the Trilateral Patent Offices

Along with the efforts among the trilateral patent offices mentioned above, in FY2006, the GOJ will continue to promote public-private cooperation to unify formats of patent specifications among the trilateral patent offices into one format, based on the format used for PCT applications (promotion of *One Application / One Format*). If it is difficult to complete unification among the trilateral offices at the same time, offices should aim for unification on a bilateral basis.

(Ministry of Economy, Trade and Industry)

3) Promoting international harmonization of patent systems

In FY2006, the GOJ will continue to engage vigorously in discussions at the World Intellectual Property Organization (WIPO) regarding the PCT reform aimed to improve the convenience of users and the Substantive Patent Law Treaty. The GOJ will also promote debates aimed at achieving the international harmonization of the patent systems, including discussions about the introduction of full 18-month-publication and the review of the first-to-invent system in the United States, and the global adoption of a unified grace period.

(Ministry of Foreign Affairs and Ministry of Economy, Trade and Industry)

(2) Contributing to the Establishment of International Rules with Due Consideration to International Public Policies

1) Developing an interagency conference and other discussion frameworks

In order for Japan to implement appropriate measures to strike a balance between intellectual property policies and other international public policies with respect to issues such as genetic resources, traditional knowledge, and folklore (traditional cultural expressions), as early as possible in FY2006, the GOJ will establish a Interagency Conference on International Public Policies Relating to Intellectual Property (tentative name) and other frameworks to study international intellectual property-related policies.

(Cabinet Office, Ministry of Foreign Affairs, Ministry of Education, Culture, Sports, Science and Technology, Ministry of Health, Labor and Welfare, Ministry of Agriculture, Forestry and Fisheries, Ministry of Economy, Trade and Industry, Environment Ministry, and other ministries and agencies concerned)

2) Contributing to developing mutual understanding and consensus on a global scale

From FY2006, the GOJ will promote dialogues among developed countries, developing countries, and local communities as well as international symposia in order to discuss issues concerning the relationship between intellectual property policies and other international public policies. The GOJ will also promote research activities carried out by academic societies and think tanks in this area.

(Cabinet Office, Ministry of Foreign Affairs, Ministry of Education, Culture, Sports, Science and Technology, Ministry of Health, Labor and Welfare, Ministry of Agriculture, Forestry and Fisheries, Ministry of Economy, Trade and Industry, Environment Ministry, and other ministries and agencies concerned)

3) Encouraging voluntary efforts of companies and universities in the field of biotechnology

From FY2006, the GOJ will encourage companies and associations in the field of biotechnology to develop action guidelines for the access and benefit-sharing of genetic resources and related traditional knowledge, so that individual companies and

universities will voluntarily give due consideration to these issues. The GOJ will also carry out publicity activities in order to promote compliance with the Convention on Biological Diversity.

(Ministry of Education, Culture, Sports, Science and Technology, Ministry of Health, Labor and Welfare, Ministry of Agriculture, Forestry and Fisheries, Ministry of Economy, Trade and Industry, and other ministries and agencies concerned)

(3) Promoting International Trademark Protection and Harmonization of Trademark Systems

i) Since the international trademark registration system based on the Madrid Protocol facilitates the international acquisition of trademark rights, the GOJ will, in FY2006, continue to approach the non-members in the Asia region to join the Protocol through bilateral and regional frameworks, and promote the use of the system by Japanese applicants. Also, the GOJ will actively participate in the discussion on the review of the Madrid System to be launched at WIPO, with the aim of contributing to the development of the system.

(Ministry of Foreign Affairs and Ministry of Economy, Trade and Industry)

ii) From FY2006, the GOJ will make efforts toward Japan's early accession to the Singapore Treaty on the Law of Trademarks adopted in March 2006.

(Ministry of Foreign Affairs and Ministry of Economy, Trade and Industry)

iii) In FY2006, the GOJ will continue to further promote the standardization of indications of designated goods/services among the trilateral patent offices of Japan, the United States, and Europe, in order to reduce procedural burdens on applicants who acquire rights overseas and the workload on national patent offices.

(Ministry of Foreign Affairs and Ministry of Economy, Trade and Industry)

(4) Promoting Cooperation in Examination and the Development of Systems Related to the Protection of Rights on New Plant Varieties

i) With the aim of coping with the global increase in the number of applications for registration of new plant varieties and achieve prompt and appropriate international protection of rights, the GOJ will take the following measures. The GOJ will also

consider early introduction of the mutual recognition system and develop systems as appropriate.

a) In FY2006, the GOJ will continue efforts to promote international harmonization of examination standards in order to encourage the mutual use of examination data.

b) The GOJ will start cooperation in examination with the EU in FY2006.

c) In FY2006, the GOJ will implement regular discussions with examiners in China, the Republic of Korea, and other countries to promote cooperation in examination.

(Ministry of Foreign Affairs and Ministry of Agriculture, Forestry and Fisheries)

ii) In FY2006, the GOJ will continue to provide assistance in developing necessary systems and conduct training and seminars for developing experts through the International Union for the Protection of New Varieties of Plants (UPOV). In addition, through various opportunities such as bilateral and regional frameworks, the GOJ will promote the establishment and improvement of relevant systems in countries where protection for new plant varieties is insufficient.

(Ministry of Foreign Affairs and Ministry of Agriculture, Forestry and Fisheries)

iii) In FY2006, the GOJ will continue to dispatch public-private joint missions to China and the Republic of Korea and encourage these countries to expand the scope of plants eligible for protection and improve the system for protecting plant varieties and the operation thereof. In particular, in light of the fact that about 90% of the varieties of strawberry produced in the Republic of Korea originated in Japan, the GOJ will support negotiations between Korean farmers and Japanese breeders, so that these varieties will be included in the scope of protection by the end of FY2006.

(Ministry of Agriculture, Forestry and Fisheries)

(5) Promoting the Development of Intellectual Property Systems in Asia and Cooperation Therefor

In response to applicants' requests for the unification of industrial property systems, such as patent systems, improvement of the protection system for new plant varieties, and facilitation of the acquisition of intellectual property rights in especially in Asia, in FY2006, the GOJ will continue to promote public-private cooperation toward harmonization of intellectual property systems and operation thereof in Asia by

providing Asian countries with support for examination, human resource development, and computerization.

(Ministry of Agriculture, Forestry and Fisheries and Ministry of Economy, Trade and Industry)

(6) Utilizing Free Trade Agreements (FTAs), Economic Partnership Agreements (EPAs), and Other Agreements

In FY2006, through negotiations on bilateral and plurilateral agreements, including Free Trade Agreements, Economic Partnership Agreements, and investment agreements, the GOJ will continue to actively encourage negotiating countries to develop the intellectual property system and introduce the modified substantive examination system on an institutional or operational level so as to achieve intellectual property protection beyond the level provided in the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement) in line with the request of the Japanese industry.

(Ministry of Foreign Affairs, Ministry of Education, Culture, Sports, Science and Technology, Ministry of Agriculture, Forestry and Fisheries, and Ministry of Economy, Trade and Industry)

(7) Promoting Dissemination of Information across the World

1) Establishing International Networks for Exchanging Information on Patent Examination

a) In FY2006, the GOJ will continue to improve the environment to use the Advanced Industrial Property Network (AIPN) for translating information on search/examination results from Japanese to English and making it available to foreign patent offices, and will promote the use of this system.

b) In FY2006, the GOJ will continue to promote the utilization of Japanese-English machine translation in the industry by further reinforcing dictionaries for machine translation from Japanese to English and making the dictionaries possessed by the Japan Patent Office available to the public.

(Ministry of Economy, Trade and Industry)

2) Producing the English Translations of Intellectual Property-Related Laws as Quickly

as Possible

With the aim of making Japanese intellectual property-related laws understood and used easily around the world, in FY2006, the GOJ will, in cooperation with the ministries and agencies concerned and relevant organizations, continue the work to produce English translations of the Patent Law and the laws chosen for the first phase. The GOJ will also produce accurate and unified English translations of other Japanese intellectual property-related laws as quickly as possible according to the Translation Project Plan developed in March 2006.

(Judicial Reform Headquarters in the Cabinet Secretariat, Ministry of Justice, Ministry of Education, Culture, Sports, Science and Technology, Ministry of Agriculture, Forestry and Fisheries, Ministry of Economy, Trade and Industry, and other ministries and agencies concerned)

II. Strengthening Measures Against Counterfeits and Pirated Copies

In overseas markets, the number of Japanese companies damaged by counterfeits and pirated copies has been increasing and all types of businesses have been affected. Counterfeiting occurs with not only trademarks but also designs, patents, and seeds and seedlings, and the technical advance and large-scale distribution of counterfeits have been progressing. Counterfeits and pirated copies distort fair competition among companies and cheat right holders out of potential profits. Furthermore, they decrease consumer trust in corporate brands and hinder consumer benefits by damaging the health and safety of consumers.

In aiming to make Japan an “intellectual property-based nation,” both public and private sectors are strongly required to take powerful measures to protect Japanese companies and consumers against damage from counterfeits and pirated copies, not only in Japan but also overseas.

1. Strengthening Measures in Overseas Markets

(1) Aiming to Achieve Early Adoption of the Treaty on the Non-proliferation of Counterfeit and Pirated Goods

The problem of counterfeits and pirated copies did not remain in a specific country but has spread throughout the world. Counterfeits and pirated copies generate funds for criminal groups and terrorist groups as well as threaten consumers' health and safety. In light of these facts, in FY2006, the GOJ will accelerate discussions with the aim of achieving early adoption of the Treaty on the Non-proliferation of Counterfeit and Pirated Goods (tentative name), which was advocated by Japan, in cooperation with other countries as well as international organizations including the Organization for Economic Cooperation and Development (OECD), the World Customs Organization (WCO), and the International Criminal Police Organization (Interpol).

(National Police Agency, Ministry of Internal Affairs and Communications, Ministry of Justice, Ministry of Foreign Affairs, Ministry of Finance, Ministry of Education, Culture, Sports, Science and Technology, Ministry of Agriculture, Forestry and Fisheries, and Ministry of Economy, Trade and Industry)

(2) Strengthening Measures against Countries and Regions Where Infringements Have Been Exposed

1) Strengthening functions of Overseas Establishments

i) The GOJ is positioning measures against counterfeits and pirated copies as a key diplomatic measure, and aims to provide prompt and effective support for Japanese companies damaged by counterfeits and pirated copies. Therefore, in FY2006, the GOJ will further strengthen functions of Overseas Establishments under the initiative of the ambassadors who strongly encourage the governments of the countries concerned to take regulatory measures.

(Ministry of Foreign Affairs)

ii) In FY2006, via Overseas Establishments and the Japan External Trade Organization (JETRO), the GOJ will continue to provide specific support, such as giving advice about procedures and measures to be taken, introducing search companies, and instructing companies about the acquisition and enforcement of rights overseas.

(Ministry of Foreign Affairs and Ministry of Economy, Trade and Industry)

2) Utilizing the Content Japan (CJ) mark

i) In order to facilitate efforts to expose pirated copies, in FY2006, the GOJ will continue to support the dissemination of the Content Japan (CJ) mark as well as the activities to investigate and expose pirated copies.

(National Police Agency, Ministry of Education, Culture, Sports, Science and Technology, and Ministry of Economy, Trade and Industry)

ii) In order to facilitate the procedure for distinguishing counterfeit products from genuine products in overseas markets and at customs, from FY2006, the GOJ will encourage right holders and associations thereof as well as manufacturers and distributors to use anti-counterfeit technologies, while verifying the effectiveness thereof.

(National Police Agency, Ministry of Foreign Affairs, Ministry of Finance, Ministry of Education, Culture, Sports, Science and Technology, and Ministry of Economy, Trade and Industry)

3) Utilizing the infringement situation survey

i) In light of the seriousness of damage due to intellectual property infringements suffered by Japanese companies overseas, in FY2006, the GOJ will continue to promote the use of the Survey on Intellectual Property Infringements Overseas.

(Ministry of Foreign Affairs, Ministry of Economy, Trade and Industry, and other ministries and agencies concerned)

ii) In FY2006, the GOJ will continue to prepare and disclose reports on the measures against counterfeits and pirated copies taken by other countries, on the basis of regular surveys and surveys based on a right holder's claim, and will also strongly request the governments of countries and regions, where infringements have been exposed, to alleviate the problem.

(Ministry of Foreign Affairs, Ministry of Economy, Trade and Industry, and other ministries and agencies concerned)

4) Making specific requests to countries and regions where infringements have been exposed

In FY2006, on the ministerial level and various other levels the GOJ will continue to strongly request countries and regions where infringements have been exposed, such as Asian countries, to improve specific systems and strengthen regulations effectively, including: tightening control of fake designs; strengthening the enforcement; strengthening regulations against repeat offenses; promoting the recognition of well-known trademarks; and reducing burden on right holders for control at the border.

(Ministry of Foreign Affairs, Ministry of Finance, Ministry of Education, Culture, Sports, Science and Technology, Ministry of Economy, Trade and Industry, Ministry of Land, Infrastructure and Transport, and other ministries and agencies concerned)

5) Investigating the damage due to counterfeits and pirated copies

i) In FY2006, the GOJ will continue to gather know-how and related information regarding how to respond to damage from counterfeits and pirated copies, which is needed for Japanese companies to enforce their rights in infringing countries by

instituting lawsuits and taking other actions, and distribute such information to companies.

(Ministry of Foreign Affairs, Ministry of Education, Culture, Sports, Science and Technology, Ministry of Economy, Trade and Industry, and other ministries and agencies concerned)

ii) Taking into account the increase in the number of Japanese companies damaged by counterfeits and pirated copies in overseas markets, in FY2006, the GOJ will continue to investigate and analyze the actual damage due to counterfeits and pirated copies, and will make the analysis results public and use them for international negotiations.

(Ministry of Foreign Affairs, Ministry of Education, Culture, Sports, Science and Technology, and Ministry of Economy, Trade and Industry)

(3) Strengthening Cooperation with the Authorities in Countries and Regions Where Infringements Have Been Exposed

In FY2006, the GOJ will continue to promote the conclusion of mutual assistance agreements and to promote regular consultations between authorities in Japan and those in countries and regions where infringements have been exposed in addition to daily information exchange, in order to specifically strengthen cooperation with the authorities (government office granting rights, police authorities, customs authorities, administrative regulatory authorities, and judicial authorities) in such countries and regions.

(National Police Agency, Ministry of Foreign Affairs, Ministry of Finance, Ministry of Education, Culture, Sports, Science and Technology, and Ministry of Economy, Trade and Industry)

(4) Utilizing Free Trade Agreements (FTA) and Economic Partnership Agreements (EPA)

In FY2006, the GOJ will continue to conduct active negotiations in order to incorporate a provision for ensuring effective enforcement of the system into bilateral/multilateral agreements with Asian countries, such as free trade agreements (FTA), economic partnership agreements (EPA), and investment agreements. Also, the GOJ will review the actual status of enforcement within mechanisms under the treaties.

(National Police Agency, Ministry of Foreign Affairs, Ministry of Finance, Ministry of

Education, Culture, Sports, Science and Technology, Ministry of Agriculture, Forestry and Fisheries, Ministry of Economy, Trade and Industry, and other ministries and agencies concerned)

(5) Promoting Efforts toward Conclusion of Customs Mutual Assistance Agreements

In order to promote a smooth exchange of information with the governments of foreign countries, in FY2006, the GOJ will continue to strengthen cooperation with foreign countries, including the United States and European countries, through consultations with foreign customs authorities and frameworks of the existing customs' mutual assistance agreements, with the aim of concluding new mutual assistance agreements.

(Ministry of Foreign Affairs and Ministry of Finance)

(6) Strengthening Cooperation with the United States and Europe

1) Strengthening cooperation with the EU and European countries

At the Japan-EU periodical summit held in April 2006, an agreement was reached to continue close dialogues on the issue of counterfeiting and piracy and other intellectual property issues, including dialogues relating to the establishment of an international legal framework for non-proliferation of counterfeits and pirated goods. In FY2006, in order to be more effective in approaching and generating results in countries and regions where infringements have been exposed, the GOJ will continue to develop cooperation with the EU by actively utilizing regular consultations and individual consultations between the leaders or ministers of Japan and the EU as well as Japan-EU dialogues on intellectual property issues.

Furthermore, for the purpose of ensuring effective cooperation with the EU, the GOJ will also strengthen bilateral cooperation with France and other European countries.

(Ministry of Foreign Affairs, Ministry of Finance, Ministry of Education, Culture, Sports, Science and Technology, Ministry of Economy, Trade and Industry, and other ministries and agencies concerned)

2) Strengthening cooperation with the United States

In FY2006, in order to promote protection of intellectual property rights in

Asia, the GOJ will continue to develop cooperation with the United States by actively utilizing bilateral consultations between the leaders or ministers of Japan and the United States.

(Ministry of Foreign Affairs, Ministry of Finance, Ministry of Education, Culture, Sports, Science and Technology, Ministry of Economy, Trade and Industry, and other ministries and agencies concerned)

(7) Taking the Initiative in Promoting Multilateral Efforts

i) In FY2006, the GOJ will continue to make arrangements so that the issue of counterfeiting and piracy will be discussed among leaders and other high-level government officials at the G8 summit as well as the Organization for Economic Cooperation and Development (OECD), the Asia-Pacific Economic Cooperation (APEC), the Asia-Europe Meeting (ASEM), the World Trade Organization (WTO), the World Intellectual Property Organization (WIPO), the World Customs Organization (WCO), and other international organizations and forums.

(Ministry of Foreign Affairs, Ministry of Finance, Ministry of Education, Culture, Sports, Science and Technology, Ministry of Economy, Trade and Industry, and other ministries and agencies concerned)

ii) In FY2006, in cooperation with other countries, the GOJ will continue to actively promote discussions on the anti-counterfeiting and piracy project, which was started in 2005 at the OECD.

(Ministry of Foreign Affairs, Ministry of Finance, Ministry of Education, Culture, Sports, Science and Technology, Ministry of Economy, Trade and Industry, and other ministries and agencies concerned)

iii) In FY2006, based on the APEC Anti-Counterfeiting and Piracy Initiative, the GOJ will take the lead in developing new guidelines and selecting intellectual property rights to be additionally included in the scope of protection. Furthermore, the GOJ will continue to steadily promote the use of the Intellectual Property Policy Progress Mapping and the APEC Comprehensive Strategy on IPR Protection, and encourage other countries and regions to establish intellectual property right service centers at an early date.

(Ministry of Foreign Affairs, Ministry of Finance, Ministry of Education, Culture,

Sports, Science and Technology, Ministry of Economy, Trade and Industry, and other ministries and agencies concerned)

iv) In FY2006, in order to steadily implement measures adopted at the summit meeting, the GOJ will continue to actively engage in activities in the field of intellectual property rights under the ASEM Trade Facilitation Action Plan, and promote cooperation between Asia and Europe to protect intellectual property as well as ensure enforcement of intellectual property rights.

(Ministry of Foreign Affairs, Ministry of Finance, and other ministries and agencies concerned)

v) In FY2006, the GOJ will continue to request Asian countries and regions to tighten controls over counterfeits and pirated copies by actively utilizing the World Trade Organization's (WTO) Transitional Review Mechanism (TRM) for China, the WTO review of the implementing legislation for the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement), and the WTO Trade Policy Review Mechanism (TPRM).

(Ministry of Foreign Affairs, Ministry of Education, Culture, Sports, Science and Technology, Ministry of Economy, Trade and Industry, and other ministries and agencies concerned)

vi) In FY2006, the GOJ will continue to take up the issue of enforcement against counterfeits and pirated copies as a main topic on the agenda in the WIPO and make active efforts to have the WIPO members share the common recognition that the regulation of counterfeits and pirated copies is a problem that must be addressed through the united efforts of WIPO members.

(Ministry of Foreign Affairs, Ministry of Education, Culture, Sports, Science and Technology, Ministry of Economy, Trade and Industry, and other ministries and agencies concerned)

vii) In FY2006, the GOJ will continue active efforts at the World Customs Organization (WCO), the international organization of customs authorities, with the aim of ensuring that the exchange of information on custom control over intellectual property-infringing

products, which is conducted through the WCO's network for custom monitoring and control, will play a significant role in implementing anti-counterfeiting and piracy measures.

(Ministry of Foreign Affairs and Ministry of Finance)

(8) Supporting Developing Countries to Increase Their Capacity to Take Measures against Counterfeits and Pirated Copies

i) Taking into account that the appropriate protection of intellectual property rights is essential for the expansion of trade investment and economic development in developing countries, in FY2006, the GOJ will continue to support developing countries in developing their intellectual property systems and strengthening the enforcement thereof according to the needs and priorities under individual aid projects, on the basis of the ODA Charter decided in August 2003.

(Ministry of Foreign Affairs and other ministries and agencies concerned)

ii) In accordance with the Support Initiative for Cooperation and Capacity Building for Intellectual Property Protection developed in June 2005, the ministries and agencies concerned as well as relevant organizations including the Japan International Cooperation Agency (JICA) and JETRO will, in cooperation among them and in collaboration with Japanese companies, from FY2006, continue to implement capacity-building activities for the protection of intellectual property rights, for the government officials and private organizations/companies in Asian countries that take active measures against counterfeits and pirated copies. The activities will be reviewed at the end of every fiscal year.

(National Police Agency, Ministry of Internal Affairs and Communications, Ministry of Justice, Ministry of Foreign Affairs, Ministry of Finance, Ministry of Education, Culture, Sports, Science and Technology, Ministry of Agriculture, Forestry and Fisheries, and Ministry of Economy, Trade and Industry)

iii) In FY2006, the GOJ will continue to strengthen cooperation with authorities and organizations that work on measures in countries and regions where infringements have been exposed. The GOJ will also work on support for awareness-raising activities so that the general public in countries and regions where infringements have been exposed

can recognize counterfeits and pirated copies as social ills.

(Ministry of Foreign Affairs, Ministry of Education, Culture, Sports, Science and Technology, Ministry of Economy, Trade and Industry, and other ministries and agencies concerned)

2. Strengthening Regulations at the Border

(1) Strengthening the Regulations of Importation of Counterfeits and Pirated Copies by Individuals

i) At present, individuals are not prohibited by law from importing or possessing counterfeits and pirated copies, and the public awareness of such acts is very low. Therefore, in order to make it clear to the public that importation and possession of counterfeits and pirated copies by individuals is harmful to society and to prevent a deluge of counterfeits, by the end of FY2006, the GOJ will further reconsider the prohibition of importation and possession of counterfeits and pirated copies by individuals, and will establish a new law or develop systems as appropriate.

(National Police Agency, Ministry of Justice, Ministry of Finance, Ministry of Education, Culture, Sports, Science and Technology, and Ministry of Economy, Trade and Industry)

ii) It has been pointed out that where fake brand products or counterfeit drugs are imported by an agency on behalf of an individual, although the importation of such products may be formally regarded as being conducted by an individual who is not engaged in trade, the agency still seems to be substantially infringing intellectual property rights. In light of such opinion, from FY2006, the GOJ will study the possibility of holding such import agency responsible for infringement based on the actual damage done, and revise laws and develop systems as appropriate.

