

Intellectual Property Strategy Program 2015

June 2015

Intellectual Property Strategy Headquarters

“Intellectual Property Strategy Program 2015” Contents

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Introduction

With advances in economic globalization, various intellectual activities as a source of economic growth have become more and more important. Under such circumstances, to enhance Japan's industrial competitiveness and improve the lives of the people, it is becoming more and more important that Japan should develop high technology and create a rich culture and connect them to the creation and expansion of business. The basis for this policy is intellectual property strategies.

Intellectual property strategies consist of the creation, use, and protection of intellectual property, each of which are closely related in an organic way. Above all, it is not until intellectual property is used that its value can be realized. Therefore, intellectual property strategies should be united with business strategies. In Japan, accumulation of a large amount of intellectual property has potential power. However, many of the patents, for example, which are the results of research and development in Japan, are not connected to commercialization. It is important to use such intellectual property and connect it to the creation and expansion of business. This will also lead to further creation of intellectual property.

In particular, in Japan, which is facing the issues of decreasing population and shrinking local economy, about 3,850,000 local SMEs which support local economy are a source of industrial competitiveness. Therefore, their revitalization is an urgent issue. On the other hand, positioning this year as the first year of regional revitalization, the whole government of Japan encourages regional revitalization so that each region can create an autonomous and sustainable society by taking advantage of its own characteristics. Also, from the perspective of regional revitalization, it is necessary to rebuild a cycle to create and use intellectual property so that local SMEs can show their strength.

10 years have passed since the establishment of the Intellectual Property High Court, which was one of the early achievements of the Intellectual Property Strategic Program. While Japan's intellectual property dispute resolution system receives some praise from the industrial world and IP practitioners, many people call for its improvement in usability and convenience. In Japan, prompt and accurate settlement

of various kinds of disputes concerning intellectual property is the infrastructure for the creation of innovation using intellectual property. In the whole intellectual property system, the intellectual property dispute resolution system is becoming more and more important in light of intellectual property strategies. Taking it into full consideration that Japan is exposed to international competition among systems, now is the time to consider how Japan's intellectual property dispute resolution system should be developed.

With the aging population and declining birth rate in the background, considering the social situation in which the trend of population decrease is inevitable, in order to find out a way for Japan to make a further leap forward in the future, it is important to focus on potentially internationally competitive fields for the enhancement of industrial competitiveness. Content such as manga, anime, and dramas as intellectual property, which are represented by Cool Japan, are expected as a potential growth sector. Accordingly, overseas expansion of the content which connects them to business is important in light of intellectual property strategies. However, Japan's content plays second fiddle to Western and Korean content in Asian countries. Therefore, reviewing content from an industrial perspective and building structure to produce profits including those of the non-content industries is a big challenge to enhance Japan's international competitiveness.

In particular, Japan is attracting attention from the world due to the Tokyo 2020 Olympic and Paralympic Games. This is the best time for advancing intellectual property strategies including overseas expansion of content and transmitting Japan's soft power.

From the viewpoints above, considering the Intellectual Property Policy Vision formulated in 2013, the Intellectual Property Strategy Headquarters have had further examination to formulate the Intellectual Property Strategic Program 2015. For example, it started discussions at the Verification, Evaluation, and Planning Committee under the Headquarters in October last year; held task forces under the Committee concerning the Promotion of the Local Use of Intellectual Property and the Activation of the Intellectual Property Dispute Resolution System; and had intensive discussions about Overseas Expansion of Content and the Use of Archives

under the Committee.

Furthermore, on April 14 this year, the Intellectual Property Strategy Headquarters Meeting was held with Prime Minister Abe as Headquarter Chairman. The prime minister gave a direct direction to accelerate the consideration of the Intellectual Property Strategy Program 2015 with a focus on the following three policy issues.

- 1) Enhancement of intellectual property strategies of local SMEs and promotion of local industry-academia and industry-industry collaboration
- 2) Activation of the intellectual property dispute resolution system
- 3) Integral overseas expansion of content and peripheral industries

In addition to these, the Headquarters specified the following items as other important items to be considered.

- Acceleration of development towards promoting the use of archives
- Upgrading and strengthening the patent examination system
- Enhanced efforts towards strategic standardization
- Enhanced response to internationalization of the intellectual property system
- Improving the environment for adjusting to the digital network society

Considering these items, the Verification, Evaluation, and Planning Committee and task forces had further examination, organized the results of discussions, and put together and released reports on the task force for the local use of intellectual property and the task force for intellectual property dispute settlement.

In addition, it is necessary to achieve collaboration between intellectual property strategies and technology and innovation strategies including collaboration between universities or other research institutes and local SMEs in terms of intellectual property. Therefore, the collaboration has been strengthened through participations of the members of the Council for Science, Technology and Innovation as expertized members of the Intellectual Property Strategy Headquarters.

After the consideration above, the Intellectual Property Strategic Program 2015, consisting of two parts, specifies measures to be taken going forward. The first part consists of three pillars - the Promotion of Local Use of Intellectual Property,

Activation of the Intellectual Property Dispute Resolution System, and the Promotion of Integral Overseas Expansion of Content and Peripheral Industries. The second part is made up of other important eight measures.

In advancing this program, the measures above will be promoted strongly under the leadership of the Intellectual Property Strategy Headquarters, and the effect of the intellectual property strategic policy will be maximally demonstrated as part of the growth strategy by performing verification and evaluation steadily.

Part 1: Three Pillars

First pillar: Promotion of local use of intellectual property

(1) Current situation and issues

About 3,850,000 SMEs which support Japan's economy are a source of industrial competitiveness and there is no doubt that their revitalization will lead to the growth of local industries and economy. It is considered that if SMEs develop their own intellectual property (technology, brands, etc.), and use it in business effectively through acquisition of rights, standardization, and keeping secrets according to intellectual property strategies based on their business strategies, it will lead to the development of SMEs' business and local economy.

However, out of all the SMEs, less than one percent or only 33,000 enterprises filed an application for one of the patents, designs, or trademarks and acquired rights of their technology or knowledge (2013)¹. It can be said that only a limited number of SMEs can achieve the use of intellectual property in business, which is only possible after acquiring rights.

For support for SMEs in terms of intellectual property, various aspects of funds, human resources, and information have been improved mainly by the Comprehensive IP Support Counters, which is a one-stop support counter. In the past one year, based on the Japan Revitalization Strategy Revised in 2014 and the Intellectual Property Strategic Program 2014, the functionality of the Comprehensive IP Support Counters by allocating more experts in counters was strengthened; the one-stop support system concerning trade secrets was improved; the support for the making the Intellectual Property Business Valuation Report and the Intellectual Asset-Based Management Report was provided to promote the use of intellectual property in financing; the support for the acquisition of rights in foreign countries was provided; and the support for intellectual property including countermeasures against counterfeiting and piracy goods was strengthened.

However, as mentioned above, SMEs have not used their own intellectual property consciously to the full extent yet. Furthermore, in reality, many SMEs do not have intellectual property (especially technology) whose rights could be acquired.