(Ministry of Justice, Ministry of Finance, Ministry of Economy, Trade and Industry, and other ministries and agencies concerned)

(2) Developing Systems to Determine Infringement Based on Legal and Technical Expertise

The GOJ aims to ensure that right holders can use various procedures according to their needs and the nature of the infringement. Therefore, in light of the importance of the capability of judging technology at the border as well as the institutional usability and the procedural fairness, and based on the outcome of the implementation of the past system reforms, the GOJ will further consider measures to determine infringement by the end of FY2006. These measures will be based on legal and technical expertise through the involvement of the parties concerned and specialists, and the GOJ will revise laws and develop systems as appropriate.

(Ministry of Finance, Ministry of Education, Culture, Sports, Science and Technology, Ministry of Agriculture, Forestry and Fisheries, and Ministry of Economy, Trade and Industry)

(3) Utilizing Orders of Provisional Disposition Issued by Courts

If the court issues a preliminary injunction during the period of the infringement-finding procedure by customs, unless there are special circumstances, the Customs Director will find infringement based on determination of the infringement in the order. Considering this fact and the necessity of prompt remedy at the border, in FY2006, courts are expected to continue to take action in the proceeding so as to ensure that a preliminary injunction is issued promptly.

(4) Strengthening the Regulations of Counterfeits and Pirated Copies at Customs

1) Strengthening regulatory systems at customs

i) Taking into account the current situation in which parallel importation, importation by parties pretending to be individuals, and importation of small-lot cargoes by individuals can be regarded as one of the reasons for the deluge of fake brand products and pirated copies in Japan, the GOJ will, in FY2006, continue to promote the strengthening of cooperation between customs and right holders, the reinforcement of inspection equipment and the information system at customs, the securing of a necessary number of customs officials, and the improvement of the capabilities of customs officials, in order to further strengthen the regulations against such kinds of imports.

(Ministry of Finance)

ii) In light of the facts that it is often difficult to determine infringement just by the

appearance of a product and that counterfeits and pirated copies generate funds for criminal groups and terrorist groups, from FY2006, the GOJ will promote the initiatives to apply civilian technologies to inspection devices used at customs and study and develop inspection devices using cutting-edge technologies, and will also strengthen cooperation with foreign countries in this area.

(Council for Science and Technology Policy and Ministry of Finance)

2) Developing systems to regulate exportation and transit of counterfeits and pirated copies

Taking into account the current situation in which new methods have been invented to transport counterfeits and pirated copies, e.g. bringing pirated copies into a third party country for transshipment and then exporting them to the target country, the GOJ will, from FY2006, consider measures to enable customs to stop export cargos or transit cargos that contain copyright infringing goods at the border in a timely manner, and will revise laws and develop systems as appropriate.

(Ministry of Justice, Ministry of Finance, and Ministry of Education, Culture, Sports, Science and Technology)

ii) Having developed a system to control exports of goods that infringe patent rights, utility model rights, design rights or trademark rights, goods that infringe plant breeder's rights, and goods that violate the Unfair Competition Prevention Law (e.g. goods that imitate the shape of another person's goods), from FY2006, the GOJ will make efforts to raise awareness of this system and implement custom controls while giving due consideration to the prevention of abuse of the system.

(Ministry of Finance, Ministry of Agriculture, Forestry and Fisheries, and Ministry of Economy, Trade and Industry)

3) Simplify the procedures to apply for export suspension and to determine infringement

i) In order to reduce the burden on the parties involved in infringement cases, by the end of FY2006, the GOJ will review documents to be submitted for the procedure to apply for export suspension and the procedure to determine infringement as well as matters to be stated in such documents, and simplify the procedures if necessary. The GOJ will

also develop a system to send images of import goods to the parties concerned by email so that they will be able to visually confirm the goods without going all the way to the customs office.

(Ministry of Finance)

ii) The number of counterfeits and pirated copies that are imported by Express Mail Services (EMS) and other overseas mail services or brought into Japan by overseas tourists in their baggage has been rapidly increasing. In light of this situation, by the end of FY2006, the GOJ will consider a simple procedure to quickly seize and destroy counterfeits and pirated copies contained in overseas parcels and tourists' baggage, while giving consideration to due process, and will revise laws and develop systems as appropriate.

(Ministry of Finance)

3. Strengthening Domestic Regulations

1) Preventing the trade of counterfeits and pirated copies via Internet auctions

i) In FY2006, the GOJ will thoroughly publicize the Rules for E-Commerce (released on February 1, 2006), which clearly provide that the criteria for determining "commercial dealers" are to be regulated under the Special Commercial Transaction Law and will strengthen law enforcement against commercial dealers who violate the said Law. Also, the GOJ will review the said Rules based on the actual situation of counterfeits and pirated copies that are brought to auctions and cause damage, and make revisions if necessary.

(Ministry of Economy, Trade and Industry)

ii) In FY2006, with cooperation between the public and private sectors and consideration given to consumers and sellers at auctions, the GOJ will promote the following measures through the Association for Prevention of Distribution of Intellectual Property-Infringing Products on the Internet established by right holders and auction providers.

a) Encourage auction providers to correctly identify sellers in order to prevent malicious

sellers from bringing articles to auctions.

b) Encourage auction providers to disclose seller information to right holders promptly and smoothly, at their request under law, so as to enable right holders to seek an injunction of infringing products or claim damages.

c) Encourage auction providers to make independent efforts in a unified manner such as suspending transmission of exhibition information so as to eradicate counterfeits and pirated copies from auction sites.

d) Raise awareness among sellers and consumers in order to prevent them from bringing counterfeits and pirated copies to auctions or purchasing such goods via auctions.

(National Police Agency, Ministry of Internal Affairs and Communications, Ministry of Education, Culture, Sports, Science and Technology, and Ministry of Economy, Trade and Industry)

iii) In FY2006, while verifying the effects of the above-mentioned measures, the GOJ will consider additional measures to effectively prevent the trade of counterfeits and pirated copies via Internet auctions, and will revise laws and develop systems as appropriate.

(National Police Agency, Ministry of Internal Affairs and Communications, Ministry of Education, Culture, Sports, Science and Technology, and Ministry of Economy, Trade and Industry)

iv) In FY2006, through the effective use of the Information Sharing Scheme established among right holders, auction providers, and investigation authorities, the GOJ will improve the efficiency and effectiveness of the regulations against the trade of counterfeits and pirated copies via auction sites.

(National Police Agency)

v) In FY2006, the GOJ will investigate the actual conditions of auction providers and instruct them comply with the obligations under the Antique Dealings Law, including the verification of the identity of the seller, while strengthening regulations of malicious sellers.

(National Police Agency)

(2) Strengthening Regulations by Police

i) In FY2006, the GOJ will continue to precisely clarify the actual status of criminal organizations that enjoy illicit gains through illegal sales of counterfeits and pirated copies and to strengthen regulations against such organizations, in order to cut off the supply routes of counterfeits and pirated copies. In addition, the GOJ will promote the activities of police, keeping in mind the connection between intellectual property-related crimes and the fund-raising activities of international terrorist groups. (National Police Agency)

ii) In FY2006, the GOJ will continue to strengthen regulations of sale of counterfeits and pirated copies by using various investigative methods, including officials for preliminary determination of trademark right infringement who are capable of distinguishing pirated copies from genuine products. The Tokyo Metropolitan Police Department assigned these officials earlier than any other police departments in Japan. (National Police Agency)

iii) In FY2006, the GOJ will continue to strengthen the ties between industry organizations such as the Anti-Counterfeiting Association and the police authorities to implement effective regulations based on highly accurate information. (National Police Agency)

(3) Strengthening measures against infringements of breeders' rights

In order to prevent unfair use of new varieties of plants and promote appropriate protection of breeder's right holders, in FY2006, the GOJ will continue to strengthen the activities of plant variety protection officials (Plant Variety Protection G-Men) within the National Center for Seeds and Seedlings. The GOJ will also continue to investigate the actual damage due to infringements of rights at home and abroad and conduct tests to determine any similarity in plant varieties (comparative cultivation, DNA analysis) that supports determination of infringement.

Furthermore, from FY2006, the GOJ will investigate and record the cultivation, storage, and sale of seeds and seedlings, crops, and processed goods that are suspected of being infringing breeder's rights, and help right holders prove infringement of their rights through deposit of evidence, thereby strengthening measures to protect rights of

breeders of plant varieties from infringements.
(Ministry of Agriculture, Forestry and Fisheries)

(4) Promote Regulations of Illegal Distribution of Movies Recorded without Permission at Theaters

Movies are often recorded at theaters without permission and then illegally distributed on the Internet. From FY2006, the GOJ will study the damage of such illegal distribution of movies, consider regulations, and take necessary measures as appropriate.

(National Police Agency, Ministry of Education, Culture, Sports, Science and Technology, and Ministry of Economy, Trade and Industry)

4. Strengthening Cooperation between the Public and Private Sectors

(1) Strengthening Cooperation within the Government

In order to ensure that the ministries and agencies concerned make concerted efforts towards measures in the overseas markets and border and domestic regulations, in FY2006, the GOJ will continue to take the following measures and strengthen cooperation among the ministries and agencies concerned.

- a) The GOJ will publicize the government's comprehensive office for consultation services on counterfeits and pirated copies, and prepare annual reports of the comprehensive office. The GOJ will also strengthen cooperation among the ministries and agencies concerned so as to respond to requests of right holders and companies for advice.
- b) The GOJ will establish a database so that the ministries and agencies concerned can share information about counterfeits and pirated copies.
- c) The police and customs utilize information about the manufacturing and distribution of counterfeits and pirated copies in foreign markets to prevent counterfeits, etc. from entering the domestic market and eliminate them from inside of Japan.
- d) The GOJ will formulate and implement policies for measures against counterfeits and pirated copies, based on various kinds of information collected and analyzed both at home and overseas, and also report the results thereof to persons concerned.

e) The ministries and agencies concerned will make arrangements with each other in taking measures. They will also hold, in a timely manner, meetings of the Ministerial Conference on Measures against Counterfeits and Pirated Copies, to adjust policies closely and implement them comprehensively.

(National Police Agency, Ministry of Internal Affairs and Communications, Ministry of Justice, Ministry of Foreign Affairs, Ministry of Finance, Ministry of Education, Culture, Sports, Science and Technology, Ministry of Agriculture, Forestry and Fisheries, and Ministry of Economy, Trade and Industry)

(2) Strengthening Public-Private and Private-Private Cooperation

i) In FY2006, the GOJ will continue to assist Japanese companies' efforts overseas against counterfeits and pirated copies. In order to effectively conduct negotiations with and approach the authorities in countries and regions where infringements have been exposed, the GOJ will dispatch public-private joint missions and support overseas activities of the International Intellectual Property Protection Forum, the Organization for Promotion of Overseas Distribution of Contents, the Anti-Counterfeiting Association, and other private organizations.

(National Police Agency, Ministry of Foreign Affairs, Ministry of Finance, Ministry of Education, Culture, Sports, Science and Technology, Ministry of Agriculture, Forestry and Fisheries, and Ministry of Economy, Trade and Industry)

ii) In FY2006, the GOJ will continue to hold seminars for companies, etc. concerning measures against counterfeits and pirated copies in various cities throughout Japan, in close cooperation among the ministries and agencies concerned.

(National Police Agency, Ministry of Finance, Ministry of Education, Culture, Sports, Science and Technology, Ministry of Economy, Trade and Industry, and other ministries and agencies concerned)

iii) In order to provide services including giving advice on the acquisition of rights and counterfeit measures, introducing local patent attorneys, attorneys at law and search organizations, providing consultations for individual cases, communicating with the ministries and agencies concerned, and making requests to the government authorities of countries where infringement cases have been exposed, the GOJ will continue, in

FY2006, to promote the active use of the network established with cooperation of JETRO, Japan Chamber of Commerce and Industry, Japan Foundation of Bar Associations, Intellectual Property Lawyers Network, Japan Patent Attorneys Association, Japan Institute of Invention and Innovation, and other organizations, which is called the Counterfeit Consultation Network.

(Ministry of Economy, Trade and Industry and other ministries and agencies concerned)

iv) In FY2006, the GOJ will continue to encourage efforts of Japanese and Chinese electronic and electric industries to conduct surveys and hold seminars with respect to anti-counterfeit measures based on opinions exchanged between these industries.

(Ministry of Economy, Trade and Industry)

(3) Strengthening Awareness-Raising for the Public

In order to eradicate counterfeits and pirated copies,, it is most important that each and every national is aware that counterfeits and pirated copies are harmful to society. Furthermore, the Basic Law on Consumers provides that consumers are responsible for appropriate protection of intellectual property rights. Therefore, in FY2006, the GOJ will continue to promote awareness-raising activities for the public and promote education and the learning of appropriate consumer behavior through school education etc.

(Cabinet Office, National Police Agency, Ministry of Internal Affairs and Communications, Ministry of Justice, Ministry of Foreign Affairs, Ministry of Finance, Ministry of Education, Culture, Sports, Science and Technology, Ministry of Agriculture, Forestry and Fisheries, and Ministry of Economy, Trade and Industry)

Chapter 3 Exploitation of Intellectual Property

I. Strategically Exploiting Intellectual Property

Since most Japanese companies' intellectual property strategies have placed emphasis primarily on "defending" their own business by filing applications and maintenance of rights, more than half of the patents that they have obtained are not actually being exploited. Furthermore, amidst the international competition that has been intensified due to the recent trends of R&D conducted on a global scale and rapid catching up by Asian countries, business management that is focused on intellectual property as the source of business competitiveness is becoming more and more important.

Under such circumstances, companies are expected to exploit their intellectual property more strategically, e.g. establishing their intellectual property portfolio in order to promote efficient R&D, protect their businesses, and differentiate their products from competitors' products as well as carry out branding strategy, and also raising funds using intellectual property.

To this end, the GOJ will create an environment where business management, with the use of intellectual property, is supported and properly appreciated among all stakeholders, i.e. shareholders, trading partners, and consumers, and will also develop legal systems in this context.

1. Encouraging Companies to Implement Strategic Management

(1) Encouraging Companies to Appoint a Chief Intellectual Property Officer (CIPO)

The GOJ aims to ensure that corporate executives themselves will direct technology and R&D departments and intellectual property departments and promote business strategy from a uniform perspective in formulating and implementing intellectual property strategy relating to patents, designs, know-how, brands, and contents. Therefore, from FY2006, the GOJ will encourage companies to appoint a chief intellectual property officer (CIPO) or directors on board in charge of intellectual property.

(Ministry of Economy, Trade and Industry)

(2) Promoting Management Strategy Emphasizing Intellectual Property

1) Promoting Strategic Management Focused on Intellectual Property

It is important for companies to work toward management focused on “intellectual assets” or sources of competitiveness, e.g. human resources, technology, organizational strength, network with customers, and brands (intellectual assets-based management), thereby realizing management that will produce profits in a sustainable manner. In particular, companies that aim to become technology-based companies should regard intellectual property as the core of their business management, carrying out business strategy, R&D strategy, and intellectual property strategy all together. With the aim of promoting such intellectual property-focused management, in FY2006, the GOJ will encourage companies to formulate and implement an intellectual property strategy by referring to the Guidelines for Acquisition and Management of Intellectual Property and the interim report of the Subcommittee on Operating/Intellectual Assets, New Growth Policy Committee, Industrial Structure Council.

(Ministry of Economy, Trade and Industry)

2) Promoting the efforts to increase corporate value through the disclosure of information on intellectual property

i) In FY2006, the GOJ will continue to take measures to increase awareness so that more than 100 companies will prepare and publish “intellectual property reports” stating the status of the exploitation of intellectual property according to the Guidelines for Disclosure of Intellectual Property Information and the Guidelines for Disclosure of Intellectual Assets Based Management. In this process, the GOJ will also raise awareness among companies of effective methods of information disclosure, such as continuously publishing intellectual property reports with annual reports, making intellectual property reports easily available to the public with the use of electronic media and various other media, and holding briefing meetings for investors.

(Ministry of Economy, Trade and Industry)

ii) In order to ensure that individual companies’ IR and PR information relating to intellectual property-focused management will be widely and accurately assessed, from

FY2006, the GOJ will strengthen the measures to raise awareness of intellectual property reports among stakeholders such as shareholders, trading partners, and consumers, as well as financial and securities markets.

(Ministry of Economy, Trade and Industry)

iii) In FY2006, the GOJ will continue to consider how to describe R&D/patent-related information on a voluntary basis in securities reports and clarify such format as appropriate.

(Financial Services Agency and Ministry of Economy, Trade and Industry)

2. Developing the Environment for Business Activities that Use Intellectual Property

(1) Encouraging Valuation of Intellectual Property

The value of intellectual property has to be properly assessed depending on the purpose of its exploitation so that companies carry out business activities exploiting intellectual property. In FY2006, the GOJ will encourage the private sector to establish a reliable valuation method by referring to the interim report on Concept for the Establishment of Method of Valuation of Intellectual Property, and assess the value of intellectual property depending on the purpose of use.

(Ministry of Economy, Trade and Industry)

(2) Promoting Management and Investment of Intellectual Property Using the Intellectual Property Trust System

i) In order to promote the use of the intellectual property trust system among companies, in FY2006, the GOJ will publicize, through various seminars or via the Internet, examples of intellectual property trusts established within business groups and management-type trusts, thereby raising awareness of the intellectual property trust system. The GOJ will also provide helpful information on schemes and advantages of each type of trust as well as points to note when using trusts.

(Ministry of Economy, Trade and Industry)

ii) With the aim of enabling the trustor or the trustee to appropriately claim damages from a third party for infringement of the patent right in trust, by the end of FY2006, the GOJ will study whether or not the existing provisions on the presumption of the amount of loss are adequate, and will revise laws and develop systems as appropriate.
(Ministry of Economy, Trade and Industry)

(3) Facilitating Licensing Activities by Companies

1) Revising the Guidelines for Licensing of Patents and Know-How

By the end of FY2006, the GOJ will revise the Guidelines for License Contracts for Patents and Know-How under the Anti-Monopoly Law and publicize the revised version. Companies will then be able to easily look for any problems under the Anti-Monopoly Law when negotiating or concluding license contracts for technology.
(Fair Trade Commission)

2) Protecting licenses of intellectual property rights

In FY2006, the GOJ will continue to consider measures to ensure that the licensee will be able to continue carrying out business activities even in the case where the licensor has gone bankrupt or transferred the intellectual property right concerned to a third party, and will revise laws and develop systems as appropriate.
(Ministry of Economy, Trade and Industry)

3) Facilitating activities to exercise and license rights overseas

With the aim of ensuring that companies will be able to appropriately exercise intellectual property rights that they have obtained overseas, thereby smoothly promoting licensing negotiations and filing infringement suits, from FY2006, the GOJ will investigate the status of Japanese companies exercising their intellectual property rights overseas, collect examples of licensing, and provide such information.
(Ministry of Economy, Trade and Industry, Ministry of Agriculture, Forestry and Fisheries, and other ministries and agencies concerned)

4) Promoting the transnational use of intellectual property through tax treaties

In 2004, the GOJ concluded the new Japan-US Tax Treaty, which includes the provision to grant immunity from taxation for royalties for intellectual property at a

source country. In February 2006, the GOJ signed new treaties and protocols for treaty revision with the United Kingdom and India respectively, which also include immunity from taxation at a source country. In FY2006, on occasions when tax treaties with other countries are to be revised, the GOJ will continue efforts to reach an agreement as soon as possible, while giving due consideration to the aim of promoting the transnational use of intellectual property.

(Ministry of Foreign Affairs and Ministry of Finance)

(4) Developing Human Resources for Distribution of Intellectual Property

In FY2006, the GOJ will continue to support the development of human resources for intellectual property trade by holding international patent licensing seminars in order to develop experts in patent/technology licensing and build networks thereof, and establishing and disclosing a database of intellectual property traders. Also, with the aim of developing human resources equipped with knowledge on the intellectual property trust system and valuation of intellectual property or a negotiating ability to exploit intellectual property for business purposes, the GOJ will advertise the appeal of intellectual property licensing business through publication of successful cases of intellectual property trusts, thereby inviting talented people to this industry.

(Ministry of Economy, Trade and Industry)

(5) Diversifying Financing Methods Using Intellectual Property

i) In FY2006, the GOJ will publicize examples of effective use of intellectual property trusts designed to raise funds through the transfer of beneficial interest in trust, and encourage companies to use intellectual property trusts.

(Ministry of Economy, Trade and Industry)

ii) In FY2006, the GOJ will continue to publicize financing schemes under the finance system whereby the Development Bank of Japan extends loans to special purpose companies, etc. engaging in transferring, assigning, or licensing intellectual property from the right holders to other businesses (Support Program for Effective Use of Intellectual Property) as well as past financing cases, and will promote the use of the financing system.

(Ministry of Internal Affairs and Communications, Ministry of Finance, Ministry of

Education, Culture, Sports, Science and Technology, and Ministry of Economy, Trade and Industry)

iii) In order for businesses including SMEs and venture companies to raise funds smoothly with the use of their intellectual property, in FY2006, the GOJ will continue to publicize past cases where the Development Bank of Japan extended loans secured by intellectual property to promote the use of such loans, and will also actively encourage similar efforts of private financial institutions.

(Ministry of Finance and Ministry of Economy, Trade and Industry)

3. Promoting the Smooth and Fair Use of Intellectual Property

(1) Regulating Undue Exercise of Rights

In order to regulate unfair trade practice and other acts against the Anti-Monopoly Law by way of abuse of intellectual property rights, in FY2006, the GOJ will improve the system of the intellectual property task force (the team specializing in intellectual property), and intensify regulations.

(Japan Fair Trade Commission)

(2) Facilitating the Exploitation of Intellectual Property to Promote Innovation

i) Developing and publicizing the Rules for Economic Transactions in the Market

The GOJ will develop and publicize the Rules for Economic Transactions in the Market in order to clarify cases where the exercise of a patent right hinders innovation in software, e.g. interoperability of software applications, and therefore shall be deemed to be an abuse of right.

(Ministry of Economy, Trade and Industry)

2) Promoting independent efforts of industry

i) From FY2006, the GOJ will promote the independent efforts of industry by encouraging companies to establish public domains based on their intellectual property rights within the framework of the existing intellectual property systems and promote innovation using such domains.

(Ministry of Economy, Trade and Industry)

ii) In order to further promote the smooth development of businesses that use open source software, in FY2006, the GOJ will publicize the Survey Report on Legal Risk of Open Source Software for Business Use, which clearly identifies the risk to vendors and users when carrying out system architecture with the use of open source software, and proposes solutions to avoid and reduce such risk. The GOJ will encourage companies to refer to the report, and will revise it if necessary.

(Ministry of Economy, Trade and Industry)

II. Supporting International Standardization Activities

International standardization activities are helpful and important for enabling Japanese products to be widely used overseas and maximizing the value of intellectual property owned by Japanese companies, universities, and other research institutes. Therefore, Japan should change its conventional passive stance, i.e. using international standards developed by foreign countries, and strengthen international standardization activities strategically through industry-academia-government collaboration with the aim of having Japan's original technical standards adopted as international standards.

It is also important to facilitate licensing of intellectual property related to technical standards smoothly. Therefore, it is necessary to develop rules for handling intellectual property rights by achieving a balance between protection of the licensor's rights and assurance of the licensee's smooth use of technologies.

1. Formulating International Standardization Comprehensive Strategy

Although the impact of international standards on each country's industrial competitiveness has become significantly greater with the globalization of economy, Japan has fallen behind other developed countries in this area. In order to drastically strengthen Japan's international standardization activities, by the end of FY2006, the GOJ will analyze standardization strategies of other developed countries and neighboring countries, and formulate and implement a comprehensive strategy for international standardization based on the analysis results.

(Ministry of Internal Affairs and Communications, Ministry of Economy, Trade and Industry, and other ministries and agencies concerned)

2. Carrying Out International Standardization Activities

(1) Establishing International Standards Created in Japan under Government-Sponsored Research Projects

In FY2006, regarding the implementation plans for government-sponsored

R&D projects, the GOJ will continue to clearly aim to establish international standards based created in Japan, and secure necessary financial sources, thereby actively working on standardization activities.

(Council for Science and Technology Policy, Ministry of Internal Affairs and Communications, Ministry of Education, Culture, Sports, Science and Technology, and Ministry of Economy, Trade and Industry, and other ministries and agencies concerned)

(2) Developing Systems for International Standardization

1) Forming a domestic network

From FY2006, in order to promote international standardization activities in a consistent, expeditious, and efficiency manner, the GOJ will develop a network for close liaison among the ministries and agencies concerned, including the Ministry of Internal Affairs and Communications and the Ministry of Economy, Trade and Industry, as well as related parties in industry and academia.

(Ministry of Internal Affairs and Communications, Ministry of Economy, Trade and Industry, and other ministries and agencies concerned)

2) Diversifying processes to propose technical standards

From FY2006, the GOJ will encourage industry to review the existing practice in international standardization activities in which the industrial associations take the lead, so as to allow each company to independently propose its own technical standards directly to international standardization organizations.

(Ministry of Economy, Trade and Industry)

3) Developing technical standards through collaboration with Asian countries

In order for Japan to strategically take a leading role in activities for international standardization, in FY2006, the GOJ will continue to promote measures to reinforce cooperation with Asian countries, which have close economic relationships with Japan, in joint development of international standards through the Asia-Pacific Telecommunity Program (ASTAP), ASEAN Standards and Conformity Cooperation Program, and the Pacific Area Standards Congress, etc.

(Ministry of Internal Affairs and Communications and Ministry of Economy, Trade and Industry)

(3) Raising Awareness of International Standardization

1) Raising awareness among top executives of companies and universities

In order to raise awareness of the importance of standardization activities, especially among the top executives of companies and universities, the GOJ will continue to hold symposia for top executives at universities and companies in FY2006. (Ministry of Internal Affairs and Communications, Ministry of Education, Culture, Sports, Science and Technology, and Ministry of Economy, Trade and Industry)

2) Analyzing economic effects of international standardization activities

In FY2006, the GOJ will continue to conduct research on standardization including analysis of economic effects that may be received by Japanese companies where Japan's original technical standards are established as international standards, and will spread the information obtained from the research across industries. (Ministry of Internal Affairs and Communications, Ministry of Education, Culture, Sports, Science and Technology, and Ministry of Economy, Trade and Industry)

3) Developing a casebooks and guideline relating to international standardization activities

In order to enable companies and universities to actively work on international standardization activities, by the end of FY2006, the GOJ will develop casebooks of success and unsuccess cases of standardization activity in each technical field, and will make a guideline for establishing international standardization. The GOJ will also publicize the government's support sections for international standardization activities and promote the use of such sections.

(Ministry of Internal Affairs and Communications, Ministry of Education, Culture, Sports, Science and Technology, and Ministry of Economy, Trade and Industry)

(4) Enhancing Evaluation of International Standardization Activities

1) Publicizing efforts of industrial associations and companies for international standardization activities

From FY2006, the GOJ will evaluate the efforts of industrial associations for international standardization and publicize the evaluation results. Evaluation will be

based on the number of cases in which each association served as secretariat in the standardization process at the ISO and other international standardization organizations and the number of participants in international standardization meetings. The GOJ will also provide companies with useful information to carry out R&D, intellectual property management, and standardization in an integrated manner and to develop necessary organizations.

(Ministry of Internal Affairs and Communications and Ministry of Economy, Trade and Industry)

2) Enhancing commendation system for honoring contribution to standardization activities

From FY2006, the GOJ will enhance commendation system for honoring individuals and businesses for their contribution to international standardization activities. The GOJ will encourage companies to appropriately evaluate and reward employees who have contributed to international standardization activities, and will also encourage universities to give consideration to international standardization activities carried out by teachers.

(Ministry of Internal Affairs and Communications, Ministry of Education, Culture, Sports, Science and Technology, and Ministry of Economy, Trade and Industry)

(5) Take Appropriate Measures along with the Trends toward Developing Domestic Standards in Foreign Countries

Requiring compliance with domestic standards that are different from international standards might cause obstruction to international trade and constitute a violation of the WTO/TBT Agreement. In order to take appropriate measures against such movement, by the end of FY2006, the GOJ will develop systems as appropriate, in which the GOJ will conduct surveys upon the request of private companies and require the governments of the countries concerned, based on the survey results, to change domestic standards through bilateral discussions or WTO dispute settlement procedures.

(Ministry of Internal Affairs and Communications, Ministry of Foreign Affairs, Ministry of Health, Labor and Welfare, Ministry of Agriculture, Forestry and Fisheries, Ministry of Economy, Trade and Industry, and other ministries and agencies concerned)

3. Developing Human Resources for Standardization

(1) Establishing the Standardization School

By the end of FY2006, the GOJ will establish the Standardization School (tentative name), where persons who have engaged in standardization activities will share their knowledge. The aim is to develop human resources that are equipped with the capabilities required to carry out standardization activities, e.g. technical ability, language ability, bargaining ability, and market analysis ability. The GOJ will also develop a mechanism for registration of existing experts in this area, so that each industry will be able to share experts and utilize them for meetings at international standardization organizations.

(Ministry of Economy, Trade and Industry)

(2) Strengthening Education on Standardization at Educational Institutions

For the purpose of improving the understanding of standardization, the GOJ will encourage universities and graduate schools of science and technology to provide educational programs on standardization in Management of Technology (MOT) courses, Master of Business Administration courses, and courses for the development of intellectual property experts. By the end of FY2006, the GOJ will provide these educational institutions with model teaching materials on standardization, thereby promoting their independent efforts.

(Ministry of Education, Culture, Sports, Science and Technology and Ministry of Economy, Trade and Industry)

(3) Developing Patent Attorneys Well Versed in International Standards

From FY2006, the GOJ will, through training programs for patent attorneys, raise their awareness of the importance of international standardization activities, and encourage them to bear in mind that they should obtain patents in compliance with international standards.

(Ministry of Economy, Trade and Industry)

4. Establishing Rules for the Treatment of Intellectual Property Rights Relating to Technical Standards

(1) Taking Measures to Respond to the Exercise of Rights for Essential Patents, Which Impedes the Development and Diffusion of Technical Standards

International standardization organizations established “reasonable and non-discriminatory (RAND) terms” for licensing of essential patents. However, since the RAND terms have not yet been clearly interpreted, licensees might be requested by licensors to pay excessive royalties. In order to achieve a balance between protection of licensors and assurance of licensees’ smooth exploitation of essential patents, by the end of FY2006, the GOJ will work to achieve a clear interpretation of the RAND terms, and approach international standardization organizations for the improvement of the terms if necessary. Also, in FY2006, the GOJ will continue to actively work toward considering rules for the treatment of intellectual property rights at international standardization organizations.

(Ministry of Internal Affairs and Communications and Ministry of Economy, Trade and Industry)

(2) Improving the Environment for Patent Pools

In order for patent pools, which are operated jointly by right holders for essential patents, to function efficiently and smoothly, from FY2006, the GOJ will publicize the essential patent judgment survey that was started in May 2006 at the Japan Intellectual Property Arbitration Center.

(Ministry of Economy, Trade and Industry)

III. Supporting SMEs and Venture Companies

In order to achieve the goal of making Japan an intellectual property-based nation, it is important for SMEs and venture companies, which support the industrial foundation of Japan, to increase their competitiveness and achieve self-sustaining development through the effective use of intellectual property.

SMEs and venture companies should develop an intellectual property strategy that is different from large companies', because they have to effectively use a limited number of patents and they are not strong enough to respond to infringement suits. In order to enable them to implement their intellectual property strategy, it is important to provide education on intellectual property for not only employees of SMEs but also people engaged in supporting SMEs, such as SME consultants. It is also important to create an environment where SMEs will appropriately use external human resources, e.g. lawyers and patent attorneys.

Furthermore, SMEs and venture companies should make efforts to conclude confidentiality agreements for joint research and obtain patent rights that are easy to exercise.

1. Enhancing Capabilities Related to Intellectual Property in SMEs and Venture Companies

(1) Enhancing Education and Training in Intellectual Property for Managers of SMEs

In FY2006, aiming to enable managers, engineers, and researchers at SMEs and venture companies to improve their knowledge of intellectual property, skills in writing patent specifications, and capabilities to respond to patent infringements, the GOJ will continue its efforts to enhance lectures and training at SME colleges.

(Ministry of Economy, Trade and Industry)

(2) Enhancing Education and Training in Intellectual Property for People Engaged in Supporting SMEs

The GOJ aims to improve the ability of people engaged in supporting SMEs (e.g., SME consultants, business instructors at associations and chambers of commerce

and industry, and local government employees) to teach business strategy through the effective use of intellectual property. Therefore, from FY2006, the GOJ will enhance lectures and training at SME colleges.

(Ministry of Economy, Trade and Industry)

(3) Honoring Outstanding Technology Developed by SMEs and Venture

With the objective of further promoting the creation, protection, and exploitation of intellectual property by SMEs and venture companies and strengthening the industrial competitiveness of Japan, in FY2006, the GOJ will continue to honor a wide range of technologies that have contributed to the advancement of national economy, industrial development, and technology innovation.

(Ministry of Economy, Trade and Industry and other ministries and agencies concerned)

2. Enhancing Information and Consultation Services for SMEs and Venture Companies

(1) Developing consultation sections such as “Intellectual Property Rescue Organizations”

i) From FY2006, the GOJ will establish “Intellectual Property Rescue **Organizations**” within associations and chambers of commerce and industry nationwide, to serve as consultation sections that will listen to problems related to intellectual property and then quickly introduce the appropriate public agencies or specialists.

In FY2006, through the use of liaison sections such as the Comprehensive Support Center for SMEs and Venture Companies and the Intellectual Property Center and in cooperation with the Japan Patent Attorneys Association (JPAA) and the Japan Federation of Bar Associations (JFBA), the GOJ will continue to introduce, to SMEs, lawyers who are good at dealing with intellectual property infringement lawsuits, consultants who are familiar with intellectual property-focused management, and patent attorneys who are kind to SMEs or well versed in individual technical fields. The GOJ will also provide SMEs and venture companies with information on model schemes of the strategic use of intellectual property suitable for them, via Intellectual Property Strategy Manual for SMEs and Venture Companies 2005.

In addition, the GOJ will provide consultation services concerning how to detect and respond to infringements of intellectual property rights committed by large companies and report such infringements to the Japan Fair Trade Commission.

Furthermore, the GOJ will dispatch intellectual property experts and consultants to SMEs and venture companies, in order to provide them with advice for their management problems as well as on how to obtain patents in a timely manner depending on the stage of development, and support them in formulating intellectual property strategies.

(Ministry of Economy, Trade and Industry)

ii) In FY2006, via the ICT Venture Support Center, the GOJ will continue to provide venture companies in the information communication technology (ICT) industry with information on intellectual property rights and hold intellectual property strategy seminars. The aim is to support venture companies in this industry in improving their understanding of intellectual property and exploiting it for their business management.

(Ministry of Internal Affairs and Communications)

(2) Providing Information on Patent Attorneys and Lawyers Nationwide

From FY2006, the GOJ will enhance information on patent attorneys provided by the JPAA via the Patent Attorney Navigation System, and will also promote the provision of information on lawyers specializing in intellectual property and other intellectual property experts via the Internet.

(Ministry of Justice and Ministry of Economy, Trade and Industry)

3. Supporting SMEs and Venture Companies in Creating Intellectual Property

(1) Enhancing Consultation Services Regarding Effective Use of the IPDL and Patent Application

In order to help SMEs and venture companies create intellectual property efficiently by selecting appropriate R&D themes and avoiding unnecessary patent applications, in FY2006, the GOJ will continue to enhance consultation services

regarding the use of the IPDL as well as consultation services regarding patent application provided by patent information advisors and patent application advisors.
(Ministry of Economy, Trade and Industry)

(2) Integrating the “Function to Support SMEs and Venture Companies” in the Online Application Software

With the aim of ensuring that SMEs, venture companies, universities, and individuals will be able to effectively use, as applicants, the accelerated examination system and the fee reduction system, by the end of FY2006, the GOJ will integrate guidance functions for SMEs and venture companies, such as the function to remind applicants of these useful systems, in the online application software.

(Ministry of Economy, Trade and Industry)

(3) Supporting Prior Art Search

In order to reduce costs incurred by SMEs and venture companies to request for patent examination, in FY2006, the GOJ will continue efforts to thoroughly publicize the system to provide, free of charge, the results of prior art searches obtained by private search agencies, thereby promoting the use of the system.

(Ministry of Economy, Trade and Industry)

(4) Raising Awareness of the Employees’ Invention System among SMEs and Venture Companies

From FY2006, in order to improve the understanding of the employees’ invention system especially among SMEs and venture companies, the GOJ will hold lecture meetings and promote publicity activities, while using the collected examples of procedures.

(Ministry of Economy, Trade and Industry)

4. Supporting SMEs and Venture Companies in Protecting Intellectual Property

(1) Supporting efforts to obtain intellectual property rights

i) In FY2006, the GOJ will make measures to expand the scope of SMEs and venture companies that are eligible for a reduction of patent fees and fees for requesting examination. The GOJ will simplify the requirements for eligibility, and will revise laws and develop systems as appropriate.

(Ministry of Economy, Trade and Industry)

ii) In FY2006, the GOJ will continue to encourage the JPAA to pay adequate attention to the circumstances of individual SMEs in terms of fees and services. In particular, the GOJ will encourage the JPAA to study various possible methods to pay legal fees to patent attorneys from the perspective of supporting SMEs and venture companies, e.g. deferred payment, performance-based payment, payment with stock options.

(Ministry of Economy, Trade and Industry)

(2) Strengthening Measures against Intellectual Property Infringements

i) In FY2006, the GOJ will continue to encourage the Japan Federation of Economic Organizations to thoroughly publicize the Action Guidelines on Intellectual Property among member companies, so that the companies will respect intellectual property rights held by others. The GOJ will also encourage other industrial organizations to make such efforts.

(Ministry of Economy, Trade and Industry and other ministries and agencies concerned)

ii) In FY2006, in order to prevent SMEs and venture companies from being deprived by their partners in joint research of their technologies by way of elaborately arranged contracts, the GOJ will continue its efforts to thoroughly publicize the Guidelines for Intellectual Property and Trade Secrets and encourage them to apply the guidelines when concluding intellectual property-related contracts. The GOJ will also review the contents of the guidelines based on the changing situation in society, and make revisions if necessary.

(Ministry of Economy, Trade and Industry)

5. Supporting SMEs and Venture Companies in Exploiting Intellectual

Property

(1) Encouraging the Use of Technologies Held by SMEs and Venture Companies

In FY2006, in order to prevent large companies from depriving SMEs and venture companies of the technologies that SMEs, etc. have developed, the GOJ will encourage not only top executives of large companies but also purchasers to respect the technologies of SMEs and venture companies in the evaluation process for selecting trading partners, thereby promoting the use of their technologies.

(Ministry of Economy, Trade and Industry)

(2) Supporting the Utilization of Licensable Patents

In FY2006, the GOJ will continue to support the activities of patent licensing advisors and publicize the patent licensing database and examples of the exploitation of licensable patents. The GOJ will also promote the exploitation of licensable patents by holding events.

(Ministry of Economy, Trade and Industry)

(3) Supporting Efforts to Create Businesses with the Use of Intellectual Property

For the purpose of encouraging SMEs and venture companies to carry out R&D and create businesses at home and abroad with the use of intellectual property, in FY2006, the GOJ will continue to provide SMEs and venture companies with support for such activities, such as grants and consultation services for obtaining patents at home and abroad.

(Ministry of Internal Affairs and Communications and Ministry of Economy, Trade and Industry)

6. Supporting SMEs and Venture Companies in Exploiting Intellectual Property Overseas

When operating business overseas, it is necessary to obtain rights and take measures against counterfeits/pirated copies overseas, which can be prohibitively expensive. In light of this, the GOJ will take the following measures to drastically

reinforce systems to provide SMEs and venture companies that have excellent technologies with support and consulting services for foreign patent applications and taking measures against counterfeits and pirated copies, while taking care to avoid moral hazard.

i) In FY2006, the GOJ will enhance grants for SMEs and venture companies as funds for filing applications, preparing translations, and employing overseas patent attorneys, which are necessary when filing patent applications overseas.

(Ministry of Economy, Trade and Industry)

ii) In FY2006, the GOJ will consider how to support SMEs and venture companies in filing foreign applications, such as providing grants to cover expenses for filing patent and trademark applications overseas, and implement measures as appropriate.

(Ministry of Economy, Trade and Industry)

iii) In FY2006, the GOJ will continue to enhance grant programs so as to enable SMEs and venture companies to take prompt actions against damage due to counterfeits overseas.

(Ministry of Economy, Trade and Industry)

iv) In FY2006, via the Comprehensive Support Center for SMEs and Venture Companies and the Intellectual Property Center, the GOJ will introduce translation companies and overseas patent attorneys to SMEs and venture companies, and give them advice on foreign patent application. The GOJ will also hold intellectual property seminars at the ICT Venture Support Center in order to provide information on how to obtain rights overseas.

(Ministry of Internal Affairs and Communications and Ministry of Economy, Trade and Industry)

IV. Developing Local Areas with the Use of Intellectual Property

For the independence of local areas, there is a call for enhanced initiatives to achieve local development through the effective use of intellectual property originating in local areas. In this context, it is important to exploit intellectual property originating in local areas, such as innovative technologies created by local universities and SMEs, as well as natural resources, regional brands, and tourism resources available in local areas.

In the course of such activities, it is necessary to develop mutual cooperation among local universities and technical colleges, local SMEs and farmers, administrative agencies, and publicly funded research institutes. It is also necessary to develop local human resources relating to intellectual property that will take charge of such activities.

In order to implement these measures in a planned manner, the GOJ should formulate and implement a comprehensive strategy for the exploitation of intellectual property arising from local resources.

1. Promoting Intellectual Property Strategies in Local Areas

(1) Encouraging Local Governments to Formulate Strategies and Establish Ordinances Relating to Intellectual Property

1) Encouraging local governments to formulate intellectual property strategy

i) In FY2006, the GOJ will continue to provide information on the formulation of intellectual property strategies, thereby encouraging local governments, including prefectural governments and governments of major cities designated by Cabinet Order, to formulate intellectual property strategies, implement the strategies in cooperation with local companies and universities, and reflect the implementation results in the next strategy.

(Ministry of Education, Culture, Sports, Science and Technology, Ministry of Agriculture, Forestry and Fisheries, and Ministry of Economy, Trade and Industry)

ii) In FY2006, the GOJ will continue to encourage local governments to disseminate information on their intellectual property strategies for the regions via their websites, so

as to make such information also available to companies and universities in other regions.

(Council for Science and Technology Policy, Ministry of Education, Culture, Sports, Science and Technology, Ministry of Agriculture, Forestry and Fisheries, and Ministry of Economy, Trade and Industry)

2) Encouraging local governments to establish intellectual property ordinances

With the objective of clearly setting the prefecture's policy targets relating to the creation, protection, and exploitation of intellectual property and providing for basic issues on necessary measures, the government of Tottori Prefecture enacted the Basic Ordinance on the Creation of Intellectual Property in April 2004. In order to spread such initiatives nationwide, from FY2006, the GOJ will encourage other prefectural governments to establish intellectual property ordinances, by providing necessary information on successful cases.

(Ministry of Economy, Trade and Industry and other ministries and agencies concerned)

(2) Encouraging Local Governments to Reinforce Consultation Services

In FY2006, the GOJ will continue to encourage local governments to establish centers for intellectual property and provide advice on how to obtain intellectual property rights and search patent information and expert advice on a case-by-case basis. In this process, the GOJ will provide them with necessary information on successful cases.

(Ministry of Economy, Trade and Industry and other ministries and agencies concerned)

(3) Encouraging Local Governments to Provide Intellectual Property Grants

In FY2006, the GOJ will continue to encourage local governments to provide grants for filing foreign patent applications overseas, taking measures against counterfeits and pirated copies, and employing patent attorneys. In this process, the GOJ will provide them with necessary information on successful cases.

(Ministry of Economy, Trade and Industry and other ministries and agencies concerned)

2. Promoting Industry-Academia-Government Collaboration through Enhanced Local Human Resource Networks

(1) Promoting the Activities of Regional Intellectual Property Strategy Headquarters

i) In order to support local development with the use of intellectual property, in FY2006, the GOJ will continue to promote the activities of the regional intellectual property strategy headquarters established in each Regional Bureaus of Economy, Trade and Industry as a regional public-private organization. Regional intellectual property strategy headquarters will implement regional intellectual property strategies that are based on the actual conditions in the regions. It will also promote local development with the use of intellectual property by building local human resource networks, providing support for SMEs, and promoting industry-academia collaboration.

(Ministry of Economy, Trade and Industry)

ii) In FY2006, for the activities of regional intellectual property strategy headquarters, the GOJ will further develop cooperation among them with the aim of making their joint efforts more effective, by building human resource networks that are linked with the intellectual property cluster project and the industrial cluster plan.

(Ministry of Education, Culture, Sports, Science and Technology and Ministry of Economy, Trade and Industry)

(2) Enhancing the Database for Industry-Academia-Government Collaboration

In FY2006, the GOJ will encourage the Japan Science and Technology Agency (JST) to enhance the Database for Industry-Academia-Government Collaboration, and build local human resource networks at JST's regional agencies, namely Innovation Plazas and JST Satellites, in cooperation with various related organizations. The GOJ will also encourage local SMEs and universities to promote the use of human resource information available on the database.

(Ministry of Education, Culture, Sports, Science and Technology and Ministry of Economy, Trade and Industry)

(3) Promoting Collaboration between Local Communities and Local Universities

From FY2006, the GOJ will promote the Program for Revitalization of the

Regional Center of Excellence (adopted by the Headquarters for the Regional Revitalization on February 15, 2006), under which the ministries and agencies cooperate to support independent initiatives taken by local communities through collaboration with local universities. By doing so, the GOJ will aim to build local networks of universities, technical colleges, governments, and SMEs, with local universities serving as regional centers of excellence, and promote efforts for regional revitalization.