On the other hand, for SMEs which reach their limit if they use only their own intellectual property when developing their business and for SMEs which do not have

¹ Source: JPO Reference material for the Study Group for SMEs and Local Intellectual Property Support
https://www.jpo.go.jp/shiryoutoushin/kenkyukai/pdf/chusho_chizai_shien/betten.pdf

intellectual property that can be used by them, it is an important option to create new business by using their intellectual property in collaboration with large enterprises and universities

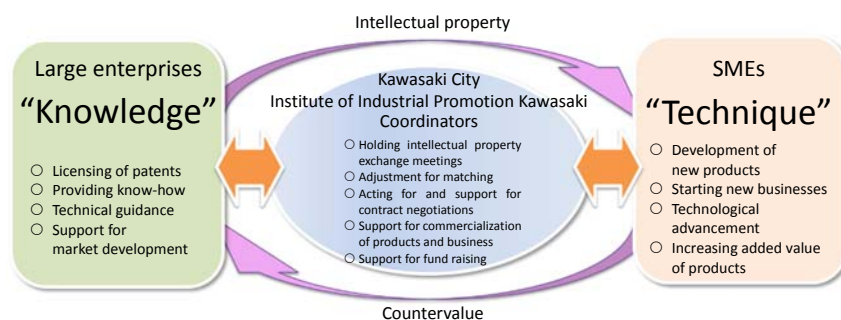
Concerning collaboration with large enterprises (industry-industry collaboration), the efforts of the Intellectual Property Business Matching in which large enterprises release their intellectual property to SMEs and it is used to create new business of SMEs, have been attracting attention in recent years. The Intellectual Property Exchange Project in Kawasaki City, which has seriously been engaged in this Intellectual Property Business Matching as a local government for the first time, is delivering results steadily. Following it, more and more local governments started to work on intellectual property business matching nationwide.

In the current situation, however, it is difficult to say that local governments working on intellectual property business matching deliver sufficient results. In addition, no incentives for participation in intellectual property business matching can be found. As a result, the number of large enterprises that are proactively engaged in it is limited.

[Outline of Intellectual Property Exchange Project in Kawasaki City]²

Support for SMEs' product development using large enterprises' licensable patents

- It started as a model project in FY 2007, and has been carried out as an important project since FY 2008.
- Large enterprises involved in the project (17 enterprises)
Fujitsu, Toshiba, Hitachi, NEC, Ajinomoto, Pioneer, Nissan, NHK, Mitsutoyo, Idemitsu, Fujitsu Semiconductor, NTT, Nippon Ham, Canon, The Chugoku Electric Power, Itoki, and Sharp
- So far **21** contracts have been concluded. In 14 cases of them, products were commercialized. (As of April, 2015)



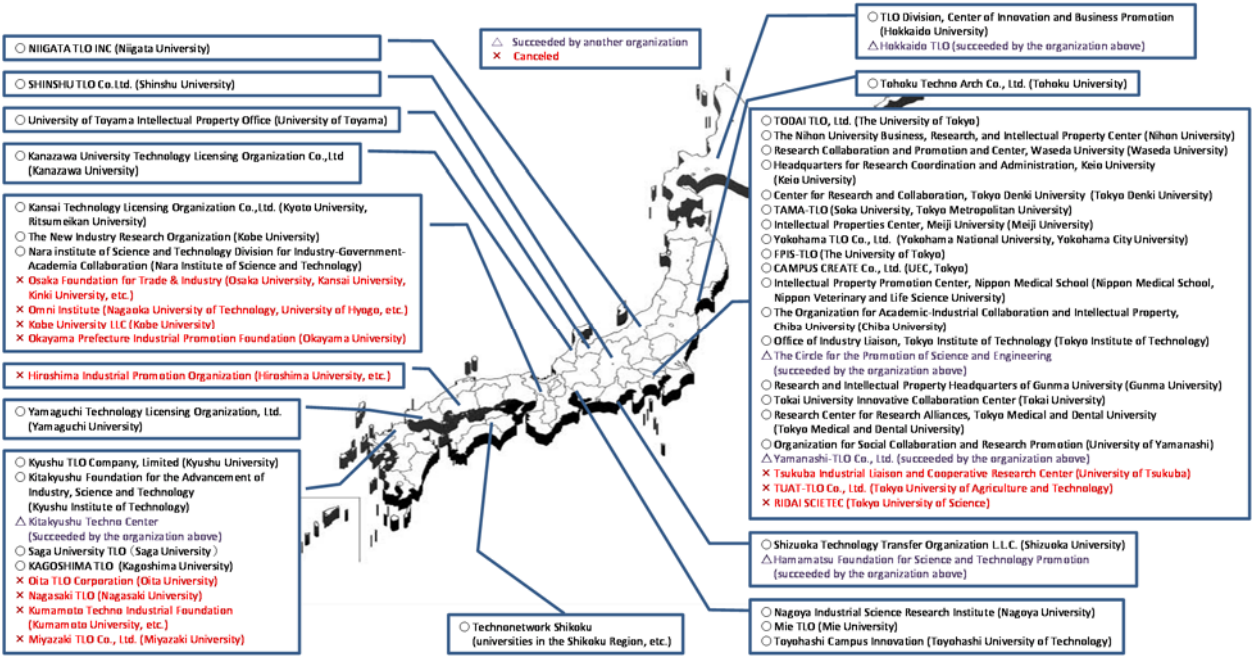
Concerning collaboration with universities (industry-academia collaboration), efforts have been made including the improvement of Technology Licensing Organizations (TLOs) which are responsible for technological transfer to enterprises to connect research results of universities to business.

However, the number of certified TLOs decreased from 48 at the peak time (2008) to 36

² Handout for the Task Force on the Promotion of Local Use of Intellectual Property (1st session), Handout 6: “Introduction of efforts for intellectual property exchange projects” (The number of achievements was updated as of April 2015.)

mainly because some certifications of local TLOs were rescinded. It is considered that this suggests that an increasing number of TLOs' main affiliated universities started technological transfer activities by themselves and that technological transfer to local enterprises by TLOs is difficult. In such a situation, there is a case in provincial areas that Technonetwork Shikoku Co., Ltd. increased income by exercising patent rights of Tokushima University (on the contract basis) to about 32.6 times (114,860,000 yen) from the previous fiscal year in only one year. The factor of the success lies in active marketing activities in which it actively visited local SMEs to find out their issues (needs) while involving local financial institutions. It is considered that such a case can be a model of efforts for industry-academia collaboration.