(Council for Science and Technology Policy, Headquarters for the Regional Revitalization, Ministry of Education, Culture, Sports, Science and Technology, and other ministries and agencies concerned)

(4) Promoting Collaboration between Local Governments and Local Universities

In order to promote regional revitalization through the collaboration between local governments and local universities, from FY2006, the GOJ will encourage local governments to include R&D projects that will contribute to the development of local industry in the regional revitalization plan. The GOJ will also simplify and speed up the consultation procedures for the payment of contributions under Article 24(2) of the Law on Special Measures for Promotion of Local Fiscal Reconstruction in cases where national universities, as independent administrative institutions, carry out R&D at the independent request of the local government concerned.

(Headquarters for the Regional Revitalization and Ministry of Internal Affairs and Communications)

3. Promoting the Development of Human Resources Relating to Intellectual Property in Local Areas

(1) Developing Human Resources in Charge of Local Development

In order to promote local development with the use of intellectual property, from FY2006, the GOJ will enhance education and training for human resources relating to intellectual property in local areas, including managers and intellectual property personnel of local SMEs, people engaged in supporting SMEs, farmers and farming instructors, university researchers, people engaged in industry-academia

collaboration, researchers at publicly funded research institutes, and government employees in charge of intellectual property policy.

(Ministry of Education, Culture, Sports, Science and Technology, Ministry of Economy, Trade and Industry, Ministry of Agriculture, Forestry and Fisheries, and other ministries and agencies concerned)

(2) Enhancing the Utilization of Experts in Local Areas

In order to promote local development with the use of intellectual property, it is necessary to utilize experts in local areas such as lawyers and patent attorneys. For the purpose of promoting the utilization of such local experts, the GOJ will implement the following measures.

i) With the aim of promoting the use of community-based lawyers, in FY2006, the GOJ will encourage initiatives such as the Intellectual Property Lawyers Network.

(Ministry of Justice)

ii) With the aim of promoting the use of lawyers and patent attorneys in local areas, the GOJ will encourage the Judicial Support Center of Japan, which will begin operation in October 2006, to enhance information services.

(Ministry of Justice)

iii) With the aim of promoting the use of patent attorneys in local areas, in FY2006, the GOJ will continue to encourage the JPAA to implement necessary measures, such as establishing local access points and joint operational branches and dispatching trademark caravans and SME caravans.

(Ministry of Economy, Trade and Industry)

iv) In FY2006, the GOJ will continue to actively utilize people who have engaged in handling intellectual property affairs, such as former staff of research departments or intellectual property departments in private companies and professional engineers, and appoint them as coordinators for industry-academia collaboration in local areas and advisors for intellectual property management. In this process, the GOJ will implement measures to promote the development of local human resource databases, thereby encouraging the use of experienced people who have come back to or moved to local

areas.

(Ministry of Education, Culture, Sports, Science and Technology and Ministry of Economy, Trade and Industry)

Chapter 4 Efforts to Create Culture with the Use of Content

In Japan, we have a wide range of content, including not only entertainment content such as movies, music, game software, and animation, but also intellectual and cultural assets related to food culture, local brands, and fashion.

Such intellectual and cultural assets are important properties that represent the “gross national cultural power” of Japan. Japan aims to become an intellectual property-based nation, and by promoting the active use of content, we will be able to create new business opportunities and expand business to overseas markets. Through such efforts, Japan will increase the share of content industry as a percentage of GDP up to the level of other developed countries.

Furthermore, the active use of content including intellectual and cultural assets will enhance Japan’s diverse and rich culture, and the overseas dissemination of content will contribute to establishing a Japan Brand that is suitable for the new era. In order to stimulate the content industry, it is important to increase the number of people who create and enjoy content. By providing children with sufficient opportunities to enjoy culture and art, we can develop human resources rich in creativity, which will be a dynamic driving force for making Japan a culture-creating nation.

This chapter suggests measures to make Japan a world-class content superpower and implement the Japan Brand strategy based on Japanese lifestyle. In the future, we should strategically spread Japan’s content business as well as Japanese lifestyle consisting of food culture, local brands, and fashion, in collaboration with activities in tourism industry and cultural diplomacy, aiming to establish and strengthen the Japan Brand.

I. Make Japan a World-Class Content Superpower

With the complete shift to terrestrial digital broadcasting being scheduled in 2011, the advent of a full-fledged digital content era is approaching. In the near future, via the Internet, everybody will be able to participate in the creation of content with ease, and content thus created will be widely circulated. What we should do now, for the coming society in which most citizens are expected to be accustomed to creating, protecting, and exploiting content, is to take appropriate measures to cope with adverse effects of the progress of information technology by raising awareness of IT-related morals and manners, while establishing new rules for content protection and developing environments for content distribution ahead of the times.

By expanding this new society of content circulation, Japan aims to become a world-class content superpower. More specifically, Japan will strive to achieve the goals of becoming (i) a content-user superpower in which each and every citizen can use content to their satisfaction, (ii) a content-creator superpower in which content creators can exercise their abilities to the fullest extent, and (iii) a content-business superpower which is internationally competitive, thereby realizing win-win relationships among all parties concerned, i.e. “users,” “creators,” and “businesses.” In this process, we should have a basic stance of regarding content users as playing a leading role and treat creators and performers appropriately.

In FY2006, the final fiscal year of the three-year intensive reform period, the GOJ will carry out drastic reforms based on the achievements made thus far, with the aim of promptly solving problems that still remain and have newly emerged.

1. Making Japan a Content-User Superpower

The GOJ will aim to make Japan a content-user superpower in which citizens will be free to use content and choose from a wide variety of types and prices.

(1) Promoting Active Use of IP Multicasting

With the aim of smoothly achieving the complete shift to terrestrial digital broadcasting in 2011, the GOJ will submit a bill to amend the Copyright Law as soon as possible in FY2006. The amendment aims to treat simultaneous retransmission of

terrestrial broadcasts by IP multicasting in the same manner as wire diffusion under the said Law. The GOJ will also promptly implement necessary measures to reform systems under the Broadcast Law. In terms of how to adjust related systems under the Broadcast Law and the Copyright Law to flexibly respond to the expected convergence of telecommunications and broadcasting and progress in technological innovation, including the programs created by IP multicasting organization, the GOJ will continue discussion through cooperation among the related ministries and agencies and implement necessary measures. In putting these measures into practice, the GOJ should be careful to ensure that creators will be sufficiently ensured compensation for their works.

From FY2006, the GOJ will encourage IP multicasting organization to create attractive works on their own and also provide creators with opportunities for content creation.

(Ministry of Internal Affairs and Communications, Ministry of Education, Culture, Sports, Science and Technology, and Ministry of Economy, Trade and Industry)

(2) Adopting Protection Systems with Due Consideration to Users

In the course of promoting the distribution of content, it is necessary to enable citizens to enjoy the advantages and convenience of innovative technologies to the maximum extent. From this perspective, and with the objective of achieving a balance between convenience for users and appropriate protection of copyrights, thereby expanding content industry, the GOJ will implement the following measures to encourage the development and adoption of balanced protection systems.

a) As represented by the review of the “copy-once” rule for terrestrial digital broadcasting, the establishment and implementation of radio utilization systems within a fixed framework as well as the establishment of protection systems for the specification and operation of broadcasting devices and systems are likely to virtually restrict the use of content. Therefore, in FY2006, the GOJ will continue to disclose the review process with cooperation from a wide range of participants including users, manufacturers, and related businesses, and make the process more transparent, thereby promoting competition between systems. The GOJ will also consider a desirable review process that is transparent, competitive, and continuous, and draw a conclusion by the end of 2006.

b) Where private businesses consider protection systems, the GOJ will encourage them to learn from unsuccessful cases in the past and give due consideration to users' convenience.

(Ministry of Internal Affairs and Communications, Ministry of Education, Culture, Sports, Science and Technology, and Ministry of Economy, Trade and Industry)

(3) Providing Abundant Content for Users

1) Encouraging flexible operation of business through flexible pricing

In FY2006, for the purpose of increasing consumer benefits, the GOJ will continue to promote efforts by entrepreneurs in expanding the publication and distribution of copyrighted works whose price is at the discretion of the retailers of content such as books, magazines, music CDs, etc. and in diversifying the pricing, and will publicize the results of such efforts.

(Japan Fair Trade Commission, Ministry of Education, Culture, Sports, Science and Technology, and Ministry of Economy, Trade and Industry)

2) Studying the resale price maintenance system for music CDs

In order to provide content users with a wide variety of options in terms of price, in FY2006, the GOJ will study the actual status of the operation of the resale price maintenance system for music CDs and the effects thereof, and consider a more effective measure if necessary.

(Japan Fair Trade Commission, Ministry of Education, Culture, Sports, Science and Technology, and Ministry of Economy, Trade and Industry)

(4) Encouraging Efforts to Establish Content Archives and Promote the Use Thereof

With the aim of promoting the use of broadcast programs held by the NHK Archives and private broadcasting organizations, in FY2006, the GOJ will encourage related parties to reach agreements and address rights for the secondary use of past broadcast programs. The GOJ will also make efforts to enhance the functions of the Broadcast Programming Center of Japan and the Film Center of the National Museum of Modern Art, Tokyo, while actively supporting efforts of communities and private parties to collect and store materials related to comic books/animation and photographs.

(Ministry of Internal Affairs and Communications and Ministry of Education, Culture,

Sports, Science and Technology)

(5) Encouraging and Supporting Efforts to Use Content without Anxiety

i) In light of the opinion that some contents have adverse impact on the public, particularly on young people, the GOJ will encourage the independent efforts of the content industry to protect young people from harmful contents, e.g. establishing the Council for Visual Content Ethics (tentative name).

(National Police Agency, Ministry of Education, Culture, Sports, Science and Technology, and Ministry of Economy, Trade and Industry)

ii) By the end of FY2006, the GOJ will promote efforts to diffuse the rating system to indicate the age restriction for video games.

(Ministry of Economy, Trade and Industry)

iii) In order to cope with the increase in illegal and harmful information on the Internet, in FY2006, the GOJ will continue to encourage independent efforts of the private sector to put into practice a mechanism whereby persons who provide content will indicate the level of expressions of their content so that users will be able to easily assess, in advance, the appropriateness of their use of particular websites.

(Ministry of Internal Affairs and Communications)

iv) In order to enable all of society, including people with hearing disabilities and elderly people, to enjoy content, by the end of FY2006, the GOJ will encourage efforts to increase the number of Japanese movies and programs with Japanese subtitles and improve web accessibility.

(Ministry of Internal Affairs and Communications, Ministry of Education, Culture, Sports, Science and Technology, and Ministry of Health, Labor and Welfare)

2. Making Japan a Content-Creator Superpower

The GOJ will aim to make Japan a content-creator superpower in which content creators, including individuals and production companies, will be able to bring about abundant outstanding content by exercising their abilities to the fullest extent,

while receiving fair returns for their activities.

(1) Assuring Fair Returns for Creators

1) Encouraging and supporting efforts to increase the quality and transparency of contract practices

i) In order to encourage and support efforts to increase the quality and transparency of the contract practices based on mutual understanding among the parties concerned in the content industry, in FY2006, the GOJ will continue to investigate and publicize the actual conditions of the industrial structure and contractual and distribution practices in content industries, e.g. movies, music, animation, and game software.

(Ministry of Economy, Trade and Industry)

ii) In FY2006, the GOJ will continue to encourage the efforts of individual creators to develop independent organizations. The GOJ will also consider favorable systems for their activities, including contract practices that are not prejudicial to creators and accident/disaster compensation schemes, and implement necessary measures as appropriate.

(Ministry of Health, Labor and Welfare and Ministry of Education, Culture, Sports, Science and Technology)

2) Promoting the development of self-imposed regulations and sample forms for contracts

In order to expand the content industry and provide creators with fair returns, the GOJ will collaborate with the Entertainment Lawyers Network to encourage efforts to conclude contracts in writing and develop self-imposed regulations and sample forms for contracts that cover the secondary use of content. In FY2006, the GOJ will implement the following measures in the field of visual content. The GOJ will also implement necessary measures to promote the use of such standards and samples forms, by publishing achievements via the Internet and raising awareness among a wide range of related parties including young creators.

a) In accordance with the principle “protect your rights by yourself,” the GOJ will encourage performers to strengthen their organizational power, and provide support for performers in visual content by creating a favorable environment for their activities and

holding discussions with movie companies and broadcasting organizations toward developing copyright rules.

b) The GOJ will promote the development of sample forms of contracts in the movie industry. With respect to broadcast programs, based on the follow-up survey on the status of use of the self-imposed regulations of subcontracts for production of broadcasting programs developed by broadcasting organizations and the Model Contracts Concerning Subcontracts for Production of Broadcast Programs, the GOJ will encourage revision and practical use of the regulations and model contracts as appropriate.

(Ministry of Internal Affairs and Communications, Ministry of Education, Culture, Sports, Science and Technology, and Ministry of Economy, Trade and Industry)

3) Strictly applying the Anti-Monopoly Law, etc.

In FY2006, the GOJ will continue to increase awareness and improve consultation services concerning the Anti-Monopoly Law and the Law on the Prevention of Delay in Payment of Subcontracting Charges and Related Matters, and will carry out a documentary survey targeting entrepreneurs who subcontract content production. The GOJ will strictly and promptly apply the laws against violations thereof.

(Japan Fair Trade Commission and Ministry of Economy, Trade and Industry)

(2) Supporting Creators in Exercising Their Abilities

1) Promoting the provision of content via the Internet

In order to make it easier for creators to promote their own works to end users via the Internet, from FY2006, the GOJ will promote measures to achieve a smooth and flexible treatment of rights with cooperation from the Japanese Society for Rights of Authors, Composers and Publishers (JASRAC) and other copyright management organizations as well as music work publishers.

(Ministry of Education, Culture, Sports, Science and Technology)

2) Promoting the creation of new works through the reuse of existing content

From FY2006, the GOJ will support creators who wish to have their works actively used by clearly indicating the terms of use on the works, and encourage

creative activities through the use of existing works created by others and works for which the period of protection has expired. In this process, the GOJ will increase the usability of such a mechanism with cooperation from copyright management organizations.

(Ministry of Education, Culture, Sports, Science and Technology and Ministry of Economy, Trade and Industry)

3) Promoting investment in content production

i) In June 2006, the Financial Instrument Trade Law was enacted to regulate the whole scope of financial instruments and services. From FY2006, the GOJ will thoroughly publicize the new act in order to promote investment in content production.

(Financial Services Agency and Ministry of Economy, Trade and Industry)

ii) In order to encourage more business operators to launch trust businesses for content, in FY2006, the GOJ will continue to consider measures to promote the use of the trust system, including the expansion of the shoulder of trustees, based on the status of enforcement of the Trust Business Act, and will develop systems as appropriate.

(Financial Services Agency)

iii) In order to provide production companies with a wider range of financing methods, by the end of FY2006, the GOJ will make efforts to promote the use of the limited partnership (LSP) system as well as the limited liability partnership (LLP) system, which was developed as a means to launch joint ventures.

(Ministry of Economy, Trade and Industry)

4) Providing incentives to promote production of and investment in content

By the end of FY2006, the GOJ will consider providing incentives to promote production of and investment in content and take necessary measures as appropriate.

(Ministry of Internal Affairs and Communications, Ministry of Education, Culture, Sports, Science and Technology, Ministry of Economy, Trade and Industry, and other ministries and agencies concerned)

5) Supporting film production activities by film commissions

i) In FY2006, the GOJ will continue to ask the administrative authorities concerned to improve their understanding of film production and the smooth use of roads and public facilities. The GOJ will also develop standards for the use of national facilities for location shooting and hold a location market at the Tokyo International Film Festival. (Ministry of Education, Culture, Sports, Science and Technology, Ministry of Economy, Trade and Industry, Ministry of Land, Infrastructure and Transport, and other ministries and agencies concerned)

ii) The GOJ will promote collaboration between Japanese and overseas film commissions, and will develop, by the end of FY2006, foreign language versions of the Location Shooting Database, which provides, via the Internet, necessary information for location shooting in Japan. (Ministry of Education, Culture, Sports, Science and Technology)

6) Establishing a content business market on the Internet

From FY2006, the GOJ will make efforts to establish a content business market on the Internet where content creators will provide information on their creation plans and works, while content providers and distributors as well as funds at home and abroad will obtain such information and utilize it for their content distribution business. (Ministry of Economy, Trade and Industry)

(3) Developing Human Resources in the Content **Field**

1) Developing producers and creators

i) By the end of FY2006, the GOJ will study measures for the development of human resources in the content **field**, including inter-university collaboration, as well as the contents, methods and systems of education in this area. The GOJ will also study how to match the supply by universities and the needs of industry developing human resources.

(Ministry of Education, Culture, Sports, Science and Technology)

ii) In FY2006, the GOJ will continue to provide more support for professional schools (including law schools) and universities in making independent efforts (to establish necessary organizations), and will encourage these educational institutions to cooperate

with overseas institutes as well as collaborate with industries. Furthermore, in order to promote independent activities of professional schools closely related to content, the GOJ will encourage efforts to develop certified rating agencies that are capable of evaluating the quality of educational activities appropriately.

(Ministry of Education, Culture, Sports, Science and Technology and Ministry of Economy, Trade and Industry)

iii) By the end of FY2006, the GOJ will support the following measures to develop content-related human resources.

- a) Develop core human resources in the animation field
- b) Develop young filmmakers
- c) Provide practical training at the work front of movie production, through collaboration between movie-related associations, the work front of movie and schools
- d) Providing promising young procedures and creators with the opportunity to study and work overseas
- e) Provide training to increase technical knowledge and skills for the production of broadcast programs in a part of the training program for IT human resources
- f) Develop critics who will act as an intermediary between creators and viewers

(Ministry of Internal Affairs and Communications, Ministry of Education, Culture, Sports, Science and Technology, and Ministry of Economy, Trade and Industry)

2) Supporting the activities of the Visual Industry Promotion Organization

In FY2006, the GOJ will continue to encourage content industries, movies, broadcasting, game software, animation, and music, to make concerted efforts to cooperate in the activities of the Visual Industry Promotion Organization, and will support the following activities of the organization:

- a) Promote the development and use of human resources through industry-academia cooperation, including enhancement of internships
- b) Providing grants for production of works by making arrangements for investment and loans provided by financial institutions
- c) Support business start-ups by making arrangements for various policy grants
- d) Preparation and cultivate domestic and overseas markets, and build cooperation among the parties concerned.

(Ministry of Internal Affairs and Communications, Ministry of Education, Culture, Sports, Science and Technology, and Ministry of Economy, Trade and Industry)

3) Developing entertainment lawyers

In FY2006, the GOJ will continue to encourage and support the exchange between legal professionals and businesses/content creators by providing lawyers with more opportunities to learn litigation practice, overseas legal systems, and contract rules in the entertainment industry through the use of the Entertainment Lawyers Network. The aim is to develop entertainment lawyers who are capable of acting on a global scale.

(Ministry of Internal Affairs and Communications, Ministry of Education, Culture, Sports, Science and Technology, and Ministry of Economy, Trade and Industry)

4) Encouraging industry-academia-government integration in the visual industry

From FY2006, the GOJ will encourage initiatives based on collaboration between industry, academia, and government so as to integrate expertise in the visual industry, including educational institutions, businesses, incubators, and entertainment lawyers, and promote the development of the industry through mutual cooperation among them.

(Ministry of Internal Affairs and Communications, Ministry of Education, Culture, Sports, Science and Technology, and Ministry of Economy, Trade and Industry)

5) Developing human resources in the field of fusion

In light of the importance of human resources with an international perspective and knowledge on intellectual property in the field of content where fusion occurs between natural science and human and social science, in FY2006, the GOJ will support efforts to develop human resources equipped with both the capability to think logically in digital technology and the capability to create artistic expressions.

(Council for Science and Technology Policy and Ministry of Education, Culture, Sports, Science and Technology)

(4) Securing Appropriate Protection having regard to the Balance between Protection and Exploitation

1) Developing domestic systems

i) The GOJ will consider, based on a comprehensive study, the idea of introducing the provision on indirect infringement under the Copyright Law, as in the case of the Patent Law, so that the act of providing an article that is used exclusively to commit copyright infringement shall also be deemed to be an infringement, or introducing a stricter provision, and will draw a conclusion by the end of FY2007.

(Ministry of Education, Culture, Sports, Science and Technology)

ii) The GOJ will consider, from a comprehensive perspective, the role and function of the claim for damages and the claim for restoration of undue enrichment arising from copyright infringement, while also considering the idea of establishing a statutory compensation system, and will draw a conclusion by the end of FY2007.

(Ministry of Education, Culture, Sports, Science and Technology)

iii) The term of protection for cinematographic works under copyright has been extended from 50 years to 70 years after the work was made public. The GOJ will consider the ideal term of protection for works other than cinematographic works while giving due consideration to the balance in the term of protection for all copyrighted works, and draw a conclusion by FY2007.

(Ministry of Education, Culture, Sports, Science and Technology)

iv) In light of the progress seen in the discussions on a new broadcasting treaty, the GOJ will consider granting rights related to signals prior to broadcasting and the right of transfer of ownership, to broadcasting organizations, and draw a conclusion by FY2007.

(Ministry of Education, Culture, Sports, Science and Technology)

2) Promoting international harmonization of copyright systems

In FY2006, the GOJ will continue to make active contributions to discussions for the early adoption of the new treaties on audiovisual performances and broadcasting organizations that are currently under consideration. The GOJ will also continue to approach other countries, mainly Asian nations, to join at an early date the WIPO Copyright Treaty (WCT) and the WIPO Performances and Phonograms Treaty (WPPT), and will provide support for the dissemination and improvement of the copyright

system in developing countries.

(Ministry of Internal Affairs and Communications, Ministry of Foreign Affairs, and Ministry of Education, Culture, Sports, Science and Technology)

(5) Honoring Outstanding Content and Promoting Content Production

1) Honoring foreign *manga* artists

In order to raise the international status of *manga*, an original style of expression from Japan, and make it widely accepted in foreign countries, from FY2006, the GOJ will promote initiatives to honor young and promising foreign *manga* artists, and encourage foreign comic artists to engage in creative activities by applying the *manga* style.

(Ministry of Foreign Affairs)

2) Enhancing the Media Art Festival

In FY2006, the GOJ will continue to honor outstanding content in media art and provide the public with the opportunity to release and enjoy media content. The GOJ will also hold symposia for Japanese and overseas content producers, and exhibitions to display works created by employing innovative methods of expression in media art, thereby providing more opportunities for human resource development. Furthermore, the GOJ will hold competitions for students work for the purpose of matching the supply and the needs of content-related human resources.

(Ministry of Education, Culture, Sports, Science and Technology)

3) Discovering and honoring talented persons

In FY2006, the GOJ will continue to support efforts to organize various competitions for movies, music, animation, and other media content, and also broadly support efforts to honor persons with outstanding achievements.

(Ministry of Internal Affairs and Communications, Ministry of Foreign Affairs, and Ministry of Education, Culture, Sports, Science and Technology)

(6) Promoting R&D Related to Content

1) Promoting technological development

In FY2006, the GOJ will continue to promote the development of

content-related technologies as follows.

- a) Develop and diffuse effective methods of using digital broadcasting for school education.
- b) Support R&D on digital cinema technology with the aim of establishing international standards.
- c) Carry out R&D on technology for publicizing and exhibiting cultural property.
- d) Develop and experiment with technology for using content, with the aim of achieving both proper protection of rights related to content and availability/usability of content at home.
- e) Support R&D on technology related to high-resolution images, and promote the diffusion of hi-vision technology abroad.
- f) Carry out R&D on technology to promote the sharing of educational content.
(Ministry of Internal Affairs and Communications, Ministry of Education, Culture, Sports, Science and Technology, and Ministry of Economy, Trade and Industry)

2) Supporting intellectual creation in the fields of content where fusion occurs

In order to promote activities for intellectual creation in the fields of content and designs where fusion occurs between engineering and art, in FY2006, the GOJ will support fundamental R&D on media art through interdisciplinary collaboration.

(Council for Science and Technology Policy and Ministry of Education, Culture, Sports, Science and Technology)

3. Making Japan a Content-Business Superpower

By promoting the modernization and internationalization of corporate management and eliminating regulations and business practices that hinder business activities, the GOJ will aim to make Japan a content-business superpower in which economy is driven by internationally competitive content businesses.

(1) Strengthening the Functions of Content Producers and Promoting Business Operation on a Global Scale

- i) In order to support Japanese content producers in developing international joint projects, from FY2006, the Japan Association for the International Promotion of

Moving Images (UniJapan) will, as a contact for international joint projects, support efforts to provide information and match the supply and needs, and also hold workshops at overseas film festivals.

(Ministry of Economy, Trade and Industry)

ii) In FY2006, the GOJ will continue to support the initiatives of universities and other institutions to develop content producers equipped with the ability to operate business overseas and knowledge on content technology, as well as instructors for the development of such producers.

(Ministry of Education, Culture, Sports, Science and Technology)

(2) Exporting Content

1) Supporting companies in operating business overseas

i) In order to support efforts to expand overseas content markets and improve the understanding of Japanese culture in the international community, in FY2006, the GOJ will continue to provide support for the Organization for the Promotion of Overseas Distribution of Content and also support the production of subtitles necessary for showing content, e.g. movies and broadcasting programs, at overseas exhibitions and overseas film festivals. The GOJ will also support projects to publish Japanese content, including animation and educational programs, overseas through the Japan Foundation, ODA, and other effective schemes.

(Ministry of Internal Affairs and Communications, Ministry of Foreign Affairs, Ministry of Education, Culture, Sports, Science and Technology, Ministry of Economy, Trade and Industry, and other ministries and agencies concerned)

ii) In order to reinforce the spreading of Japanese content worldwide, in FY2006, the GOJ will implement the following measures through the active use of Overseas Establishments and JETRO.

a) From FY2006, promote the Anime Culture Ambassador Project (tentative name), which is intended to introduce to the world, via Overseas Establishments, Japanese animation works that have not yet been released overseas

b) Strengthen the functions to collect information and provide consultation services by deploying staff in charge of content at overseas branches of JETRO

c) Provide necessary information, via JETRO, including handbooks that contain the current status of overseas markets and social system (judicial precedents and regulations) and the exercise to be noted when companies dealing with content, conduct business overseas.

(Ministry of Internal Affairs and Communications, Ministry of Foreign Affairs, Ministry of Education, Culture, Sports, Science and Technology, and Ministry of Economy, Trade and Industry)

iii) In FY2006, the GOJ will continue to support, within the framework of international rules, the conclusion of agreements to produce movies jointly and to encourage international exchange between private organizations in Japan and those in foreign countries (mutual support for film festivals and support for educational exchange programs for people in the film industry), and also support international exchange of creators, thereby encouraging the production of movies through international collaboration.

(Ministry of Foreign Affairs, Ministry of Education, Culture, Sports, Science and Technology, and Ministry of Economy, Trade and Industry)

iv) In order to strengthen the international competitiveness of the Japanese game industry with respect to the production and distribution of game content for home use, the GOJ will formulate a Game Industry Strategy by the end of FY2006.

(Ministry of Economy, Trade and Industry)

2) Drastically reinforcing the Tokyo International Film Festival

In order to accelerate the exportation of Japanese content, in FY2006, the GOJ will continue to further enhance the function of the Tokyo International Film Festival as a film market, and support projects to show local movies and to hold symposia, location markets, and other various events related to movies intensively during the period of the festival. The GOJ will also support the holding of content-related events featuring games, animation, music, fashion, and tourism.

(Ministry of Education, Culture, Sports, Science and Technology and Ministry of Economy, Trade and Industry)

3) Establishing a portal site to provide content-related information

In order to provide Japanese and overseas users with smooth access to information on Japanese content, the GOJ will enhance the system to provide information on right holders through cooperation of related parties, and support the initiative to establish a content portal site by the end of FY2006.

(Ministry of Internal Affairs and Communications, Ministry of Education, Culture, Sports, Science and Technology, and Ministry of Economy, Trade and Industry)

4) Further promoting the networking of information appliances

In order to further promote the networking of information appliances in a user-friendly manner by making best use of Japan's advanced technology, the GOJ will implement the following R&D and experimental projects by the end of FY2006.

a) Establish technology whereby information appliances that differ in performance can be used to provide various services, such as online banking, e-commerce, and automatic adjustment, in a safe and secure manner.

b) Establish specifications of home servers and home gateways that are the minimum required systems to secure interoperability between information appliances.

c) Verify model systems for content distribution.

(Ministry of Internal Affairs and Communications and Ministry of Economy, Trade and Industry)

5) Strengthening cooperation with foreign countries

i) In FY2006, the GOJ will continue to hold the Asia Content Industry Seminar, a ministerial conference of Asian countries, and implement training programs for licensees in Asia.

(Ministry of Foreign Affairs and Ministry of Economy, Trade and Industry)

ii) For the purpose of creating internationally competitive content and making Japan more attractive as a place for creative activities, the GOJ will promote programs to accept foreign creators into Japan. To this end, by the end of FY2006, the GOJ will clearly identify specific needs of the industry for foreign creators and the contents of their expertise and skills as well as methods for objective ability assessment.

(Ministry of Justice, Ministry of Economy, Trade and Industry, and other ministries and

agencies concerned)

6) Promoting the use of the system of prevention measures for Sound recordings from flowing back across the border into Japan and expanding exports

In FY2006, the GOJ will continue to investigate the status of the implementation of the system of prevention measures for sound recordings from flowing back across the border into Japan, as well as the sale and licensing of Japanese sound recordings overseas, and publicize the investigation results, thereby expanding exports.

(Ministry of Finance, Ministry of Education, Culture, Sports, Science and Technology, and Ministry of Economy, Trade and Industry)

(3) Solving Problems Related to Copyrights

1) Diffusing contracts for multi-use of content, and promoting centralized management of copyrights

By the end of FY2006, the GOJ will aim to diffuse contracts that are designed to allow the multi-use of content and give fair returns to creators, and will promote the use of the system of management business of copyright in areas where centralized management of copyrights has not yet been established, such as audiovisual performance and sound recordings.

(Ministry of Internal Affairs and Communications, Ministry of Education, Culture, Sports, Science and Technology, and Ministry of Economy, Trade and Industry)

2) Promoting efforts regarding royalties for content distribution via broadband networks

In FY2006, the GOJ will continue to encourage efforts of related parties to develop rules for the secondary use of contents, including a tentative agreement on the standard royalties for the distribution via broadband networks of TV drama programs produced by broadcasting organizations, and promote the use of such rules.

(Ministry of Internal Affairs and Communications, Ministry of Education, Culture, Sports, Science and Technology, and Ministry of Economy, Trade and Industry)

3) Establishing legal systems suitable for the digital age

In accordance with the purport of Article 18(2) of the Basic Law on Intellectual

Property, by the end of FY2006, the GOJ will consider legal systems suitable for the age of digitization and networking, including international frameworks, and promote the distribution of content and the rewarding of content creators, thereby stimulating creative activities.

(Ministry of Internal Affairs and Communications, Ministry of Foreign Affairs, Ministry of Education, Culture, Sports, Science and Technology, and Ministry of Economy, Trade and Industry)

4) Drawing a conclusion on reproduction for private use

The GOJ will produce drastic reviews on private recordings and also drastically review the compensation system, while considering the possibility of abolishing the system, change its framework, and introduce other measures. The aim is to draw a specific conclusion by the end of FY2007. In this process, the GOJ will take into account the progress in technological protection measures and the changing situation of content distribution, and will give due consideration to the harmonization with international treaties and trends as well as the users' perspective. Furthermore, the GOJ will also consider the following issues and draw a conclusion by the end of FY2006: clarifying the scope of reproduction for private use based on the relationship with technological protection measures; reviewing copyright contracts by specifying the relationship between royalties and consideration for reproduction; and developing music industries in light of the shift to online distribution of music content.

(Ministry of Education, Culture, Sports, Science and Technology and Ministry of Economy, Trade and Industry)

5) Drawing a conclusion on the limitations on copyrights for the digital age

i) In order to establish a provision to limit the right of reproduction under certain conditions with respect to temporary storage upon maintenance or repair of digital devices, a revision bill for the Copyright Law will be submitted to the Diet as soon as possible in FY2006.

(Ministry of Education, Culture, Sports, Science and Technology)

ii) With respect to the use of copyrighted works for school lessons via public transmission for the purpose of promoting the e-learning system, the GOJ will consider

this issue based on specific proposals by the parties in the area of education regarding how to deal with copyrights for such works between right holders and parties in the area of education, with the aim of drawing a conclusion by the end of FY2007.

(Ministry of Education, Culture, Sports, Science and Technology)

6) Developing provisions to limit rights with due consideration to the balance between interest of right holders and interest of the public

With respect to the limitation of copyrights because of the patent examination procedure in which examiners make copies of non-patent documents and send them to applicants, as well as the limitation of copyrights because of pharmaceutical administrative measures in which research papers are copied if necessary under the systems of approval, review and reassessment, the GOJ will submit a revision bill for the Copyright Law as soon as possible in FY2006.

(Ministry of Education, Culture, Sports, Science and Technology)

7) Drawing a conclusion on protection of licensees from the perspective of licensing and exploitation

The GOJ will consider developing systems with respect to joint copyrights, rights to use copyrighted works, and protection of licensees, and also consider reviewing the existing registration systems in this context, with the aim of drawing a conclusion by the end of FY2007.

(Ministry of Education, Culture, Sports, Science and Technology)

8) Drawing a conclusion on the scope of regulation of circumvention of technological protection measures

In order to protect content appropriately and further facilitate content distribution, while assuring the effectiveness of technological protection measures, the GOJ will thoroughly publicize the measures under the Unfair Competition Prevention Law to suspend the transfer of devices with the function of circumventing technological restriction measures. In FY2006, the GOJ will continue to consider the introduction of criminal penalties for avoiding access control in light of the impact on the development of control technology in the future, and also consider the necessity of legislative measures, and will implement necessary measures as appropriate.

(Ministry of Internal Affairs and Communications, Ministry of Justice, Ministry of Education, Culture, Sports, Science and Technology, and Ministry of Economy, Trade and Industry)

(4) Compiling Statistical Data

In order to make statistical data on Japanese content more detailed so as to enable comparison with statistical data of other countries, by the end of FY2006, the GOJ will compile and publicize uniform statistical data.

(Ministry of Internal Affairs and Communications and Ministry of Economy, Trade and Industry)

(5) Promoting Live Entertainment

1) Supporting the modernization and streamlining of the industry

From FY2006, the GOJ will disseminate the Guidelines for Performance Contract regarding live entertainment, and will encourage independent efforts within the industry to develop sample forms of performance contracts and ensure the conclusion of the contracts.

(Ministry of Education, Culture, Sports, Science and Technology and Ministry of Economy, Trade and Industry)

2) Encouraging efforts for concentration of facilities and emphasizing connection with the tourism industry

In FY2006, the GOJ will encourage and support independent efforts of the parties concerned to concentrate halls, playhouses, and movie theaters to specific regions. The GOJ will also encourage and support independent efforts of the parties concerned to develop cooperation between live entertainment and tourism by periodically issuing theater calendars that will also contain information on local areas and tour information.

(Ministry of Education, Culture, Sports, Science and Technology, Ministry of Economy, Trade and Industry, and Ministry of Land, Infrastructure and Transport)

(6) Developing Local Content Industry

In FY2006, the GOJ will continue to support efforts through collaboration

between the content industry and local industries, such as tourism, e.g. actively inviting location shooting from overseas and holding events to play movies in local areas, thereby developing an attractive content industry featuring regional cultures and characteristics.

(Ministry of Economy, Trade and Industry)

4. Accomplishing the Roadmap for the Reform

With the objective of achieving effective reforms during the intensive reform period until the end of FY2006, the GOJ will promote efforts of the ministries and agencies concerned. The GOJ will, in accordance with the Roadmap for Content Business Reforms, review the progress in accomplishing the goals by the end of FY2006 and reflect the results in future measures.

(Council for Science and Technology Policy, Japan Fair Trade Commission, National Police Agency, Financial Services Agency, Ministry of Internal Affairs and Communications, Ministry of Justice, Ministry of Foreign Affairs, Ministry of Finance, Ministry of Education, Culture, Sports, Science and Technology, Ministry of Health, Labor and Welfare, Ministry of Economy, Trade and Industry, and Ministry of Land, Infrastructure and Transport)

5. Appropriately Applying the Law on Promotion of the Creation, Protection, and Exploitation of Content

In FY2006, the GOJ will continue to appropriately apply the Law on the Creation, Protection, and Exploitation of Content, which was put into force in June 2004, and will evaluate the status of implementation and produce a review of the law if necessary. Through periodical surveys on efforts of the ministries and agencies concerned in respect of the Bayh-Dole System for Content provided in Article 25 of the Law the GOJ will continue to promote active use of the system in FY2006.

(Ministries and agencies concerned)

II. Implementing the Japan Brand Strategy Based on the Japanese Lifestyle

In order to improve the image and reputation of Japan and turn it into a nation that is loved and respected by people throughout the world, we must further improve our cultural power and promote the free and active exchange of culture, thereby establishing and reinforcing an attractive Japan Brand.

In this respect, we already have a wealth of remarkable resources related to food culture, local brands, and fashion that can be sufficiently accepted overseas, and it is important within the framework of the national strategy to use such remarkable cultural resources to create a Japan Brand based on the Japanese lifestyle.

So far, the private sector has played a major role in promoting lifestyle-related business. In the future, while focusing on the development of the Japan Brand under the national strategy, the related parties in the public and private sectors should make joint efforts to eliminate obstacles to free competition as well as develop the necessary environment and provide support for further development of lifestyle-related business.

It is also important for Japanese people to evaluate their own lifestyle and background culture, of which they can be proud, and endeavor to achieve cultural developments and provide cultural education, as well as to actively expand business to overseas markets in collaboration with the tourism industry and cultural diplomacy, and strategically disseminate information to convey the attractiveness of Japan.

1. Fostering a Rich Food Culture

(1) Making Safe and Secure Japanese Food Known Worldwide and Aiming to Double the Consumers of Japanese Food

1) Spreading safe and secure Japanese foods items to the world

In order to make safe, secure, and healthy Japanese food and foodstuff known worldwide, from FY2006, the GOJ will hold cooking lessons around the world, teaching not only cooking skills but also food sanitation issues such as how to cook raw fish.

(Ministry of Foreign Affairs, Ministry of Health, Labor and Welfare, and Ministry of Agriculture, Forestry and Fisheries)

2) Providing practical training for foreign chefs

In FY2006, the GOJ will continue to support the independent efforts of chefs associations and professional schools to hold workshops abroad and provide cooking lessons for foreign chefs at Japanese restaurants.

(Ministry of Foreign Affairs, Ministry of Education, Culture, Sports, Science and Technology, Ministry of Health, Labor and Welfare, and Ministry of Agriculture, Forestry and Fisheries)

3) Spreading Japanese food culture around the Globe

Japanese food is highly evaluated worldwide, including tea-ceremony dishes, home-style cooking, and casual dishes. In FY2006, the GOJ will continue to strengthen public relations activities to promote Japanese food and background culture via Overseas Establishments and JETRO, and support the independent efforts of the private sector to expand business overseas.

(Ministry of Foreign Affairs, Ministry of Agriculture, Forestry and Fisheries, and Ministry of Economy, Trade and Industry)

(2) Promoting Global Use of Quality Foodstuff Produced in Japan

The GOJ aims to double the export of agricultural, forestry, and fishery products and foodstuff in the five-year period from Y2004 to Y2009. Therefore, by the end of Y2006, the GOJ will formulate an export strategy for each priority country or region targeted for marketing, and comprehensively promote, through the public and private joint efforts, measures to spread the Japanese food culture overseas, support sales promotion activities focusing on strategic products, eliminate obstacles to export, and develop promotion systems.

(Ministry of Foreign Affairs and Ministry of Agriculture, Forestry and Fisheries)

(3) Encouraging Production of Safe, Secure and Reliable Foodstuff

In order to promote the establishment of brands for foodstuff that will be reliable to consumers, from FY2006, the GOJ will strengthen quality control systems in

the distribution process in addition to production systems of safe, secure, and quality foodstuff, and actively provide consumers with information on production areas and producers of foodstuff in the stages of production, distribution, and retail.

(Ministry of Agriculture, Forestry and Fisheries)

(4) Evaluating and Developing Japan's Quality Food Culture

In FY2006, the GOJ will continue to support initiatives of the Food Culture Study Promotion Meeting, which mainly consists of the parties in the private sector, to promote Japanese food culture at home and abroad, and will actively reflect the results of such initiatives in policy measures.

(Ministry of Foreign Affairs, Ministry of Education, Culture, Sports, Science and Technology, Ministry of Health, Labor and Welfare, Ministry of Agriculture, Forestry and Fisheries, and other ministries and agencies concerned)

(5) Developing Diverse Human Resources in the culinary world

1) Strengthening cooperation between cooking schools and restaurants

With the aim of improving the quality of chefs, in FY2006, the GOJ will continue to foster licensed cooks, specialized licensed cooks and licensed professional cooks. The GOJ will also promote measures to enhance basic education and practical education to meet various needs at institutions for training cooks, while strengthening cooperation between professional schools and other institutions for training cooks and the culinary industry.

(Ministry of Education, Culture, Sports, Science and Technology and Ministry of Health, Labor and Welfare)

2) Establishing food-related faculties and schools at universities

In order to foster people who understand Japanese food culture and people who are equipped with comprehensive skills in cooking, nutrition, food culture, food business, and management, in FY2006, the GOJ will continue to support the independent efforts of universities to establish faculties and schools related to food culture.

(Ministry of Education, Culture, Sports, Science and Technology)

(6) Promoting *Shokuiku*, or Food Education, on the National Level

In accordance with the Basic Promotion Program for Food Education, which was adopted in March 2006 under the Basic Law on Food Education, from FY2006, the GOJ will carry out publicity activities focusing on Food Education Month every June and Food Education Day on the 19th of every month. The GOJ will also implement measures to improve children's quality of life (e.g. having breakfast), support activities at schools mainly undertaken by nutrition teachers, promote the use of the Dietary Balance Guidebook, and encourage local production for local consumption, thereby promoting food education on the national level in various sectors such as homes, schools, and communities.

(Cabinet Office, Ministry of Education, Culture, Sports, Science and Technology, Ministry of Health, Labor and Welfare, Ministry of Agriculture, Forestry and Fisheries, and other ministries and agencies concerned)

2. Establishing Diverse and Reliable Local Brands

(1) Creating Attractive Local Brands

1) Utilizing the Regionally-Based Collective Mark System

With respect to the regionally-based collective mark system that was put into force in April 2006, the GOJ will, as early as possible in FY2006, clarify the system and the operation thereof based on the status of implementation after the system was put into force. Through collaboration with related parties, the GOJ will also continue activities to raise awareness of the system among relevant organizations and encourage active use of the system as a means to protect local brands.

(Ministry of Agriculture, Forestry and Fisheries and Ministry of Economy, Trade and Industry)

2) Creating outstanding local brands

For the purpose of keeping producers informed and providing them with support for developing strategies, in FY2006, the GOJ will continue to hold forums and dispatch advisors through cooperation between industries and interaction between local areas. The GOJ will also support the efforts of local SMEs to develop high-quality and

high value-added products. Moreover, to discover hidden local brands, the GOJ will hold competitions to honor promising brands.

(Ministry of Agriculture, Forestry and Fisheries and Ministry of Economy, Trade and Industry)

3) Spreading the consumption of and using local brands on a large scale

In FY2006, the GOJ will continue to support producer associations and SMEs that produce and sell local brand products in holding and displaying products at exhibitions and trade fairs and conducting market research.

(Ministry of Agriculture, Forestry and Fisheries and Ministry of Economy, Trade and Industry)

(2) Increasing Consumer Confidence in Local Brands

1) Developing and publicizing standards for local brands

For the purpose of encouraging relevant organizations to develop standards for geographical ranges, production methods, and quality of local foodstuff, the Standards for the Indication of Local Food Brands was established in March 2006. In FY2006, the GOJ will carry out activities to raise awareness of the standards among organizations, with the aim of encouraging active use of the standards.

(Ministry of Agriculture, Forestry and Fisheries)

2) Promoting the indication of origin in the food-service industry

In order to promote the food-service industry's efforts to indicate the origin of raw materials, from FY2006, the GOJ will strengthen measures to raise awareness of the Guidelines for the Indication of Origin in the Food-Service Industry by developing a manual for the guidelines.

(Ministry of Agriculture, Forestry and Fisheries)

3) Strictly applying the Premiums and Representation Act and the Law Concerning on Standardization and Proper Labeling of Agricultural and Forestry Products (JASLaw)

For the purpose of ensuring appropriate transactions of local brand products directly involving consumers, in FY2006, the GOJ will cooperate with general consumers to continue to strictly apply the Premiums and Representation Act and the

Law Concerning Standardization and Proper Labeling of Agricultural and Forestry Products (JAS Law), thereby strengthening regulations for deceptive labeling.
(Japan Fair Trade Commission and Ministry of Agriculture, Forestry and Fisheries)

(3) Encouraging Concerted Efforts of Local Governments and Production Areas for Dissemination of Information

From FY2006, through the Village Revival Project, the GOJ will disseminate information nationwide on successful cases where local governments and production areas made concerted efforts to use intellectual property to revitalize local areas. The GOJ will also encourage independent efforts of local governments and production areas to collaborate with each other and work toward promoting the overseas expansion of local brands and preventing illegal local brands of Japan and other countries from circulating in Japan.