[Situation of Technology Licensing Organizations (Certified TLOs)]³



In Intellectual Property Strategy Headquarters, the Task Force on the Promotion of Local Use of Intellectual Property was held under the Verification, Evaluation and Planning Committee and intensive discussions were held about strengthening SMEs' intellectual property strategies, industry-industry collaboration and industry-academia collaboration in promoting local SME's use of intellectual property owned by large enterprises and universities. Based on the discussions, the issues and future directions can be put together as follows.⁴

³ Handout for the Task Force on the Promotion of Local Use of Intellectual Property (2nd session), Handout 3: "Basic material concerning the promotion of local use of intellectual property" (Investigated by the Intellectual Property Strategy Promotion Bureau)

⁴ See Report of the Task Force on Local Use of Intellectual Property (May 28, 2015) : http://www.kantei.go.jp/jp/singi/titeki2/tyousakai/kensho_hyoka_kikaku/2015/dai13/siryou1.pdf

It is appropriate to divide SMEs, which are responsible for local business using intellectual property, into two categories. The first category is Intellectual Property Use Challenger-Type SMEs which consciously acquire rights of their own intellectual property, proactively develop and produce their own products using them, and carry out challenging activities including overseas expansion. The second category is Intellectual Property Use Developing SMEs. They do not have intellectual property (especially technology) whose rights cannot be acquired, their awareness of intellectual property is low, and their products, markets and business partners are fixed, and many of them are subcontractors. (In the second category, the SMEs that are targets of assistance should be the ones which have an awareness of their problems and want to break away from the current status and take a new step.)

Concerning the enhancement of intellectual property strategies of SMEs, taking it into consideration that functionality to give advice from the perspectives of both intellectual property and business (especially in terms of human resources) is not sufficient for Intellectual Property Use Challenger-Type SMEs particularly in provincial areas, it is necessary to strengthen the support program for commercialization by using intellectual property. In addition, it is necessary to raise SMEs' awareness about intellectual property so that they can handle their own intellectual property in a strategic way. In particular, considering the importance not only of the acquisition of patent rights but also of standardization and the preservation of trade secrets (know-how), it is important to strengthen a system to provide professional support concerning the acquisition of rights, standardization, and trade secrets.

Furthermore, to provide support to Intellectual Property Use Developing SMEs, it is necessary to take advantage of every opportunity to raise awareness of SMEs about intellectual property and provide support to raise their awareness toward new business expansion. It is also important to raise awareness of supporters of these SMEs about intellectual property.

Concerning industry-industry collaboration and industry-academia collaboration, it is necessary to enhance the functionality of bridging and commercialization support to strengthen collaboration between local SMEs, and large enterprises/universities. The core of the functionality of bridging and commercialization support is taken over by human resources. In provincial areas, it is important to make efforts for training, security, and networking of human resources who carry out marketing, matching, and producing by using intellectual property in collaboration not only with large enterprises and universities but also with organizations supporting local SMEs and local financial institutions. It is also

important to improve a patent database as a shared infrastructure.

Concerning industry-industry collaboration, there are two-way flows: large enterprises' use of intellectual property and SMEs' use of intellectual property. In either case, active participation of large enterprises is necessary. In particular, concerning large enterprises' use of intellectual property, it is necessary to improve the infrastructure for support – for example, to encourage large enterprises to release their intellectual property and actively participate in industry-industry collaboration, taking it into consideration that this will be an opportunity to give necessary awareness and wisdom to Intellectual Property Use Developing SMEs to take a new step.

Concerning industry-academia collaboration, it is necessary to make efforts to improve the intellectual property activities of universities and TLOs in order to connect research results of universities to commercialization.

Furthermore, concerning collaboration between large enterprises and universities, it is important, for example, that universities participate in collaboration when venture companies use large enterprises' intellectual property for commercialization. This form of collaboration is expected to be widely expanded.

Also, in the agricultural, forestry and fishery field which is especially important in provincial areas, with rapid advances in globalization and informatization in recent years, it is necessary to respond promptly and accurately to increasingly sophisticated counterfeits and outflows of technology. Furthermore, it is necessary to enhance brand values through the strategic use of the Geographical Indication (GI) protection system which was introduced in June this year and lead to the enhancement of international competitiveness and the activation of local economy.

Considering these changes in the situation, MAFF Intellectual Property Strategy 2020⁵, which was formulated in May this year, promotes the building of strategic intellectual property management in the agricultural, forestry and fishery field including the promotion of measures against outflows of technology and brand management. Accordingly, it is important to continue to adjust to changes in the environment surrounding the agricultural, forestry and fishery field, carry out intellectual property strategies flexibly, and examine and review them regularly.

(2) Measures to be taken in the future

Considering the current situation and issues above, related ministries and agencies will promote the following efforts as the Local Intellectual Property Use Promotion Program in

⁵ See MAFF “MAFF Intellectual Property Strategy 2020” (published on May 28, 2015)
http://www.maff.go.jp/j/kanbo/tizai/brand/b_senryaku/pdf/tizai_senryaku_2020.pdf

order not only to strengthen SMEs' intellectual property strategies but also to promote the intellectual property collaboration including local SMEs' use of intellectual property owned by large enterprises and universities for commercialization.

1) Enhancing SMEs' intellectual property strategies

<< Support for commercialization by the use of intellectual property >>

(Enhancement of the functionality of consultation concerning the use of intellectual property in business)

- To discover needs about potential intellectual property from business consultation from SMEs and introduce them to the Comprehensive IP Support Counters as needed, the Government of Japan will strengthen the consultation system in the Yorozu Support Centers and raise awareness of the Yorozu Support Centers about intellectual property, while also strengthening the collaboration between the Centers and the Comprehensive IP Support Counters. (short term and medium term) (METI)
- To enhance the functionality of consultation in the Comprehensive IP Support Counters, which are local bases for consultation about intellectual property, the Government of Japan will transfer the executing entity of the Comprehensive IP Support Counters from the Japan Patent Office to the National Center for Industrial Property Information and Training (INPIT) and further improve the system – for example, provide support widely to local enterprises concerning the building of intellectual property strategies based on business strategies by using experts in collaboration with other support organizations. (short term and medium term) (METI)

(Support for commercialization using designs and brands)

- In order to connect designs and brands, which are intellectual property more familiar to SMEs, to the revitalization of local industry and the use of local resources and provide support in adding value to SMEs' products and services and exploiting a new market, the Government of Japan will take advantage of their designs and brands to provide more support for their commercialization by value added product development, their brand building, exploring new fields, creation of local brands, etc. (short term and medium term) (METI)

(Promotion of SMEs' intellectual asset-based management)

- In order to promote visualization of intangible assets including SME's intellectual property, the Government of Japan promotes efforts to encourage voluntary creation of enterprises' intellectual asset-based management report, while paying attention to related accounting systems. (short term and medium term) (METI)

(Promotion of the use of intellectual property in financing)

- In order to raise awareness about intellectual property and promote the use of intellectual property in financing, the Government of Japan will make comprehensive efforts including enhanced support for making the Intellectual Property Business Valuation Report and holding symposiums. (short term and medium term) (METI)

(Intellectual property support for SMEs' overseas expansion)

- In order to support SMEs' overseas expansion, the Government of Japan will thoroughly support filing applications in foreign countries, measures against infringement overseas, measures against disputes, and commercialization of intellectual property use from Japan to facilitate the acquisition, exercise and use of industrial property rights overseas. (short term and medium term) (METI)

<< Support for acquisition and standardization of intellectual property and in case of disputes >>

(Publicizing the fee reduction/exemption measure and considering the fee system)

- In order for SMEs, venture companies, and universities to acquire rights more easily, the Government of Japan will publicize the fee reduction/exemption measure concerning patent fees and continue to examine how fees should be handled with the burdens on users in mind. (short term and medium term) (METI)