(Ministry of Agriculture, Forestry and Fisheries, Ministry of Economy, Trade and Industry, and Ministry of Land, Infrastructure and Transport)

3. Establishing Japanese Fashion as a Global Brand

(1) Diffusing Information Worldwide

1) Drastically enhancing the Japanese Fashion Week in Tokyo

With the aim of turning Japanese Fashion Week in Tokyo into a business success, from FY2006, the GOJ will drastically enhance the event's quality and the ability to disseminate information.

- a) Drastically enhance public relations to famous overseas fashion buyers and journalists through JETRO and Overseas Establishments.
- b) Display Japanese cloths, made with Japan's advanced textile-manufacturing technology, at sites affixed to the venue of the main event, so that overseas fashion buyers and journalists can touch and feel Japanese cloths.
- c) Play a role as a center of information dissemination in Asia and invite new world-class designers and models from Asian countries to participate in the event.

(Ministry of Foreign Affairs and Ministry of Economy, Trade and Industry)

2) Introducing Japanese street fashion to the world

The GOJ will effectively introduce Japanese street fashion, which attracts much attention from overseas, to the world.

- a) From FY2006, the GOJ will encourage private fashion-related organizations to provide more information on street fashion on their websites.
- b) In connection with the Visit Japan Campaign, from FY2006, the GOJ will encourage private fashion-related organizations to arrange travel plans for foreign tourists, through collaboration with tourism-related organizations and local trade associations, in order to recommend visits to street fashion shops in Japan.

(Ministry of Economy, Trade and Industry and Ministry of Land, Infrastructure and Transport)

(2) Increasing International Competitiveness of the Japanese Fashion Industry

1) Formulating medium- and long-term progress strategies through the public and private joint efforts

In order to increase the international competitiveness of Japanese SMEs in the textile manufacturing industry and new designers, from FY2006, the GOJ will set out to formulate medium- and long-term progress strategies for the fashion industry through the public and private joint efforts.

(Ministry of Economy, Trade and Industry)

2) Supporting activities of new designers

i) The GOJ will support new designers in expanding markets.

a) In order to increase their marketing ability overseas, by the end of FY2006, the GOJ will encourage the private sector to compile information on overseas markets and influential retailers.

b) By the end of FY2006, the GOJ will encourage department stores to provide new Japanese designers with spaces to sell their works.

(Ministry of Economy, Trade and Industry)

ii) From FY2006, the GOJ will provide new designers with information on business support schemes, provided by chambers of commerce and industry, and promote the use

of such schemes. The GOJ will also encourage financial institutions, apparel companies, and retail companies to provide financial support for designers. In this process, the GOJ will encourage them to utilize new financial schemes such as the LLP system and the trust system.

(Ministry of Economy, Trade and Industry)

iii) From FY2006, the GOJ will publicize on the website that national museums are available as venues for fashion shows and events for new product releases. The GOJ will encourage local governments to actively rent out their facilities to new designers.

(Ministry of Education, Culture, Sports, Science and Technology and Ministry of Economy, Trade and Industry)

3) Improving creators' skills and strengthening business infrastructure

i) In FY2006, the GOJ will continue to enhance the Creation Business Forum, an exhibition organized by SMEs in the textile manufacturing industry, which has advanced technology and talented designers, for the purpose of achieving collaboration with retail and apparel companies that have marketing ability.

(Ministry of Economy, Trade and Industry)

ii) The GOJ will provide outstanding Japanese SMEs in the textile manufacturing industry and overseas new designers with the opportunity of collaboration, thereby accelerating the creation of Japanese brands that will be accepted worldwide. To this end, the GOJ will consider developing a system in which Japanese companies accept new overseas designers (in fashion and textile), and will draw a conclusion by the end of FY2006. In this context, the Japan Foundation and the Organization for Small & Medium Enterprises and Regional Innovation, JAPAN (SMRJ) will also consider supporting the acceptance of new overseas designers.

(Ministry of Foreign Affairs and Ministry of Economy, Trade and Industry)

(3) Discovering and Developing Fashion-Related Human Resources

1) Improving the quality of education

The GOJ will encourage cooperation between human resource development organizations and industry in order to improve the quality of education in this area.

- a) From FY2006, the GOJ will encourage human resource development organizations to strengthen efforts to select people in industry who are equipped with knowledge in textile manufacturing technology and designing and well versed in fashion business at home and abroad, and the GOJ will appoint them as teachers.
- b) The GOJ will encourage industry to enhance internships of trainees from FY2006.
(Ministry of Economy, Trade and Industry)

2) Providing children with more opportunities to experience creation

From FY2006, the GOJ will encourage schools, local governments, and industry to enhance fashion-related events such as fashion schools for kids and creative workshops.

(Ministry of Education, Culture, Sports, Science and Technology and Ministry of Economy, Trade and Industry)

(4) Encouraging Efforts of Local Communities

- 1) Encouraging the development of the fashion industry and the creation of good landscape based on regional characteristics

In FY2006, the GOJ will encourage individual local communities to develop a fashion industry and create good landscape based on historical and industrial characteristics of the local areas.

(Ministry of Economy, Trade and Industry and Ministry of Land, Infrastructure and Transport)

2) Encouraging the development of fashion for the aging society

In light of the aging of the Japanese society at the fastest speed in the world, the GOJ will, in FY2006, continue to encourage the independent efforts of local communities and the private sector to develop fashion for elderly people so that elderly people will be able to enjoy fashion.

(Ministry of Economy, Trade and Industry)

4. Strategically Conveying the Attractiveness of Japan

(1) Disseminating Information through Collaboration with Cultural Diplomacy and the Tourism Industry

1) Strengthening dissemination of information at Overseas Establishments and international airports

i) From FY2006, Overseas Establishments will actively support private companies that contribute to spreading the Japan Brand worldwide, by holding product exhibitions, making arrangements with the governments of foreign countries, and providing information. The GOJ will also promote the dissemination of the Japan Brand.

(Ministry of Foreign Affairs, Ministry of Education, Culture, Sports, Science and Technology, Ministry of Agriculture, Forestry and Fisheries, Ministry of Economy, Trade and Industry, Ministry of Land, Infrastructure and Transport, and other ministries and agencies concerned)

ii) From FY2006, the GOJ will promote the sale of Japan Brand products and dissemination of various related information at places easily accessible for foreign people, such as duty-free shops at international airports.

(Ministry of Foreign Affairs, Ministry of Education, Culture, Sports, Science and Technology, Ministry of Agriculture, Forestry and Fisheries, Ministry of Economy, Trade and Industry, and Ministry of Land, Infrastructure and Transport)

2) Providing foreign tourists with the opportunity to enjoy Japan's attractive features

In FY2006, the GOJ will continue to support the independent measures of the related parties to develop travel plans and events featuring Japanese food, local brands and the Japan Brand fashion.

(Ministry of Foreign Affairs, Ministry of Education, Culture, Sports, Science and Technology, Ministry of Agriculture, Forestry and Fisheries, Ministry of Economy, Trade and Industry, and Ministry of Land, Infrastructure and Transport)

3) Actively promoting cultural diplomacy

In FY2006, the GOJ will, under the initiative of the Council for International Cultural Exchange, continue its efforts to develop systems for collaboration in order to implement various measures for international cultural exchange, e.g. conveying the attractiveness of Japan worldwide and investigating the image of Japan abroad, and will

effectively and efficiently promote Japanese culture overseas.

(Ministry of Foreign Affairs, Ministry of Education, Culture, Sports, Science and Technology, and other ministries and agencies concerned)

(2) Honoring People Who Have Contributed to the Development and Overseas Spread of Japanese Culture

In FY2006, the GOJ will continue to actively honor people who have contributed to the development and overseas introduction of Japanese culture. In this process, the GOJ will actively honor foreign people, and will do so promptly, irrespective of age.

(Ministry of Foreign Affairs, Ministry of Education, Culture, Sports, Science and Technology, Ministry of Agriculture, Forestry and Fisheries, Ministry of Economy, Trade and Industry, and other ministries and agencies concerned)

(3) Evaluating Quality Lifestyle and Establishing It as a Japan Brand Lifestyle

1) Promoting a new Japan Brand, Neo-Japanesque

The GOJ aims to recommend the application of designs, functions, and content that originate in traditional Japanese culture to the modern lifestyle and to establish a new Japan Brand, Neo-Japanesque. Therefore, in FY2006, the GOJ will continue to actively encourage activities to support for the selection and honoring as well as development and supply of quality products and content, and raise awareness on them at home and abroad.

(Ministry of Foreign Affairs, Ministry of Education, Culture, Sports, Science and Technology, Ministry of Economy, Trade and Industry, and Ministry of Land, Infrastructure and Transport)

2) Establishing Japan Brands for Japan's quality products and distributing them around the world

With respect to Japan's quality products (e.g. furniture, tableware, pottery, jewelry), which are likely to gain a high reputation on a global scale, in FY2006, the GOJ will establish a selection committee for each industry, begin efforts to establish the Japan Brand for such products and make them known worldwide by displaying them at representative exhibitions overseas.

(Ministry of Economy, Trade and Industry)

Chapter 5 Developing Human Resources and Improving Public Awareness

The most important element in making Japan an intellectual property-based nation is the development of human resources that create, protect, and exploit intellectual property.

To this end, GOJ formulated the comprehensive strategy for the development of human resources related to intellectual property in January 2006, including the aim of increasing the number of intellectual property experts from its current 60,000 to 120,000 over the next 10 years. It is important for the entire government to make further efforts to develop human resources related to intellectual property based on this strategy.

1. Implementing the comprehensive strategy for the development of human resources related to intellectual property

From FY2006, the GOJ will implement the comprehensive strategy for the development of human resources related to intellectual property in order to further increase the number of intellectual property experts as well to advance and broaden their skills, advance the intellectual property exploitation skills of human resources who create or manage intellectual property, and improve the public awareness of intellectual property. In addition, the GOJ will encourage universities and companies to implement the strategy as well.

(Ministry of Justice, Ministry of Education, Culture, Sports, Science and Technology, Ministry of Economy, Trade and Industry, and other ministries and agencies concerned)

2. Promoting the development of human resources related to intellectual property with combined efforts of the public and private sectors

(1) Supporting the council for promoting the development of human resources related to intellectual property

In order to promote the concrete and effective development of human resources related to intellectual property in the private sector based on the comprehensive strategy for developing human resources related to intellectual property, the council for

promoting the development of human resources related to intellectual property was established in March 2006. It is to serve as a framework for cooperation among institutes in human resource development. The GOJ will encourage and support the activities of the council in FY2006.

Also, in FY2006, the GOJ will continue to urge the National Center for Industrial Property Information and Training (NCIPI), the Association of Intellectual Property Education, the Intellectual Property Association of Japan, the Japan Intellectual Property Association, the Japan Federation of Bar Associations, the Japan Patent Attorneys Association, the Japan Institute of Invention and Innovation, and other private organizations to provide training programs for developing not only human resources who will lead the individual part of the intellectual creation cycle, but also human resources who can oversee the entire intellectual creation cycle, human resources with expertise in plural areas, and human resources with intellectual property management ability.

(Ministry of Justice, Ministry of Education, Culture, Sports, Science and Technology, Ministry of Economy, Trade and Industry, and other ministries and agencies concerned)

(2) Enhancing support programs for intellectual property education and research

In FY2006, the GOJ will continue to support the intellectual property field in various programs for providing financial aid to excellent efforts selected under the principle of competition.

The GOJ will promote notable efforts in law schools, graduate schools specializing in intellectual property, and management of technology (MOT) programs which are engaged in intellectual property education, and will enhance intellectual property education in higher educational institutions.

(Council for Science and Technology Policy, Ministry of Education, Culture, Sports, Science and Technology, and other ministries and agencies concerned)

(3) Using human resources who understand cutting-edge technology as intellectual property experts

i) From FY2006, with the aim of using researchers and engineers who have in-depth knowledge on and experience in cutting-edge technology, professional engineers, postdoctoral fellows, and people who have knowledge and experience in finance (e.g.,

trust) as intellectual property experts, the GOJ will collect information on various types of intellectual property-related jobs and publicize and introduce them through a wide range of media including industry journals and academic journals.

(Ministry of Education, Culture, Sports, Science and Technology and Ministry of Economy, Trade and Industry)

ii) Through industry-academia collaboration, the GOJ will promote internships in practical environments, including company work sites. With regard to the project for promoting long-term internships at the graduate school level, which was launched in FY2005, the GOJ will expand the target to doctoral courses from FY2006 to enhance and strengthen the human resource development functions in universities.

(Council for Science and Technology Policy and Ministry of Education, Culture, Sports, Science and Technology)

iii) In order to make postdoctoral fellows, graduate students, and undergraduate students to have interest in intellectual property and give them opportunities to become intellectual property experts, from FY2006, the GOJ will encourage patent firms to voluntarily accept interns, with the cooperation of the Japan Patent Attorneys Association.

(Council for Science and Technology Policy and Ministry of Economy, Trade and Industry)

(4) Stimulating international interchanges including overseas dispatch of personnel

1) Developing international intellectual property experts

In order to promote international industry-academia-government collaboration or companies' business development in overseas by exploiting intellectual property, from FY2006, the GOJ will work on developing and securing intellectual property experts who have strong knowledge in science and technology, familiar with infringement litigation and contracts of overseas, have good sense of managing business, and have international sense. In particular, from FY2006, the GOJ will promote necessary measures for developing and securing internationally compatible intellectual property experts at the university intellectual property headquarters through overseas training.

(Council for Science and Technology Policy, Ministry of Economy, Trade and Industry, Ministry of Economy, Trade and Industry, and other ministries and agencies concerned)

2) Increasing acceptance of human resources from Asia and dispatch of specialists

In FY2006, the GOJ will continue to increase acceptance of trainees and dispatch of specialists for developing human resources related to intellectual property in Asia. Furthermore, the GOJ will enhance the networks of human resources at home and abroad such as strengthening partnerships with trainees who finished the training courses.

(Ministry of Foreign Affairs, Ministry of Education, Culture, Sports, Science and Technology and Ministry of Economy, Trade and Industry)

(5) Further developing human resource networks

1) Promoting networking of human resources based on universities

In order to enhance universities' intellectual property-related activities and promote technology transfers even more effectively, in FY2006, the GOJ will encourage the voluntary efforts of universities and TLOs to establish and use human resource networks related to intellectual property.

(Council for Science and Technology Policy, Ministry of Education, Culture, Sports, Science and Technology and Ministry of Economy, Trade and Industry)

2) Further developing linkages of human resource networks

In FY2006, the GOJ will continue to actively support the establishment of human resource networks related to intellectual property by encouraging networks such as the Intellectual Property Lawyers Network and access points of the Japan Patent Attorneys Association to develop organic connections with each other.

(Council for Science and Technology Policy, Ministry of Education, Culture, Sports, Science and Technology, Ministry of Economy, Trade and Industry and other ministries and agencies concerned)

(6) Using academic societies and supporting research on intellectual property

1) Using and supporting various academic societies

i) In FY2006, with the aim of fostering human resources related to intellectual property

with advanced knowledge of law, business management and technology, the GOJ will encourage examiners and patent attorneys and so on to participate in relevant academic societies and universities including the Japan Industrial Property Law Association, the Copyright Law Association of Japan and the Intellectual Property Association of Japan. (Ministry of Education, Culture, Sports, Science and Technology and Ministry of Economy, Trade and Industry)

ii) In FY2006, the GOJ will urge academic societies on natural science and those on business management to establish committees on intellectual property and deepen their understanding of intellectual property.

(Ministry of Education, Culture, Sports, Science and Technology and Ministry of Economy, Trade and Industry)

2) Conducting comprehensive and interdisciplinary research on intellectual property

In FY2006, given that information industries and environment-related industries have developed with the progress of information science and environmental studies, the GOJ will continue to promote comprehensive and interdisciplinary cross-sectional research on intellectual property based on diverse approaches including science and technology, content, law, and business administration.

(Council for Science and Technology Policy, Ministry of Education, Culture, Sports, Science and Technology and Ministry of Economy, Trade and Industry)

(7) Developing intellectual property instructors, educational materials, and educational tools

1) Fostering instructors specializing in intellectual property

With growing demand for human resources related to intellectual property in various fields, including elementary/secondary educational institutions and universities as well as private companies, in FY2006, the GOJ will continue to actively provide information on the study of the latest practical educational programs and the results of such study, and foster instructors and teachers through intensive training programs.

(Ministry of Education, Culture, Sports, Science and Technology and Ministry of Economy, Trade and Industry)

2) Developing educational materials and educational tools for intellectual property education

i) In FY2006, the GOJ will continue to formulate uniform educational programs on intellectual property including patent rights and copyrights, and in order to support intellectual property education in schools, the GOJ will implement educational projects related to intellectual property, such as creating and providing standardized educational materials for elementary and secondary schools, and conducting R&D on concrete methods of intellectual property education in schools.

(Ministry of Education, Culture, Sports, Science and Technology and Ministry of Economy, Trade and Industry)

ii) The E-learning system, as a means to improve one's knowledge and skills anywhere at any time, is helpful in providing various opportunities to learn about intellectual property. Therefore, in FY2006, the GOJ will introduce this system in training programs for JPO employees as well as in human resource development in industries, governments, and universities.

(Council for Science and Technology Policy and Ministry of Economy, Trade and Industry)

iii) In FY2006, in order to expand the diverse educational and training opportunities on intellectual property, the GOJ will promote support for development of intellectual property-related subjects at the University of the Air and development of educational materials on intellectual property at the National Institute of Multimedia Education.

(Ministry of Education, Culture, Sports, Science and Technology)

(8) Developing evaluation indices such as private qualifications for human resources related to intellectual property

In FY2006, with the aim of increasing the incentive for intellectual property experts and satisfying the demand for such human resources, the GOJ will continue to encourage the independent efforts of the private sector in contributing to the development of human resources related to intellectual property. The GOJ will use training programs on intellectual property and proficiency tests to evaluate skills of practitioners and translators, which are provided by relevant associations and companies,

and by formulating the standards of skills required for human resources related to intellectual property.

(Ministry of Economy, Trade and Industry and other ministries and agencies concerned)

3. Developing Institutes for Human Resources Development Related to Intellectual Property

(1) Developing the environment for flexible and practical intellectual property education in educational institutions

i) In FY2006, the GOJ will continue to encourage departments and faculties that develop intellectual property experts and human resources who create or manage intellectual property to develop intellectual property education according to their respective specialties and provide training on intellectual property education to teachers.

These departments and faculties include science-related departments (e.g. engineering departments, science departments, agricultural departments, medical departments, dental departments and pharmaceutical departments) as well as law departments, art departments, and business administration departments of universities.

(Ministry of Education, Culture, Sports, Science and Technology)

ii) From FY2006, the GOJ will encourage educational institutions including universities to make coordinated efforts such as using a consortium to promote intellectual property education in the community, when it is not easy for them to individually provide intellectual property education.

(Ministry of Education, Culture, Sports, Science and Technology)

iii) In FY2006, the GOJ will continue to encourage colleges of technology to develop intellectual property education according to their respective specialties.

(Ministry of Education, Culture, Sports, Science and Technology)

iv) In FY2006, the GOJ will continue to encourage schools to facilitate adult education and the participation of practitioners as instructors, including the establishment of evening/holiday law graduate school courses and other evening classes in law schools,

MOT programs, professional schools specializing in intellectual property, and undergraduate departments and faculties that teach intellectual property. The GOJ will also encourage proper evaluation of such efforts by schools in consideration of their characteristics.

(Council for Science and Technology Policy and Ministry of Education, Culture, Sports, Science and Technology)

v) In FY2006, the GOJ will continue to implement necessary measures for reducing the economic burden on students at law schools, professional schools specializing in intellectual property, and MOT programs.

(Ministry of Education, Culture, Sports, Science and Technology)

vi) In FY2006, in order to develop human resources related to intellectual property who have expertise in plural areas, the GOJ will continue to encourage universities to establish curriculums that combine the major and minor and to introduce the joint-degree program.

(Ministry of Education, Culture, Sports, Science and Technology)

vii) In FY2006, the GOJ will encourage schools to actively use private companies' human resources who are familiar with the intellectual property field and have wide knowledge of and experience in R&D, business management, and business start-ups as instructors or teachers at law schools, professional schools specializing in intellectual property, MOT programs, and undergraduate departments and faculties teaching intellectual property.

(Council for Science and Technology Policy and Ministry of Education, Culture, Sports, Science and Technology)

(2) Promoting intellectual property education at law schools

i) In FY2006, the GOJ will continue to choose full-time instructors at law schools with a focus on practical experience, not only on teaching experience in law departments.

(Ministry of Education, Culture, Sports, Science and Technology)

ii) In FY2006, the GOJ will continue to encourage law schools' voluntary efforts to

further enhance education related to intellectual property law, such as conducting education with a focus on intellectual property.

(Ministry of Education, Culture, Sports, Science and Technology)

iii) In FY2006, the GOJ will publicize the results of the investigation and analysis on the screening of students at law schools to date. The GOJ will also diffuse such results among law schools, thereby encouraging the voluntary efforts of the respective law schools, such as giving consideration to those with bachelor of science degrees in the entrance examination in their screening policy.

(Ministry of Education, Culture, Sports, Science and Technology)

iv) In FY2006, with the aim of increasing the proportion of graduates in departments other than law (e.g., those with bachelor of science degrees) and people with practical experiences (e.g., working people) in the total number of entrants to over 30 percent, the GOJ will encourage law schools' further efforts by investigating and publishing case examples of the methods of screening students for actively admitting such human resources.

(Ministry of Education, Culture, Sports, Science and Technology)

(3) Promoting intellectual property education at professional schools specializing in intellectual property

In FY2006, the GOJ will continue to encourage the voluntary efforts of professional schools specializing in intellectual property to develop intellectual property specialists who can support intellectual property-related business from various perspectives, by providing education that covers practical affairs, business, intellectual property policies, and international aspects. This is not only directed at those aiming to become lawyers or patent attorneys, but also at those who want to become specialists that are more generally engaged in intellectual property affairs.

(Council for Science and Technology Policy and Ministry of Education, Culture, Sports, Science and Technology)

(4) Promoting MOT programs

In FY2006, the GOJ will continue to support the development of MOT

educational programs in schools. In this process, the GOJ will encourage schools' voluntary efforts to include a study on technology standardization and intellectual property management.

(Council for Science and Technology Policy and Ministry of Economy, Trade and Industry)

4. Developing Human Resources Related to Intellectual Property in Various Sectors

(1) Developing intellectual property experts

1) Dramatically increasing the number and improving the quality of patent attorneys

i) In FY2006, the GOJ will continue to aim at increasing the number of patent attorneys.

In this process, the GOJ will encourage efforts of the training organizations concerned to increase the number of patent attorneys who are well versed in management, accounting, and other fields relating to corporate strategy on intellectual property.

(Ministry of Economy, Trade and Industry)

ii) Article 13 of the Supplementary Provisions of the Patent Attorneys Law stipulates that the GOJ shall, when five years have elapsed from enforcement of the Law, review the provisions of the Law if necessary after taking into account the state of enforcement of the Law, and shall take necessary measures based on the results of the review. Based on this provision, the GOJ will review the patent attorney system by the end of FY2006 and submit an amendment bill of the Patent Attorneys Law as required.