(Circuit Patent Office)

- In order to raise awareness of local SMEs about patents, designs, and trademarks and promote the exploitation of intellectual property at the local level, the Government of Japan will promote the enhancement of interview examination and circuit trials concerning patents nationwide and strengthen the publicity of the intellectual property system and intellectual property support measures in each region. (short term and medium term) (METI)

(Enhancing the support system for SMEs' standardization)

- In order to accelerate the standardization of SMEs' excellent technology and products by using the New Market Creation Standardization System, the Government of Japan will build an attentive support system from exploring projects to standardization and certification under collaboration with a wide range of parties involved including local governments, industrial support organizations, related bodies, and certification institutions. The government will standardize 100 pieces of SMEs' excellent technology by 2020 by using the New Market Creation Standardization System. (short term and

medium term) (METI)

(Support to protect from disputes with large enterprises)

- In order to respond to consultation concerning the protection of intellectual property, the prevention of disputes, handling lawsuits, etc. of SMEs in the relation with large enterprises, the Government of Japan will set up a support team with experts who have experience of disputes and lawsuits in order to increase the functionality of the support for each base provided by the Yoroazu Support Centers headquarters and strengthen the system of the Yoroazu Support Centers located in each prefecture. (short term and medium term) (METI)

(Training patent attorneys to support the strategic use of intellectual property)

- In order to strengthen the training of patent attorneys who can support SMEs and venture companies so that they can build intellectual property strategies from the perspectives of intellectual property and business, the Government of Japan will encourage further improvement of the training of patent attorneys about the protection and use of intellectual property including standardization of open and closed strategies and preservation of trade secrets. (short term) (METI)

<< Raising awareness about intellectual property >>

(Raising awareness of SMEs and their supporters about intellectual property)

- In order to expand the infrastructure of intellectual property through raising awareness of SME managers with low awareness about intellectual property and their supporters, the Government of Japan will expand training and seminars for SME managers and SME supporters concerning strategies including the acquisition of rights, standardization, and keeping secrets regarding intellectual property. (short term and medium term) (METI)
- In order to raise awareness about intellectual property to meet the needs of SMEs and SME supporters, the Government of Japan will develop necessary teaching and educational materials and achieve their effective use by SMEs and SME supporters. (short term and medium term) (METI)

<< Enhancing support for local intellectual property activities >>

(Strengthening the local intellectual property support system)

- In order to strengthen the support system for the promotion of local intellectual property use, the government of Japan will use the Regional Intellectual Property Strategy Headquarters located in each block and improve the environment for achieving collaboration with local governments and other related organizations and wide collaboration among local governments. (short term and medium term) (Cabinet

Secretariat and METI)

(Promotion of leading and highly-motivated local intellectual property activities)

- In order to improve local support for intellectual property and make it a model for other regions, the Government of Japan will support leading intellectual property support activities by highly-motivated local SME supporters (for example, matching of intellectual property of SMEs and universities which widely collaborate with each other) and disseminate and expand excellent leading efforts and their know-how to other regions. (short term and medium term) (METI)

2) Strengthening intellectual property collaboration between local SMEs and large enterprises/universities

<< Improving the functionality of bridging and commercialization support >>

(Allocation of human resources for bridging and commercialization support by objective)

- The Government of Japan will explore the needs of local SMEs, make a suggestion about business plans matching intellectual property owned by large enterprises, and allocate human resources for bridging and commercialization support who support SMEs' commercialization in local public institutions. (short term and medium term) (METI)
- The Government of Japan will explore the needs of local SMEs and match them with technology seeds from universities nationwide, and dispatch human resources to regions who have a good ability to judge and assess the value of them and provide support from joint research through commercialization including product development. (short term and medium term) (MEXT)
- The Government of Japan will allocate coordinators in each regional strategic industry who carry out matching the needs of large enterprises and technological seeds of SMEs through networks including local public research and development institutes. (short term and medium term) (METI)

(Collaboration between coordinators and matching planners)

- In order to promote cooperation between coordinators in regional strategic industry and matching planners who are supposed to match needs and seeds among universities, SMEs and corporations, the Government of Japan will establish the conference for exchanging information such as matching achievements. (short term and medium term) (METI, MEXT, and Cabinet Secretariat)

(Improvement of measures to support towards a proof of concept)

- In order to connect research results of universities to SMEs' commercialization, the Government of Japan will strengthen support for the Proof of Concept (POC) to examine

the feasibility of new ideas on research. (short term and medium term) (MEXT)

<< Improving the infrastructure for bridging and commercialization support >>

(Encouraging large enterprises' efforts)

- In order to encourage large enterprises' to actively engage in intellectual property business matching with SMEs, the government of Japan will use the awards system including intellectual property achievement awards, and widely publicize good cases of intellectual property collaboration in different regions by taking opportunities and measures to share them. (short term and medium term) (METI)
- In order to expand of efforts for intellectual collaboration between SMEs and large enterprises including intellectual property business matching, the Government of Japan will promote efforts in each industry in cooperation with industrial groups. (short term and medium term) (METI)

(Improving the infrastructure for the use of intellectual property for SMEs' craftsmanship (Monozukuri) innovation)

- When local SMEs carry out research and development in collaboration with core enterprises, universities and public research and development institutes, the Government of Japan will build an environment for development which can prevent outflows of technology in order for SMEs to build a long-term partnership with core enterprises. (short term and medium term) (METI)

(Improvement of industry-academia collaborative activities through the use of evaluation of industry-academia collaborative functions)

- In order to keep informed on the state of industry-academia collaborative activities, such as those by universities and TLOs, and effectively realize improvement of such activities, the Government will collect and analyze data concerning evaluation indicators for industry-academia collaborative activities between universities and TLOs, among others, share the results with each organization, and encourage individual universities and TLOs to make improvement. Also, the Government will develop and provide the "Handbook for Managing University-Industry Collaboration Activities" which enables universities and TLOs to utilize the evaluation indicators and inspect their industry-academia collaborative activities by themselves. (short term and medium term) (METI, MEXT)

(Considering how patent applications and contracts should be handled in joint research)

- Concerning joint research contracts between universities and enterprises, the Government of Japan will investigate the form and use of patent applications in joint research and the situation of contracts, consider how patent applications and contracts

should be in joint research, and suggest flexible contract conclusion to universities and enterprises based on the results of the investigation from a viewpoint that joint research contracts will promote the use of intellectual property by universities and allow flexible responses according to specific conditions of SMEs, large enterprises, and universities. (short term and medium term) (MEXT and METI)

(Improving and using The Patent Licensing Information Database)

- In order to improve The Patent Licensing Information for achieving collective retrieval of licensable patents of enterprises, universities, and research institutes on the Internet, the Government of Japan will ask enterprises, universities, and research institutes to expand the number of licensable patents and arrange collaboration between the database and human resources for bridging and commercialization support. (short term and medium term) (METI)

3) Promotion of intellectual property strategy in the agricultural, forestry and fishery field

(Steady and intensive implementation of intellectual property strategy in the agricultural, forestry and fishery field)

- In order to implement intellectual property strategy in the agricultural, forestry and fishery field steadily and intensively, the Government of Japan will examine the performance of the strategies regularly with the participation of experts from outside and review the strategies and measures as needed. (short term and medium term) (MAFF)

(Promoting branding in the agricultural, forestry and fishery field)

- In order to promote branding in the agricultural, forestry and fishery field, the Government of Japan will publicize the GI protection system which was newly introduced and promote the use of the Regional Collective Trademark System and the GI protection system by introducing how to use them – how to select or combine them according to the brand strategies in each region. (short term and medium term) (MAFF and METI)
- In the overseas market, the Government of Japan will use a geographical indication mark so that the products will be recognized as Japan's genuine specialties and improve the environment to promote the export of Japanese specialties by building a framework to secure appropriate protection among the countries which use the GI protection system. (short term and medium term) (MAFF)

(Public awareness activities for intellectual property management)

- In order for those involved in agriculture to build a business model using intellectual

property and implement strategic intellectual property management to support the model, the Government of Japan will raise awareness about the protection and use of intellectual property, formulate a guideline that specifies how to handle skilled farmers' know-how in the form of data as intellectual property, and carry out public awareness activities. (short term and medium term) (MAFF)

Second pillar: Activation of the intellectual property dispute resolution system

(1) Current situation and issues

It is important to settle disputes concerning intellectual property in a prompt and appropriate manner in order to increase credibility for the intellectual property system which is fundamental to innovation, and support economic growth. As the system for settlement of intellectual property disputes per se is facing international competition due to the globalization of economy and industry, Japan should aim to realize a highly effective system for intellectual property dispute settlement attractive to users in and outside Japan and make sure that the use of the system becomes a domestic and international business standard. To this end, the country needs to constantly revise the system for intellectual property dispute settlement.

Japan's system for settlement of intellectual property disputes has so far been praised and has reached a certain level of reputation in terms of its swiftness, predictability, and economic efficiency etc., thanks to successive improvement efforts including establishment of the Intellectual Property High Court, concentration of jurisdiction, and repeated reforms of the Patent Act and other laws. On the other hand, however, the number of litigation cases concerning patent infringement in Japan is smaller than those of major industrialized countries as a proportion of GDP and the rate of rulings in favor of right holders is also lower than those of the US and Germany (on the basis of final judgement)⁶. Also, it is pointed out that evidence collection cannot be carried out sufficiently; that rights are not sufficiently stable; that damages granted are not sufficient; and that SMEs are not as likely to win a case as large enterprises. In addition, it is indicated that exercise of rights are not expected with regard to many patents in Japan, and thus, that experience in exercise of rights in litigation and increase in readiness to compete are indispensable for strengthening Japanese patents to the level where they could be valuable in international patent disputes.

The Intellectual Property Strategy Headquarters organized the "Task Force on Settlement of Intellectual Property Disputes" under its Verification, Evaluation, and Planning Committee, which had intensive discussion focused on litigation concerning patent infringement in order to improve value of intellectual property through inspecting functions of the current system for settlement of intellectual property disputes, and strengthening and promoting the use of the system. The following shows a summary of

⁶ It is important to note that the rate of rulings in favor of plaintiffs do not represent the percentage of realized rights in litigation as a whole, since a substantial proportion of disputes concerning patent infringement is resolved through judicial settlement during court procedure or settlement out of court.

issues and future directions to be taken resulting from the discussion⁷.

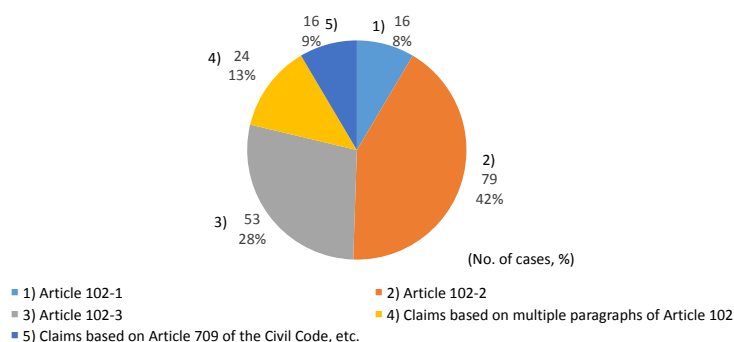
Ample evidence needs to be submitted by both plaintiffs and defendants in order to ensure appropriate trial in litigation concerning patent infringement. However, in many cases in such litigation, most of the evidence tends to be found not in plaintiffs but in the defendant's side, which makes it hard for right holders to prove infringement. The following three cases make it hard to collect evidence: 1) proceedings to arrange issues, carried out in the beginning of litigation, are not fully functioning; 2) the order to submit a document, an effective method to prove infringement by an alleged infringer, is not fully functioning; and 3) the protective order system, a premise of evidence collection for litigation, is not fully functioning. Measures have to be discussed to improve functions of procedure for collection of evidence in these cases.

Validity of rights is important from the time when they are granted throughout a dispute settlement process. In 2004, the Patent Act was revised and Article 104-3 (patent invalidity defense) was introduced which would prevent exercise of a patent which was recognized as one that should be invalidated by a trial for patent invalidation. Today, many disagree with abolishment of the patent invalidity defense. However, delay in trials for patent invalidation at JPO, which was one of reasons for the introduction of the Article, has been substantially improved and the system for post-grant opposition has been effective since this year. In light of such development, the balance between right holders and alleged infringers needs to be reexamined, and at the same time, it is considered reasonable that the Japan Patent Office (JPO) has a responsibility at the first stage in properly adjusting the definition of the inventive step, a requirement for a patent, as judgement from the perspective of the industrial policy. Therefore, the Article needs a review.

While some argue that damages granted by Japanese courts have been made fairer as a result of successive revisions to the Patent Act, many others say that they still remain lower than what the actual needs of businesses suggests. Problems lie in that the first paragraph of Article 102 (Presumption of Amount of Damage, etc.), which was included to make proof easier, is not often used; and that the idea of the application of the "contribution ratio" which is used to determine and restrict damages and its calculation method are not clear. As well, concerning the current concept of compensation which is based on the "actual damage" within the framework of the Civil Code, some people pointed out that there is room for review from the perspective of that damage caused by patent infringement should be redressed by taking into account investment in research and development required to materialize the patent. In order to increase the value of patents, measures to raise current standards of damages need to be discussed.