(Ministry of Economy, Trade and Industry)

iii) In FY2006 and beyond, the GOJ will consider the active utilization of patent attorneys, including the possibility of allowing them to independently undertake the trials of specific intellectual property right infringement lawsuits, while also giving consideration to the actual operation status of the new system and the actual activities of lawyers and patent attorneys.

(Ministry of Justice and Ministry of Economy, Trade and Industry)

iv) With the aim of improving the quality of patent attorneys, in FY2006, the GOJ will continue to encourage efforts of the Japan Patent Attorneys Association to enhance training programs for patent attorneys from various perspectives, including basic training for newly licensed patent attorneys, training on international systems and cases on intellectual property, training to secure practical skills of those who have passed the patent attorney examination, and training for patent attorneys acting as counsels. In this process, the GOJ will use universities (law schools, professional schools specialized in intellectual property) and the NCIPI.

(Ministry of Education, Culture, Sports, Science and Technology and Ministry of Economy, Trade and Industry)

2) Improving the quality of searchers

In FY2006, the GOJ will continue to encourage the NCIPI to constantly provide training programs aimed at developing searchers in charge of conducting prior art searches at registered search agencies. The GOJ will actively provide searchers with search know-how acquired by JPO examiners.

(Ministry of Economy, Trade and Industry)

3) Dramatically increasing the number and improving the quality of lawyers

i) In FY2006, the GOJ will continue to aim at increasing the number of lawyers who are well versed in intellectual property, in the process of dramatically increasing the overall number of legal professionals. In addition, the GOJ will verify whether lawyers well versed in intellectual property are being developed appropriately, such as investigating the number of those who passed the national bar examination for the respective subjects selected, including intellectual property laws.

(Ministry of Justice)

ii) A large number of lawyers voluntarily participate in training programs on intellectual property laws. In FY2006, the GOJ will continue to expect more lawyers to improve their knowledge and skills in dealing with intellectual property affairs through independent efforts to improve themselves by participating in training programs and lectures on intellectual property. In FY2006, the GOJ will continue to promote increasing the awareness of lawyers and improving the environment so that lawyers will

be able to directly deal with intellectual property affairs as in-house lawyers of companies.

(Ministry of Justice and other ministries and agencies concerned)

4) Improving the abilities of those who engage in industry-academia collaboration

i) In FY2006, the GOJ will continue to support efforts to provide young researchers with opportunities to improve their ability to achieve commercialization of intellectual property, through OJT programs at TLOs, Intellectual Property Headquarters, university start-ups, and venture capital companies.

(Council for Science and Technology Policy, Ministry of Education, Culture, Sports, Science and Technology, Ministry of Economy, Trade and Industry, and other ministries and agencies concerned)

ii) In order to improve the licensing negotiation skills of human resources related to intellectual property in TLOs, the GOJ will, by the end of FY2006, analyze the development of human resources related to intellectual property conducted by Super TLOs, and enhance effective measures for such human resources development by Super TLOs based on the analysis results.

(Council for Science and Technology Policy and Ministry of Economy, Trade and Industry)

iii) With regard to the training for developing human resources related to intellectual property in TLOs, the GOJ will, by the end of FY2006, support provision of diverse human resource development programs with consideration given to the background of the trainees and their experience of participating in other training programs.

(Council for Science and Technology Policy and Ministry of Economy, Trade and Industry)

(2) Developing human resources who create or manage intellectual property

1) Increasing researchers' abilities to exploit intellectual property

i) In order to enable university researchers to efficiently and effectively use patent information, from FY2006, the GOJ will conduct training for university researchers on practical searching skills based on the search know-how of JPO examiners.

(Council for Science and Technology Policy and Ministry of Economy, Trade and Industry)

ii) By the end of FY2006, the GOJ will develop affordable and easy-to-use software with which students learning intellectual property management can experience intellectual property mapping as part of their education, and will provide the software to universities.

(Council for Science and Technology Policy and Ministry of Economy, Trade and Industry)

2) Increasing the intellectual property awareness of business managers and executives and reforming awareness among industries

In FY2006, the GOJ will continue to encourage business managers and executives to improve their ability to exploit intellectual property by strengthening their ability to appreciate the value of research results, in other words, their discerning ability. Furthermore, in order for business managers and executives to properly understand intellectual property and link the intellectual property strategy with the business strategy and R&D strategy, the GOJ will conduct awareness-raising activities by holding seminars and symposiums on intellectual property strategies, intellectual property management schools at universities, and exchanging opinions among the ministries and agencies concerned.

(Council for Science and Technology Policy, Ministry of Education, Culture, Sports, Science and Technology, Ministry of Economy, Trade and Industry, and other ministries and agencies concerned)

5. Improving Public Awareness of Intellectual Property

(1) Promoting intellectual property education at schools

In FY2006, the GOJ will continue to promote intellectual property education according to the respective school levels, such as considering the enhancement of educational activities that cultivate children's creativity upon revising the ministry's curriculum guideline.

(Ministry of Education, Culture, Sports, Science and Technology)

(2) Enhancing intellectual property education in the agricultural field

From FY2006, the GOJ will take measures to enhance education on intellectual property at college of agriculture and agricultural high schools.

(Ministry of Agriculture, Forestry and Fisheries, Ministry of Education, Culture, Sports, Science and Technology and Ministry of Economy, Trade and Industry)

(3) Promoting intellectual property education at specialized upper secondary schools

From FY2006, the GOJ will start considering measures to promote and enhance intellectual property education at specialized upper secondary schools such as industrial high schools, and reflect the findings in the Courses of Study as required.

(Ministry of Education, Culture, Sports, Science and Technology and Ministry of Economy, Trade and Industry)

(4) Promoting consumer education covering intellectual property

Based on the provision of the Consumer Basic Law, which stipulates that consumers shall give consideration to environmental conservation and appropriate protection of intellectual property rights in their consumption, from FY2006, the GOJ will take measures to strengthen the promoting framework, reinforce the instructors, and upgrade the educational content of consumer education covering intellectual property.

(Cabinet Office)

(5) Strengthening activities for improving public awareness of intellectual property

In FY2006, the GOJ will continue to hold seminars on intellectual property for students, adults in general, and practitioners based on their respective attributes, by also making use of intellectual property specialists in the private sector, and promote active use of such seminars according to the circumstances of the respective communities. The GOJ will also enhance awareness-raising projects such as a campaign using a publicly solicited slogan.

(Cabinet Office, Ministry of Agriculture, Forestry and Fisheries, Ministry of Education, Culture, Sports, Science and Technology and Ministry of Economy, Trade and Industry)

(6) Enhancing and utilizing statistics on intellectual property

In FY2006, the GOJ will continue to enhance and broadly utilize the intellectual property-related statistics, which serve as the basis for planning and proposing intellectual property policies, so as to develop policies that meet diverse user needs.

(Ministry of Internal Affairs and Communications, Ministry of Economy, Trade and Industry and other ministries and agencies concerned)

Achievements

Progress in Intellectual Property Policy

Various system reforms were carried out and a number of achievements were made in the period following the enforcement of the Basic Law on Intellectual Property. The major achievements are listed below.

1. Creation of Intellectual Property

Creation of Intellectual Property at Universities and Public Research Institutes

- 43 university intellectual property headquarters were inaugurated as organizations designated for the Project for the Establishment of University Intellectual Property Headquarters (July 2003).
- 41 approved TLOs and 6 authorized TLOs were established (as of the end of March 2006).
- The principle of attributing rights for inventions created by university teachers to the universities was adopted by 93% of national universities (87 of 94 universities) and by 25% of public and private universities (145 of 578 universities) (as of the end of March 2005).
- The number of domestic patents obtained by universities and public research institutes increased 2.5-fold during the period from 2002 to 2005. The number of licenses and the amount of royalties increased 2.1-fold and 5-fold respectively during the period from FY2002 to FY2004.
- The Common Guidelines for Indirect Expenses in Competitive Research Grants were revised to clarify that a portion of the indirect expenses in competitive research grants can be appropriated to patent-related expenses (March 2005).
- The provision on employees' inventions under Article 35 of the Patent Law was revised (put into force in April 2005).

Industry-Academia-Government Collaboration Based on Intellectual Property

- The Guidelines for Development of Trade Secret Management Rules at Universities were developed (April 2004).
- By the end of FY2005, the total number of university start-ups reached 1,503.

2. Protection of Intellectual Property

Strengthening the Dispute Settlement Functions

- The Intellectual Property High Court was inaugurated in accordance with the Law on the Establishment of the Intellectual Property High Court (put into force in April 2005).
- In accordance with the Law for Partial Revision of the Court Organization Law, etc., the functions to settle intellectual property-related lawsuits were strengthened by measures such as expanding and clarifying the power of judicial research officers dealing with intellectual property cases (put into force in April 2005).

Speeding up examination of patent applications

- In accordance with the Law for Partial Revision of the Patent Law for the Promotion of Expeditious Patent Examination, relevant measures including the deregulation to increase the number of prior art search agencies were implemented (put into force in June 2004 and thereafter).
- For the purpose of speeding up patent examination, the Headquarters for Expeditious and Efficient Patent Examination were established, with the Minister of Economy, Trade and Industry serving as the chief (December 2005).
- 98 new fixed-term examiners were appointed in FY2004, FY2005, and FY2006 respectively.

Strengthening Intellectual Property Systems

- According to the report of the Task Force on the Protection of Patents of Medical-Related Acts, the Examination Guidelines for Patent and Utility Model were revised (April 2005).
- Criminal penalties for infringements of intellectual property rights were tightened through the revisions of the Copyright Law, the Unfair Competition Prevention Law, and the Seeds and Seedlings Law (put into force during the period from 2003 to 2005).
- The Guidelines for Trade Secret Management were revised (October 2005).
- In accordance with the Law on Partial Revision of the Design Law, etc., regarding the criminal penalties to be imposed for infringement of a patent right, design right, and trademark right as well as infringement of trade secrets, the upper limit for the term of

imprisonment with work and that for the amount of a fine were raised to 10 years and to 10 million yen respectively. In addition, “Exporting” was included in the scope of acts deemed as infringements under the Patent Law, the Utility Model Law, the Design Law, and the Trademark Law (June 2006).

Strengthening Efforts to Establish a Global Patent System

- The Next-Generation Dossier Access System was put into operation as an advanced version of the Dossier Access System whereby each of the trilateral patent offices (JPO, USPTO, and EPO) can use search and examination results obtained by other offices (March 2006).
- Japan proposed a Patent Prosecution Highway whereby applications for which patents have been granted at the first office will be eligible for accelerated examination through simple procedures at the second office. The JPO and the USPTO reached an agreement to commence a trial of this system in July 2006.

Accelerating Measures against Counterfeits and Pirated Copies

- The Intellectual Property Policy Headquarters adopted the Package for Acceleration of Measures against Counterfeits and Pirated Copies (December 2004).

Strengthening Measures Against Counterfeits and Pirated Copies in Overseas Markets

- Organizational arrangements were made for the diplomatic authorities by distributing the Manual to Cope with Intellectual Property Infringements and deploying officials in charge of intellectual property affairs in all Overseas Establishments (FY2004).
- The Content Overseas Distribution Associate (CODA) established the Content Japan (CJ) Mark (September 2004).
- The Survey on Intellectual Property Infringements Overseas was introduced, as a system in which the GOJ will conduct a survey upon application of Japanese private companies and organizations and hold bilateral discussion based on the survey results (April 2005).
- At the G8 Summit Meeting in Gleneagles, Prime Minister Koizumi advocated the necessity of an international commitment to prevent the proliferation of counterfeits and pirated copies (July 2005).

Strengthening Regulations of Counterfeits and Pirated Copies at the Border

- In order to strengthen the regulations of intellectual property-infringing products at borders, the Customs Tariff Law and the Customs Law were revised.
- Products infringing patent rights and other intellectual property rights were included in the scope of articles for which export suspension may be applied. Import was also prohibited with respect to products infringing the breeder's right (put into force in April 2003).
- The system to notify right holders of the information on the exporter and the importer was introduced (put into force in April 2004).
- The system for sample inspection by right holders and the system of consultation to the Minister of Agriculture, Forestry and Fisheries were introduced (put into force in April 2005).
- Import was also prohibited with respect to products that imitate the configuration of another person's product (put into force in March 2006).
- The system to hear expert opinions during the procedure to apply for export suspension and the procedure to determine infringement, as well as the system to control export of intellectual property-infringing products were introduced (put into force in April 2006 and thereafter).

Strengthening Domestic Regulations of Counterfeits and Pirated Copies

- A large auction provider developed self-imposed guidelines for eliminating counterfeits and pirated copies from the Internet auction sites (July 2005).
- The Rules for E-Commerce were revised for the purpose of clarifying the standards for determining "commercial dealers" to be regulated under the Special Commercial Transaction Law (February 2006).
- 49 officials were assigned at the Tokyo Metropolitan Police Department for preliminary determination of trademark right infringement (November 2004). Four experts capable of distinguishing pirated copies from genuine plant varieties registered under the Seeds and Seedlings Law, were appointed as Plant Variety Protection G-Men for the National Center for Seeds and Seedlings (April 2005). Six experts were additionally appointed (April 2006).

Strengthening Cooperation between the Public and Private Sectors against Counterfeits and Pirated Copies

- The Ministerial Conference on Measures against Counterfeits and Pirated Copies was established, which consists of eight ministries and agencies concerned (July 2004).
- The Office for Intellectual Property Right Infringement was established within the Ministry of Economy, Trade and Industry as a consolidated consultation section (August 2004).

3. Exploitation of Intellectual Property

Strategically Exploiting Intellectual Property

- According to the Guidelines for Disclosure of Intellectual Property Information (released in April 2004) and the Guidelines for Disclosure of Intellectual Assets-Based Management (released in October 2005), companies developed and published intellectual property reports stating the status of the exploitation of intellectual property (13 companies in FY2004; 22 companies in FY2005).
- The Trust Business Law was revised to make intellectual property available as trust property and expand the scope of trustees in order to include stock corporations (put into force in December 2004).

Supporting International Standardization Activities

- The Policy under the Anti-Monopoly Law for the Establishment of Patent Pools upon Standardization was released (June 2005).

Supporting SMEs and Venture Companies

- The system to provide SMEs, free of charge, with the results of prior art searches obtained by private search agencies was introduced, so as to enable them to use such results for patent applications (1,779 cases in FY2005).
- The Japan Federation of Economic Organizations formulated the Action Guidelines on Intellectual Property, which advocate that the companies should respect intellectual property rights held by others (July 2005).
- The Law on Advancement of Basic Manufacturing Technology of SMEs was enacted,

which includes the measure to reduce patent fees and fees for request for examination payable by SMEs that have advanced basic manufacturing technology (April 2006).

Developing Local Areas with the Use of Intellectual Property

- Twenty-two prefectural governments have already completely formulated intellectual property strategies, and 15 prefectural governments were developing or planning to formulate strategies (as of the end of April 2006).
- The government of Tottori Prefecture enacted the Basic Ordinance on the Creation of Intellectual Property, ahead of other prefectural governments (April 2006).
- In nine regions nationwide, regional intellectual property strategy headquarters were established in each of the Regional Bureaus of Economy, Trade and Industry as a regional public-private organization (FY2005).

4. Efforts to Create Culture with the Use of Content

Make Japan a World-Class Content Superpower

- The Act on the Prevention of Delay in Payment of Subcontracting Charges and Related Matters was revised to include subcontracts in the content industry in the scope of application of the Act (put into force April 2004).
- Private-sector initiatives were active, e.g. establishing the Entertainment Lawyers Network (May 2004) and the Visual Industry Promotion Organization VIPO: December 2004) as organizations for the development of content-related human resources.
- Progress was made in the efforts of universities to develop content-related human resources, e.g. establishment of the Film Production Course in the Tokyo National University of Fine Arts and Music through collaboration with the government of Yokohama City (April 2005).
- The function of the Tokyo International Film Festival as a film market was drastically enhanced (October 2004, October 2005).
- The Copyright Law was revised to introduce a system to prevent inappropriate entry of sound recordings into Japan, and to grant the right to lend books and magazines (put into force in January 2005).
- The Act on Creation, Protection, and Exploitation of Content was put into force,

providing for basic principles and necessary measures to promote the creation, protection, and exploitation of content (put into force in June and September 2004).

Implementing the Japan Brand Strategy Based on the Japanese Lifestyle

- The Food Culture Study Promotion Meeting, which mainly consists of the parties in the private sector, made recommendations on the study and diffusion of the Japanese food culture (July 2005).
- The National Conference for Export of Agricultural, Forestry and Fishery Products was inaugurated for the purpose of promoting exports of high-quality and safe agricultural, forestry, and fishery products and foodstuff (April 2005).
- The Trademark Law was revised to enable early registration of trademarks consisting of the combinations of the names of the local areas and the names of the products or services, as regionally based collective marks, with the aim of protecting local brands more appropriately (put into force in April 2006).
- The standards for descriptive labeling under the JAS Law were reinforced with respect to the indication of origin of perishable food (livestock) (put into force in October 2005).
- The Japanese Fashion Week in Tokyo was held by concentrating fashion collections in Tokyo to a single place and time, with the aim of enhancing the event's ability to disseminate information (October 2005, March 2006).
- The Cultural Diplomacy Promotion Meeting developed a report entitled "Japan as a Peaceful Nation Based on Cultural Exchange" (July 2005).
- The Neo-Japanesque Conference was inaugurated for the purpose of supporting the creation of products and content in which Japanese traditional culture and cutting-edge technology are combined (January 2006).

5. Developing Human Resources and Improving Public Awareness

Implementing the Comprehensive Strategy for Fostering Intellectual Property Experts

- The Task Force on the Intellectual Creation Cycle adopted the Comprehensive Strategy for Fostering Intellectual Property Experts (January 2006).

Increasing the Quantity and Quality of Intellectual Property Experts

- Along with the increase in the number of successful candidates in the national examination for patent attorney (711 persons in 2005), the total number of patent attorneys increased to 6,695 (as of the end of March 2006).
- The Intellectual Property Lawyers Network was established as a nationwide network of lawyers who are capable of dealing with intellectual property cases (April 2005). The number of patent attorneys registered in the network was 1,200 as of the end of March 2006.

Establishing Institutes Specializing in Developing Human Resources Related to Intellectual Property

- All law schools (68 schools established in April 2004 and six schools established in April 2005) opened courses on intellectual property laws.
- Professional graduate school courses specializing in intellectual property were established at the Tokyo University of Science and the Osaka Institute of Technology (April 2005).
- Intellectual property laws were included in optional subjects for the new national bar examination, starting in 2006.
- 251 undergraduate schools and 90 graduate schools introduced intellectual property courses (FY2004).

6. List of Intellectual Property-Related Laws Enacted So Far

Since the Basic Law on Intellectual Property was established in 2002, 22 intellectual property laws have been enacted. Five bills related to intellectual property were passed by the 164th session of the Diet and two bills were newly submitted.

Intellectual property-related laws enacted during the period from 2002 to 2005 (22 laws)

(2002)

Basic Law on Intellectual Property

(2003)

Law for Partial Revision of the Customs Tariff Law, etc.
Law for Partial Revision of the Unfair Competition Prevention Law
Law for Partial Revision of the Patent Law, etc.
Law for Partial Revision of the Copyright Law
Law for Partial Revision of the Seeds and Seedlings Law
Law for Partial Revision of the Code of Civil Procedure, etc.

(2004)

Law for Partial Revision of the Customs Tariff Law, etc.
Law for Partial Revision of the Basic Law on Consumer Protection
Bankruptcy Law
Law for Partial Revision of the Patent Law, etc. for the Promotion of Expeditious Patent Examination
Law on Creation, Protection, and Exploitation of Content
Law for Partial Revision of the Copyright Law
Law on the Establishment of the Intellectual Property High Court
Law for Partial Revision of the Court Organization Law, etc.
Trust Business Law

(2005)

Law for Partial Revision of the Customs Tariff Law, etc.
Law for Partial Revision of the Law for Supporting SME Management Innovation
Law for Partial Revision of the Trademark Law
Law for Partial Revision of the Seeds and Seedlings Law
Basic Law on Food Education
Law for Partial Revision of the Unfair Competition Prevention Law, etc.

Intellectual property-related laws passed by the 164th session of the Diet (5 laws)

(2006)

Law for Partial Revision of the Customs Tariff Law, etc.
Law for Partial Revision of the National Center for Industrial Property Information and Training

Law on Advancement of Basic Manufacturing Technology of SMEs

Law for Partial Revision of the Design Law, etc.

Law for Partial Revision of the Securities Exchange Law, etc.

Intellectual property-related bills submitted to the 164th session of the Diet (2 laws)
(2006)

Trust Bill

Bill for the Establishment of Related Laws upon Enforcement of the Trust Law

7. Organizations for the Implementation of the Strategic Program

- The Intellectual Property Policy Headquarters held meetings on 13 occasions during the period from March 2003 to February 2006, and developed three Intellectual Property Strategic Programs.
- Expert meetings, four task forces, and three working groups were established; they held meetings on 54 occasions and developed 10 reports.
- Opinions of the public were obtained through the public comment procedure on 14 occasions. Efforts were made to raise public awareness of the initiatives under the Strategic Program, by holding meetings at 219 sites nationwide to give briefings to and exchange opinions with about 32,000 people.