⁷ Reference: "Report by the Task Force on Settlement of Intellectual Property Disputes" (May 28, 2015)
http://www.kantei.go.jp/jp/singi/titeki2/tyousakai/kensho_hyoka_kikaku/2015/dai13/siryou2.pdf

[Regulations based on which damage claims are made]⁸



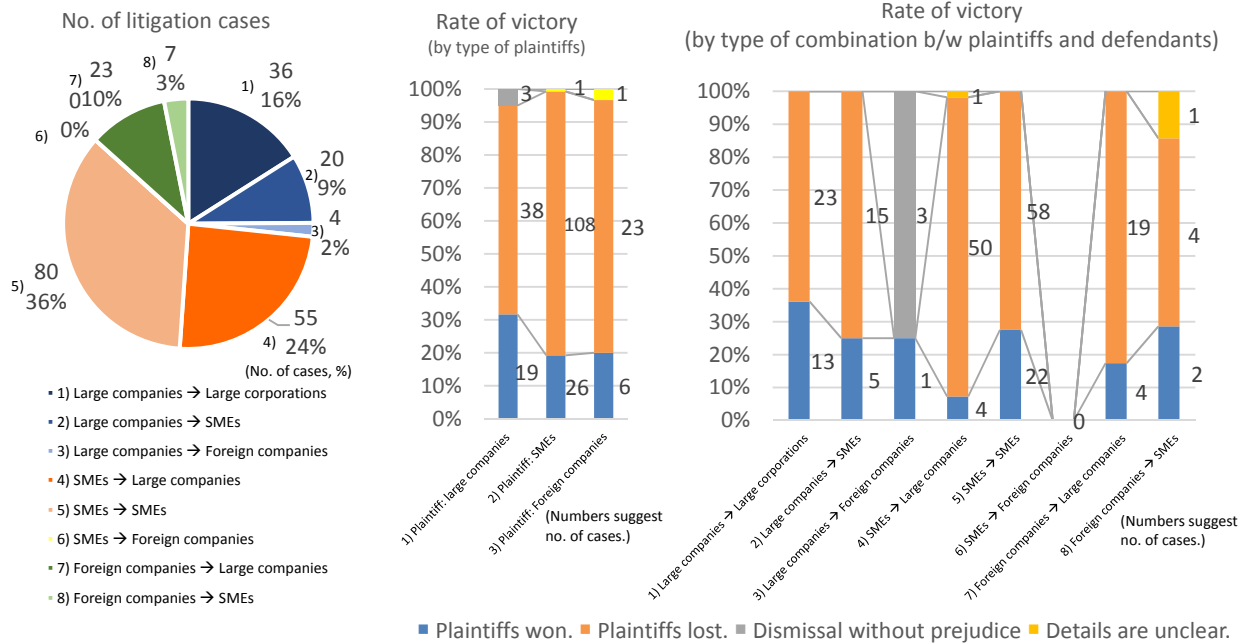
Together with the right to claim damages, the right to seek an injunction makes an important remedy against patent infringement, and thus, in general, should not be restricted. However, further deliberation on this right is needed in consideration that there is a risk that license fees exceeding the expected level might be charged based on it with respect to standard-essential patents, and that Japan could also see in the future the same issue happening in the US where Patent Assertion Entities (PAEs) are taking advantage of the right to seek an injunction and charging hefty licensing fees.

Measures to promote the use of the system for intellectual property dispute settlement as well as enhancement of its function discussed above need to be developed especially from the perspective of ensuring judicial access by SMEs and in the provinces.

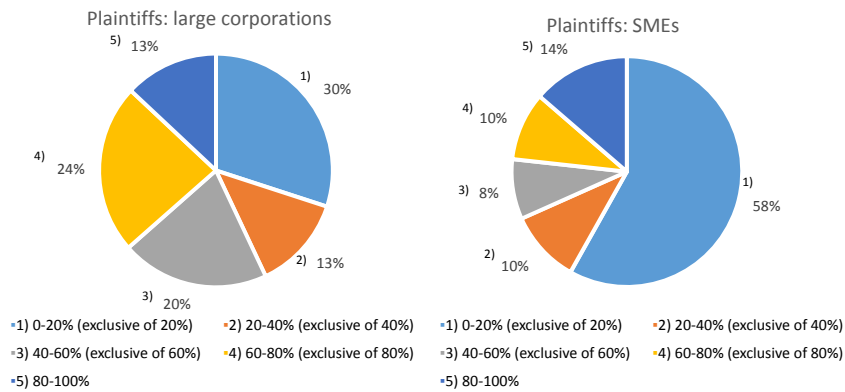
While about 60% of litigation concerning patent infringement is filed by SMEs, the rate of rulings made in favor of suing SMEs accounts for only 20% or below of all the trials which have gone to a final decision. When it comes to disputes between SMEs and large corporations, the rate of victory by SMEs only amounts to less than 10%. There are some issues that are considered to be causing this: SMEs are not hiring lawyers or patent attorneys who have a proven track record in intellectual property litigation; there is insufficient cooperation between SMEs and law offices; and when SMEs acquire a patent right, they tend to be not strategic enough to see themselves exercise the patent right in the future. From this perspective, support is required for SMEs' exercising rights and carrying out litigation.

⁸ Compiled by Intellectual Property Secretariat (handouts distributed by the Task Force on Settlement of Intellectual Property Disputes). Collected and analyzed rulings by district courts from 2009 to 2013.

[Number of litigation cases and the rate of victory]⁸

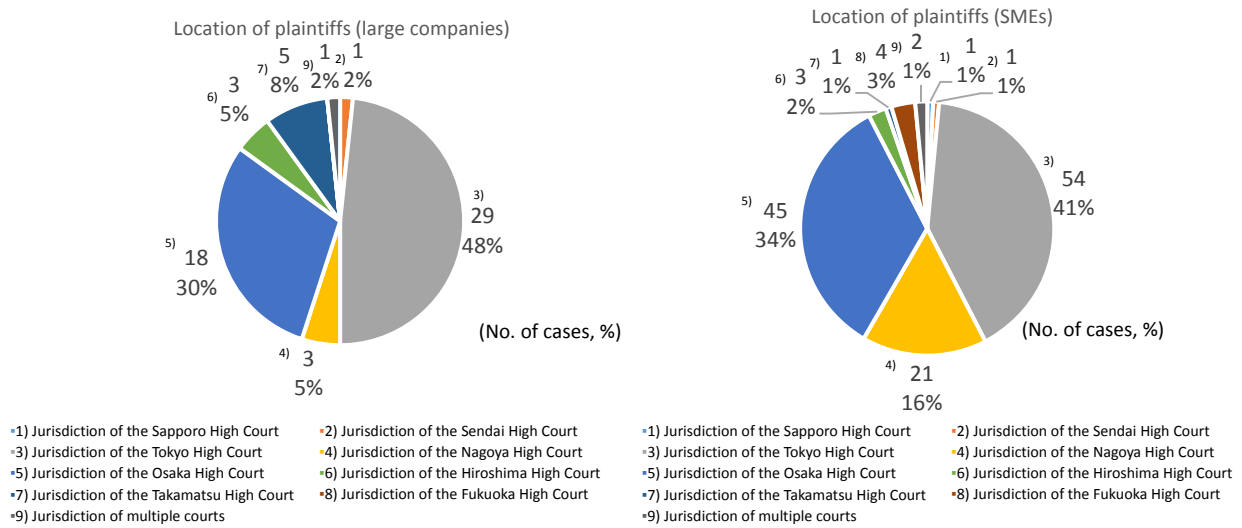


[Interrelation between types of enterprises and the rate of victory of counsels (lawyers)]⁸



From the perspective of the provinces, due to the revision of the Code of Civil in 2003, jurisdiction of first trials has been assigned exclusively to the Tokyo District Court and the Osaka District Court and that of appeal trials has also been assigned to the Tokyo High Court (later reorganized as the Intellectual Property High Court). It helped heighten specialization of these courts and shorten the trial period compared to the time before such exclusive jurisdiction was made. However, litigant parties of course exist in regions other than Tokyo and Osaka, and thus, financial burden on them especially SMEs has become an issue to be resolved, coupled with challenge of development of lawyers and patent attorneys well-versed in settlement of intellectual property disputes.

[Location of plaintiffs]⁸



In order to improve the situation, the first measure should be aiming to realize better remote judicial access through information and communication technology (ICT) including video conference systems since revising the current concentration of jurisdiction could lead to lowering specialization of courts. Currently, the video conference system adopted in courts is not fully utilized, and thus promotion of the use of the system and improvement of convenience are desired. As well, enhanced efforts to improve access to intellectual property experts in the provinces are necessary.

Additionally, in order for Japan’s system for intellectual property dispute settlement to be fully understood by users in and outside Japan and chosen as a place to dispute resolutions, more disclosure is required of information concerning settlement of intellectual property disputes and it also needs to be communicated abroad.

Today, almost all court decisions concerning intellectual property and part of statistical information are publicly available. As well, important rulings concerning intellectual property and laws relevant to intellectual property have been translated into English and made public, while interactions with human resources concerning intellectual property from other countries are also conducted. However, Japan needs to send out more information on relevant intellectual property laws and the country’s system for settlement of intellectual property disputes to the public both at home and abroad while carefully examining the range of information to be made public and methods of communication.

(2) Measures to be taken in the future

Based on the current situation and issues described above, relevant ministries will make the following efforts concerning further enhancement of functions of Japan’s system for

settlement of intellectual property disputes, promotion of utilization thereof, information disclosure, and overseas publicity.

<< Enhancement of functions of the system for settlement of intellectual property disputes >>

(Deliberation for enhancement of functions of the system for settlement of intellectual property disputes)

- While taking into consideration balance between right holders and alleged infringers, the following points shall be discussed comprehensively and, if necessary, appropriate measures be taken with a view to further enhancing functions of Japan's system for settlement of intellectual property disputes.
 - With regard to the procedure for collection of evidence, measures to ensure more appropriate evidence collection will be discussed, in consideration of the difficulties of evidence collection necessary for proving infringement.
 - With regard to damages, in light of the trend of the global market, measures to realize damages reflecting the business reality will be discussed.
 - With regard to validity of rights, measures to improve validity of rights from the time when they are granted throughout a dispute settlement process will be discussed with a view to creation of innovation in Japan's industry.
 - With regard to the right to seek an injunction, discussion will be made on cases of standard-essential patents, and of PAEs' exercising the right, in consideration of impact on value of patent rights.

(short term and medium term) (Cabinet Secretariat, Ministry of Economy, Trade and Industry [METI], Ministry of Justice [MOJ])

<< Promotion of utilization of the system for settlement of intellectual property disputes >>

(Enhancing a counselling system)

- In order to deal with SMEs' inquiries related to protection of intellectual property, prevention of disputes, and litigation procedure generated in relations with large corporations, a support team staffed with experts experienced in disputes and litigation shall be established by the Yoroazu Support Centers headquarters to enhance assistance functions for all the branch offices while strengthening structures of these branch offices of the Yoroazu Support Centers established in all the prefectures. (short term and medium term) (METI) [shown again]

(Support for burden concerning implementation of litigation)

- Necessary measures for SMEs will be discussed so that burden arising from implementing litigation would not prevent them from using the system for dispute settlement. (short term and medium term) (Cabinet Secretariat, METI, MOJ)

(Utilization of video conference systems, etc.)

- In order to ensure practical judicial access concerning intellectual property in the provinces, publicity for the video conference system of courts and improvement of convenience are strongly desired.

(Support for access to intellectual property experts in the provinces)

- In order to support access to intellectual property experts in the provinces, discussion shall be made on development of systems where experts well-versed in settlement of intellectual property disputes would be accessible in the provinces as well through cooperation with relevant organizations. (short term and medium term) (MOJ, METI)

<< Disclosure and communication to abroad of information concerning settlement of intellectual property disputes >>

(Communicating to abroad of laws relevant to intellectual property and the state of dispute settlement in other countries)

- In order to develop business environment in line with globalization of economy, and provide information to the destination countries when Japanese companies launch business overseas, speedy and high-quality English translation of Japan's laws relevant to intellectual property and its communication abroad shall be made. (short term and medium term) (MOJ)
- In light of globalization of intellectual property disputes, systems and actual conditions in other countries shall be studied, and the whole system for settlement of intellectual property disputes, including resolutions at courts and the JPO, settlement of disputes out of court, and voluntary settlement between the interested parties, shall be widely communicated. (short term) (MOJ)

(Enhancement of information disclosure and overseas communication)

- Efforts for enhanced communication of information on settlement of intellectual property disputes in Japan including major cases concerning intellectual property to abroad shall continue to be desired.
- Further efforts shall be strongly desired for dissemination of significant information in and outside Japan concerning settlement of intellectual property disputes, for example, final results including facts of development and settlement, and information including

more detailed statistical information on intellectual property litigation, with due consideration to the interested parties and needs of users.

Third pillar: Promotion of unified development of content and peripheral industries overseas

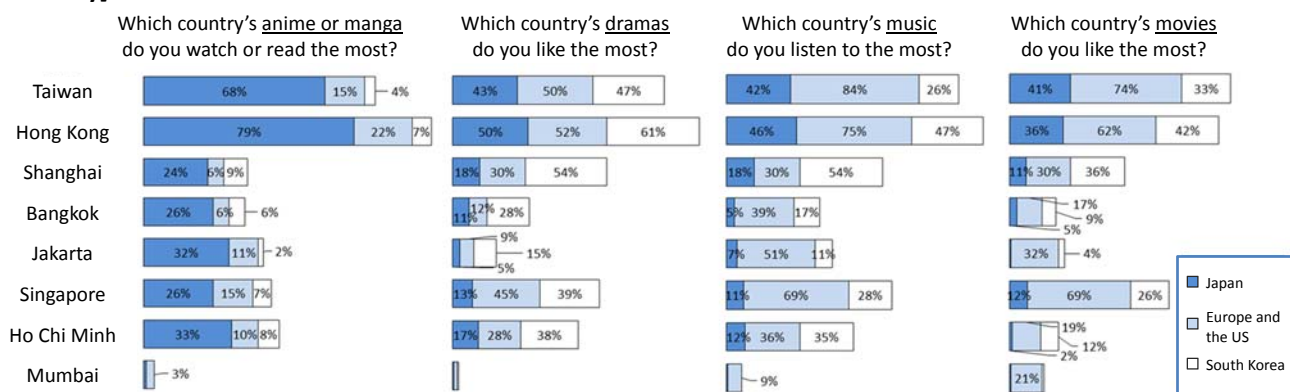
(1) Current situation and issues

Overseas development of content including anime/ manga, movies, music, games, and broadcast programs not only increases the content industry's sales from overseas but is also expected to have an economic and cultural ripple effect on other industries through increasing Japanese content fans, for example, by contributing to overseas development of other sectors by the use of content's image, and increasing foreign visitors to Japan with its bolstered national image.