Appendix

1. List of the Members of the Intellectual Property Policy Headquarters

(Prime Minister and State Ministers)

Director-General	Junichiro KOIZUMI	Prime Minister
Vice	Sinzo ABE	Chief Cabinet Secretary
Director Generals	Iwao MATUDA	Minister of State for Science and Technology Policy/ Minister of State for Food Safety/ Minister of State for Information Technology
Members	Kenji KOSAKA	Minister of Education, Culture, Sports, Science and Technology
	Toshihiro NIKAI	Minister of Economy, Trade and Industry
	Heizo TAKENAKA	Minister of Internal affairs and Communications
	Seiken SUGIURA	Minister of Justice
	Taro ASO	Minister for Foreign Affairs
	Sadakazu TANIGAKI	Minister of Finance
	Jiro KAWASAKI	Minister of Health, Labor and Welfare
	Shoichi NAKAGAWA	Minister of Agriculture, Forestry and Fisheries
	Kazuo KITAGAWA	Minister of Land, Infrastructure and Transport
	Yuriko KOIKE	Minister of the Environment/ Minister of State for Okinawa and Northern Territories Affairs
	Tetsuo KUTSUKAKE	Chairman of the National Public Safety Commission/ Minister of State for Disaster Management Minister of State for National Emergency Legislation
	Fukushiro NUKAGA	Minister of State for Defence
	Kaoru YOSANO	Minister of State for Economic and Fiscal Policy and Financial Services
Kouki CHUMA	Minister of State for Administrative Reform, Regulatory Reform, Special Zones for Structural Reform, and Regional Revitalization	
(Experts)	Kuniko INOUCHI	Minister of State for Gender Equality and Social Affairs
	Hiroyuki ABE	Member of the Council for Science and Technology Policy

Yuichiro ANZAI	President, Keio University
Tsuguhiko KADOKAWA	Chairman & CEO, Kadokawa, inc.
Maki KAWAI	Professor, Graduate school of Frontier Sciences, University of Tokyo Senior Researcher, RIKEN
Hideaki KUBORI	Founding Partner, Hibiya Park Law Offices/ Professor, Omiya Law School
Sumiko SHIMOSAKA	Representative, SHIMOSAKA and MATSUDA International Patent Office
Nobuhiro NAKAYAMA	Professor, University of Tokyo Graduate Schools for Laws and politics
Tamotsu NOMAKUCHI	Chairman and CEO, Mitsubishi Electric Corporation
Fujio MITARAI	Chairman & CEO, Canon Inc
Ryuichi MORISHITA	Director, AnGes MG, Inc. Professor in charge of the donation course, Osaka University, Graduate School of Medicine

(As of June 2006)

2. List of Members of Task Forces

(1) Task Force on Intellectual Creation Cycle

Hiroyuki ABE	Member of Council for Science and Technology Policy/ Member of Strategic Council on Intellectual Property
Akiko ITAI	President & CEO, Institute of Medicinal Molecular Design, Inc.(IMMC)
Ikunoshin KATO	President & CEO, Takara Bio Inc,
Hideaki KUBORI	Founding Partner, Hibiya Park Law Offices/ Professor, Omiya Law School/ Member of Strategic Council on Intellectual Property
Sumiko SHIMOSAKA	Representative, SHIMOSAKA and MATSUDA International Patent Office/ Member of Strategic Council on Intellectual Property
Kenichiro SENOH	Professor, Research Center for Advanced Science and Technology, University of Tokyo
Nobuhiko TANAKA	Senior Managing Director, Canon Inc.
Nobuhiro NAKAYAMA	Professor, University of Tokyo Graduate Schools for Law and Politics/ Member of Strategic Council on Intellectual Property
Tatsuo HATTA	Professor, Division of International Studies, College of Liberal Arts, International Christian University
Yuko MAEDA	Associate Professor/Director of Intellectual Property Division, Technology Licensing Organization, Tokyo Medical and Dental University
Hiroyuki YOSHINO	Director and Advisor, Honda Motor Co., Ltd.

: Chairperson of Task Force

(As of June 2006)

(2) Task Force on Contents

Koichiro AKUZAWA	Executive Director, Association for the Promotion of Traditional Craft Industries
Satoshi AKUTSU	Associate Professor, Graduate school of International Corporate Strategy, Hitotsubashi University
Wataru ASO	Governor of Fukuoka prefecture
Toru ARAKAWA	President, CEO ACCESS Co., Ltd
Jiro USHIO	Chairman and CEO, Ushio Inc.
Nobuyuki OTA	Representative and CEO, ISSEY MIYAKE INC
Tadashi OKAMURA	Chairman and CEO, TOSHIBA COOPERATION
Yoshimi OGAWA	President, CEO, Index Corporation
Tsuguhiko KADOKAWA	Chairman&CEO, Kadokawa Holdings, Inc./ Member of Strategic Council on Intellectual Property
Yasufumi KANAMARU	President & CEO, Future System Consulting Corporation
Masakazu KUBO	President, Character Business Center, Shogakukan Inc. General Producer, Tokyo Anime Center/
Hideaki KUBORI	Founding Partner, Hibiya Park Law Offices/ Professor, Omiya Law School/ Member of Strategic Council on Intellectual Property
Mie KUMAGAI	Head, Amusement Software R&D, Dept.#3,
Jiro KOKURYO	Professor, Faculty of Environmental Information, Keio University
Hirohisa KOYAMA	Owner of Aoyagi(Japanese restaurant)/ Prinicipal, École Culinaire Heisei
Machiko SATONAKA	Cartoonist
Yutaka SHIGENOBU	CEO&Chairman of the Board, TV Man Union, Inc.
Yoshiki TSUJI	President and Principal, Tsuji Culinary School,
Kazufumi DOHI	Professor, Graduate School of International Cooperate Strategy, Hitotsubashi University
Yasuki HAMANO	Professor, Graduate School of Frontier Sciences, The University of Tokyo
Yumiko HARA	Fashion Director
Toyohiko HARADA	Executive Director-General of Broadcasting NHK
Hisashi HIEDA	President, National Association of Commercial Broadcasters in Japan/ Chairman and CEO, Fuji television network,inc
Hajime HIRASAWA	President, CEO, Faith, Inc.
Kiyomi MIKUNI	Owner and chief HOTEL DE MIKUNI
Akira MINAGAWA	Designer, mina perhonen
Toshio YAMADA	Executive Director, Central Union of Agricultural

Tatsumi Yoda Co-operatives (JA ZENCHU)
Chairman of the Board & Representative Corporate Officer,
GAGA COMMUNICATIONS INC
: Chairperson of Task Force

(As of June 2006)

3. Act for Establishment of Intellectual Property Policy Headquarters

Basic Law on Intellectual Property (Law No.122 of 2002)

Chapter IV Intellectual Property Policy Headquarters

(Establishment)

Article 24. In order to promote measures for the creation, protection and exploitation of intellectual property in a focused and planned manner, the Intellectual Property Policy Headquarters (hereinafter referred to as the "Headquarters") shall be established in the Cabinet.

(Operations within the jurisdiction of the Headquarters)

Article 25. The Headquarters shall have jurisdiction over the following operations:

- (i) Development of a promotion program (hereinafter referred to as the "promotion program"), and promotion of the implementation of such program; and
- (ii) Besides those mentioned in the preceding clause, investigation and deliberation on planning important measures on the creation, protection and exploitation of intellectual property, and promotion and comprehensive adjustment of implementation of such measures.

(Organization)

Article 26. The headquarters shall be organized to consist of the Director-Generals of the Intellectual Property Policy Headquarters, the Vice Director-Generals of the Intellectual Property Policy Headquarters, and Members of the Intellectual Property Policy Headquarters.

(Director-General of the Intellectual Property Policy Headquarters)

Article 27.

1. The Headquarters shall be headed by the Director-General of the Intellectual Property Policy Headquarters (hereinafter referred to as the "Director-General"), the post which shall be served by the Prime Minister.
2. The Director-General shall be in charge of general coordination of the operations of

the Headquarters, and shall direct and supervise the relevant officials.

(Vice Director-Generals of the Intellectual Property Policy Headquarters)

Article 28.

1. The Vice Director-Generals of the Intellectual Property Policy Headquarters (hereinafter referred to as the "Vice Director-Generals") shall be assigned in the Headquarters, the posts which shall be served by State Ministers.

2. The Vice Director-Generals shall assist the duties of the Director-General.

(Members of the Intellectual Property Policy Headquarters)

Article 29.

1. Members of the Intellectual Property Policy Headquarters (hereinafter referred to as the "Members") shall be assigned in the Headquarters.

2. The posts of the Members shall be served by the following persons:

(i) all State Ministers other than the Director-General and Vice Director-Generals; and

(ii) those having superior insights into the creation, protection and exploitation of intellectual property who have been appointed by the Prime Minister.

(Submission of materials and other forms of cooperation)

Article 30.

1. The Headquarters may, if it considers it necessary for implementing operations under its jurisdiction, demand submission of materials, statements of views, explanations and other required cooperation from the heads of the administrative organs concerned, local governments and independent administrative institutions and the representatives of public corporations.

2. The Headquarters may also demand required cooperation from parties other than those set forth in the preceding clause, if it considers it especially necessary for implementing operations under its jurisdiction.

(Operations)

Article 31. Operations concerning the Headquarters shall be processed within the Cabinet Secretariat and administered by the Assistant Deputy Chief Cabinet Secretary under commission.

(Competent Minister)

Article 32. The competent Minister as set forth in the Cabinet Law (Law No.5 of 1947) for matters related to the Headquarters shall be the Prime Minister.

(Authorization to Cabinet Orders)

Article 33. Necessary matters concerning the Headquarters other than those set forth in this Act shall be stipulated by Cabinet Orders.

Cabinet Order on Intellectual Property Policy Headquarters (Cabinet Order No.45 of 2003) [Expert]

(Task force)

Article 2

1. The Intellectual Property Policy Headquarters (hereinafter referred to as the “Headquarters”) may, by its decision, establish a task force for investigation on technical issues if necessary.
2. Task force members shall be appointed by the Prime Minister from those who have knowledge and experience in relation to the technical issues.
3. Task force members shall work on a part-time basis.
4. The task force shall be abolished upon completion of the investigation for which it was established.

4. History of Development of Strategic Program 2006

2002	Feb.4	Policy speech by Prime Minister Koizumi
	Feb.25	Strategic Council on Intellectual Property inaugurated
	Mar.20	1st meeting of Strategic Council on Intellectual Property
	Apr.10	2nd meeting of Strategic Council on Intellectual Property
	May.22	3rd meeting of Strategic Council on Intellectual Property
	Jun 14	4th meeting of Strategic Council on Intellectual Property
	Jul.3	5th meeting of Strategic Council on Intellectual Property Intellectual Property Policy Outline adopted
	Sep.19	6th meeting of Strategic Council on Intellectual Property
	Oct.16	7th meeting of Strategic Council on Intellectual Property
	Nov.27	Basic Law on Intellectual Property promulgated
2003	Jan.16	8th meeting of Strategic Council on Intellectual Property
	Mar.1	Basic Law on Intellectual Property put into force Intellectual Property Policy Headquarters inaugurated Secretariat of Intellectual Property Policy Headquarters established within Cabinet Secretariat
	Mar.19	1st meeting of Intellectual Property Policy Headquarters
	Apr.18	2nd meeting of Intellectual Property Policy Headquarters
	May 21	3rd meeting of Intellectual Property Policy Headquarters
	Jun.20	4th meeting of Intellectual Property Policy Headquarters
	Jul.8	5th meeting of Intellectual Property Policy Headquarters - Strategic Program for Creation, Protection and Exploitation of Intellectual Property adopted - Task forces established
	Oct.8	1st meeting of Task Force on Strengthening of Foundation for Right Protection (Meetings held 13 times up to June 2005; abolished)
	Oct.15	1st meeting of Task Force on Contents (Meetings held 8 times up to June 8, 2006)
	Oct.31	1st meeting of Task Force on Protection of Patents of Medical-Related Acts (Meetings held 11 times up to June 2005; abolished)
	Dec.11	Report of Task Force on Strengthening of Foundation for Right Protection compiled - Creation of Intellectual Property High Court - Comprehensive Measures for Expeditious Patent Examination
	Dec.17	6th meeting of Intellectual Property Policy Headquarters
2004	Apr.9	Report of the Task Force on Contents compiled - Content Business Development Policy
	Apr.14	7th meeting of Intellectual Property Policy Headquarters
	May 13	Report of Task Force on Strengthening of Foundation for Right Protection compiled Strengthening of Measures against Counterfeits and Pirated Copies

	May 27	8th meeting of Intellectual Property Policy Headquarters Intellectual Property Strategic Program 2004 adopted
	Nov.22	Report of Task Force on Protection of Patents of Medical-Related Acts compiled - Ideal Form of Protection of Patents of Medical-Related Acts
	Nov.24	1st meeting of Japan Brand Working Group of Task Force on Contents (Meetings held 4 times up to June 8, 2006)
	Dec.16	9th meeting of Intellectual Property Policy Headquarters Package for Acceleration of Measures against Counterfeits and Pirated Copies adopted
2005	Feb.25	Report of Japan Brand Working Group of Task Force on Contents compiled Promotion of Japan Brand Strategy
	Apr.25	Report of Task Force on Strengthening of Foundation for Right Protection compiled Measures to Promote Intellectual Property Strategy of SMEs and Venture Companies
	Apr.26	10th meeting of Intellectual Property Policy Headquarters
	Jun.10	11th meeting of Intellectual Property Policy Headquarters Intellectual Property Strategic Program 2005 adopted
	Nov.1	1st meeting of Digital Content Working Group of Task Force on Contents (Meetings held 4 times up to June 8, 2006)
	Nov.2	1st meeting of Task Force on the Intellectual Creation Cycle (Meetings held 5 times up to June 8, 2006)
	Dec.9	12th meeting of Intellectual Property Policy Headquarters
2006	Feb.17	Report of Task Force on the Intellectual Creation Cycle compiled Comprehensive Strategy for Fostering Intellectual Property Experts Measures to Promote Priority Tasks Relating to the Intellectual Creation Cycle
	Feb.20	Report of the Task Force on Contents compiled Strategy for the Development of Digital Content
	Feb.24	13th meeting of Intellectual Property Policy Headquarters Status of Implementation of the Basic Law on Intellectual Property and Future Policy
	Jun.8	14th meeting of Intellectual Property Policy Headquarters Intellectual Property Strategic Program 2006 adopted

5. Glossary

Archive	Collection of documents and records
Access control	Access control
Genetic resources	Biological resources, such as animals and plants, which are valuable in science and economy
Incubator	Persons or facilities engaging in developing and encouraging new businesses
Internship	Practical experience in an occupation or profession
Web information	Information (content) that can be downloaded from the Internet
Web accessibility	Ability to use websites with ease
Effort management	Management of the time allocated for research and educational activities of researchers at universities and research institutes
Entertainment lawyer	Lawyers specializing in the field of entertainment
Open software	Open-source software, of which the source codes (program contents that are readable) are disclosed and made available for free reproduction and modification
Licensable patents	Patents whose right holders wish to allow others to use
Courses of Study	Standards for educational courses at elementary, junior high, and high schools published by the Ministry of Education, Culture, Sports, Science and Technology
Technology strategy maps	References developed by the Ministry of Economy, Trade and Industry in April 2006 regarding the targets for technological development and the measures for product and service development, for the purpose of strategically implementing R&D investment
Technological protection measures	Technological measures to protect copyrights, e.g. copy guards
Innovation Plazas, JST Satellites	JST's regional agencies established for the purpose of promoting the whole process of R&D, from basic research to commercialization. As of the end of May 2006, there were 8 Innovation Plazas and 4 JST Satellites.
Great period	Period for applying exceptions to lack of novelty of inventions
Laboratory notebooks	Notebooks in which researchers and inventors record their own R&D activities themselves, which may serve as necessary evidential documents to prove the date of invention, the contents of the invention, inventor, etc.
International standardization organization	Organizations specializing in developing international standards, e.g. ISO
Copy-once (rule)	A method to protect copyrights for digital content employed for BS digital broadcasting and terrestrial digital broadcasting, whereby copying can be conducted only once
Content	Includes entertainment content, e.g. movies, music, game, and

	animation, as well as other intellectual and cultural assets, e.g. fashion, food, local brands
CJ Mark Project	Project to promote the affixing of the CJ mark registered overseas to Japanese content products so that it will be possible to exercise not only copyrights but also the trademark right against pirated copies
Review period	Period during which an approved new drug should be reviewed in order to reconfirm its effectiveness and safety
Regenerative medicine	Medical practice to artificially induce live cells to regenerate the cells, tissues, or organs concerned or functions thereof, thereby curing diseases
Industrial cluster plan	Measure to achieve self-sustained local economy by developing an environment for innovation based on local human resource networks and establishing industrial clusters
Industrial property rights	Four types of intellectual property rights, i.e. patent right, utility model right, design right, and trademark right, which are administered by the Japan Patent Office (JPO)
Theater calendars	Lists of programs to be played at major theaters in a particular city, which are distributed at theaters and hotels
Notarial deeds of fact observation	Notarial deeds in which a public notary states what he/she perceived when visiting the factory and directly observing the manufacturing method
Joint degree	A system that allows the obtainment of more than one academic degree during a certain period
Stock option	Right of directors or employees of a company to obtain a certain number of shares from the company at a predetermined price
Street fashion	Style of wearing clothes, e.g. wearing torn jeans or wearing a skirt over trousers, according to one's own taste and free from conventional rules; widely accepted among teenagers
Super TLOs	Technology licensing organizations for specific priority areas, as designated by the Ministry of Economy, Trade and Industry. They are intended to raise the level of Japan's technology licensing system as a whole by supporting licensing activities at other approved TLOs and universities that do not have TLOs, and developing human resources.
Expert officials system	System in which courts can hear opinions of people who have expert knowledge, such as university professors and researchers, in the court proceedings
Interoperability	Describes when information is exchanged through communication between two programs and used for both programs so as to perform all functions that require the information
Typefaces	A set of designs of characters or signs created based on a uniform concept
Intellectual property mapping	Collecting, arranging, analyzing, and processing a vast amount of intellectual property information for specific purposes, and expressing it visually, e.g. in figures, graphs, tables
Terrestrial digital broadcasting	Terrestrial broadcasting using digital data; complete shift from the analog broadcasting to the digital broadcasting is scheduled in 2011
Intellectual	Project to concentrate, for the purpose of achieving technological

property cluster project	innovation, universities and public research institutes as well as related research institutes and R&D-type companies, while placing emphasis on independent efforts of local governments
Digital contents	Images, database, software, etc. produced with the use of a computer
Digital cinema	Carrying out the overall process from shooting to showing movies with the use of digital data instead of film
Traditional knowledge	Knowledge passed on from generation to generation in specific ethnic groups or regions, e.g. knowledge on medical herbs and farming
Registered search agencies	Agencies registered by the JPO commissioner as subcontractors of prior art searches, which are necessary for the examination of patent applications
Specified registered search agencies	Search agencies that are specially registered as agencies authorized to conduct prior art searches at the request of applicants and provide them with search reports as required
Dossier Access System	An information system whereby electronic dossier information can be shared among patent offices
Waiting period for patent examination	Period after a request for examination was made until the first office action was sent to the applicant
Patent Examination Highway	A system whereby applications for which patents have been granted at the first office will be eligible for accelerated examination through simple procedures at the second office
Patent licensing advisers	Persons specializing in patent licensing and transfer who are dispatched to prefectural governments and TLOs to give advice to companies on the introduction of patents and support smooth transfers of patents from research institutes and universities to local industries
Patent licensing database	Public database of licensable patents in which licensable patents held by companies, universities, and public research institutes can be searched via the Internet
Fixed-term examiners	Examiners appointed for a fixed term (five years). The appointment started in April 2004 as a measure to improve the organization for expeditious and accurate patent examination.
Certified rating agencies	Agencies engaging in evaluating educational and research activities of universities and other institutes, which are certified by the Minister of Education, Culture, Sports, Science and Technology under Article 69-4 of the School Education Act
Online banking	Receiving services from banks and other financial institutions via the Internet
Capacity building	Improving the capacity of organizations and systems for self-sustained management and operation
Bayh-Dole system	System for attributing intellectual property rights resulting from R&D funded by a national government to the entities that received the fund
Patent pool	System in which two or more owners of patent rights, etc. intensively vest a particular organization with the authority to grant license for rights, and then receive necessary licenses from the organization.
Public domain	Availability of intellectual works to the public
Film commission	Non-profit organization that is established under the leadership of a

	local government to promote location shooting
Folklore	Cultural expression passed on from generation to generation in specific ethnic groups or regions, e.g. folk story, folk song, traditional dance
Broadband (network services)	Services to provide large volumes of data on high-speed communication lines (e.g. fiber-optic cables)
Protection systems	Technology and rules for protecting copyrights
Home servers, home gateways	Core devices for the connection between the personal computer and electric appliances at home
Portal site	General information site on the Internet
Postdoctoral fellows	Persons who have completed the doctoral course and continue to engage in research projects at research institutes belonging to universities, etc. Most of them are employed for a fixed term.
Material	Research material, including biological resources such as micro-organics, laboratory animals, and plants, as well as chemical compounds
Multi-use	Use of content in various types of distribution
Moral hazard	Lack of business ethics
License	Allowing another to use intellectual property
Live entertainment	Performance acts conducted in front of the audience, e.g. theatrical drama, amusement performance, music concert
Conflict of interest policy /management	Policy that clearly states each university's basic philosophy to fulfill the accountability obligation on conflicts between the private interest that teachers gain from companies and the university's responsibility, and management of such conflict of interest
Recurrent education	Describes how working people learn recurrently in their lives, going back from their working places to learning places
Research tools	Tools used to conduct research activities, e.g. model animals such as genetically-modified mice, and screening methods
Rating system	A system to rate works regarding whether they are suitable for being viewed or used by children under a certain age, and indicate such rating
Location market	Initiative to introduce local areas to invite location shooting, thereby promoting content production in local areas and international joint production
ADR	Alternative Dispute Resolution
AIPN (Advanced Industrial Property Network)	Through the AIPN, foreign patent offices can use information on search and examination of patent applications held by the JPO.
APEC	Asia-Pacific Economic Cooperation
ASEM	Asia-Europe Meeting
E-commerce	A type of transaction for which contracts are concluded and payment is made via the Internet
E-learning	Education and training via the Internet
EPA	Economic Partnership Agreement
EPC	European Patent Convention
F-terms	Search keys developed by the JPO for the computer retrieval of patent

	documents, which are divided from various perspectives for each technical field
FI (File Index)	JPO's original patent classification, created by subdividing International Patent Classification (IPC)
FTA	Free Trade Agreement
IP multicasting	Broadcasting conducted by using technology to transmit the same program to a number of people via the Internet
IPDL (Intellectual Property Digital Library)	At the IPDL, the National Center for Industrial Property Information and Training (NCIPI) provides industrial property information such as patent gazette data and search services free of charge via the Internet.
ISO (International Organization for Standardization)	Established in 1947. Has its headquarters in Geneva.
JETRO	Japan External Trade Organization
JICA	Japan International Cooperation Agency
LLP (Limited Liability Partnership)	Special partnership established, as an exception to partnerships under the Civil Code, in order to promote the creation of new businesses and the development of joint ventures. It is characterized by: all investors bearing a limited liability; complete self-government; taxation on members.
LPS (Limited Partnership)	Partnership (fund) established, as an exception to partnerships under the Civil Code, in order to expand the supply of risk money to companies. It can invest money in and purchase money claims from a company, irrespective of the company's size or whether or not the company is publicly held.
MOT (Management of Technology)	A method of business management to strategically manage the whole process of R&D that ends with commercialization.
NEXI	Nippon Export and Investment Insurance
One Application/ One Format	Concept of unifying formats of patent applications used in individual countries into one format, thereby enabling applicants to file patent applications in other countries only by submitting the translations
PCT	Patent Cooperation Treaty
RAND (Reasonable And Non-Discriminatory)	A way of treating patents relating to technical standards by which the patent holder licenses the patent on reasonable and non-discriminatory royalties and terms
TBT Agreement	Agreement on Technical Barriers to Trade
TLO	Technology Licensing Organization
TPRM (Trade Policy Review Mechanism)	WTO system to periodically review trade policy and trade practice of the member countries, with the aim of increasing transparency.
TRIPS Agreement	Agreement on Trade-Related Aspects of Intellectual Property Rights
UPOV	Union For The Protection of New Varieties of Plants
WCO	World Customs Organization
WIPO	World Intellectual Property Organization

WPPT	The World Intellectual Property Organization Phonograms and Performances Treaty
WTO	World Trade Organization