However, Japanese content is not considered to have taken a firm hold on overseas market yet. Even in East Asian countries including ASEAN nations which it is relatively easy for Japan's content industry to expand into, Japanese content is lagging behind that of Western countries and South Korea in fields other than anime and manga. Game industry, whose sales from overseas market are greater than those of other content, is not secured either when competition with the US is getting tough in the world's market of game industry which is estimated to be worth several trillion yen.

[Situation of consuming Japanese content in major overseas cities⁹]

[2014 survey]



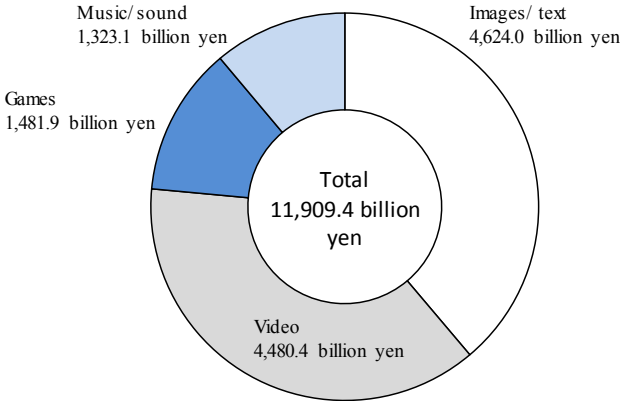
Situation of consuming content in major overseas cities was studied in 2010 and 2012 as well, and has been made publicly available in a form comparable with the above chart.

When it comes to Japan's domestic content market, it is still a huge market worth about 12 trillion yen, although it has leveled off recently. Compared to the potential of Japan's content industry which is creating and providing a great amount of content to this huge

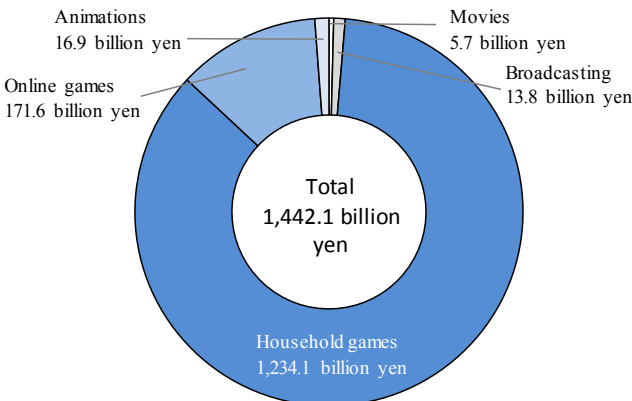
⁹ An excerpt from Hakuhodo Global Habit Survey (February, 2015 (Sample survey: male and female respondents between 15 and 54)) (Multiple answers)

market, current overseas earnings and exports seem quite small, and thus the industry is considered to have substantial room for growth.

[Size of domestic market of content industry (2013)¹⁰



[State of overseas sales (2013)¹¹



Including overseas income from licensing internet distribution rights, etc. An average currency exchange rate of 2010 was used to calculate the yen equivalent for movies. Industry statistical data is not available concerning overseas sales in the field of image, including manga, books, and magazines, and in the field of music.

In such situation, the Government as well has worked to promote overseas development of Japanese content business and made a certain achievement. For example, it made rights handling procedures more efficient and realized substantial increase in secondary use of content under the demonstration experiment conducted by the audiovisual Rights management association (aRma) established in 2009, from the perspective of facilitating performers' rights clearance when broadcast programs, etc. are rolled out to other countries. Since April 1 this year, the experiment has been shifted into full scale operation by the private sector. As well, the Government has led innovation of a business model using content by supporting about 3,800 cases for the last two years in localization including adding subtitles and dubbing which are indispensable for sales of anime, films, and broadcast video content abroad, and promotion such as participation in international trade fairs, through the J-LOP project included in the FY2012 supplementary budget.

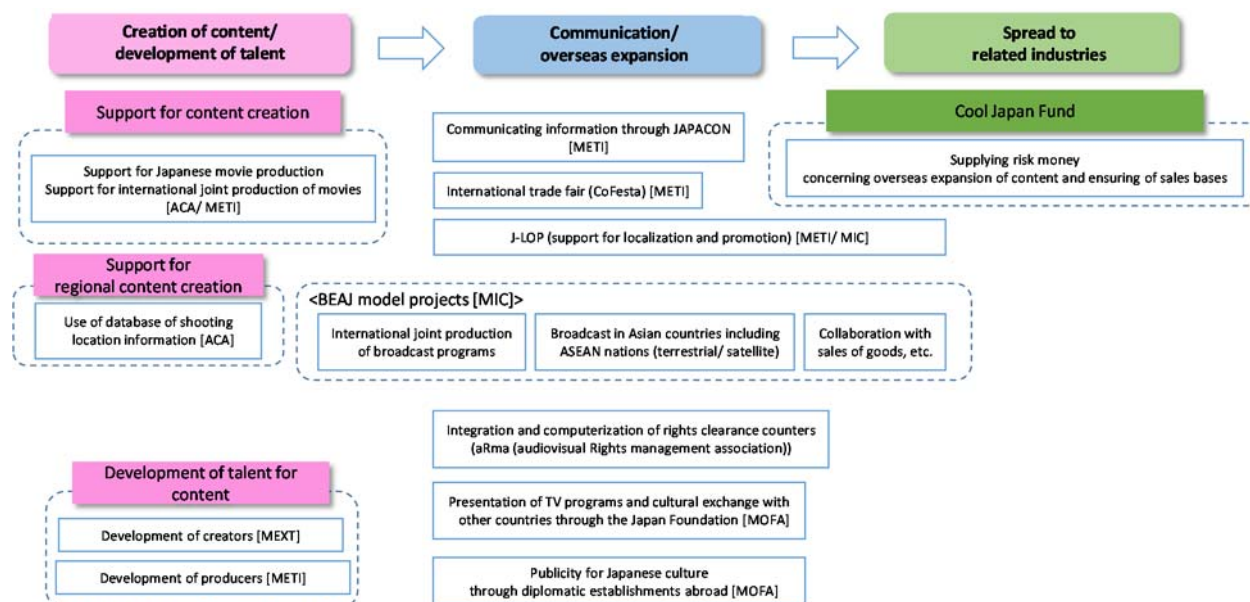
Also, in 2013, the Broadcast Program Export Association of Japan (BEAJ) was established as a cross-sectional organization under the cooperation between the public and private sectors, with a view to promoting overseas operation of Japan's broadcast programs. During the period of November last year to March this year, BEAJ worked as a liaison and helped implement a model project by MIC including acquisition of terrestrial television

¹⁰ Source: Compiled with data based on the "Digital Content White Paper 2014"

¹¹ Source: Compiled with data for movies, games, and animation from the "Digital Content White Paper 2014" and that for broadcasting from "Analysis of present state concerning overseas operation of broadcast content" by MIC.

broadcast slots in six Asian countries, and provision and joint production of Japanese broadcast programs based on the local needs.

[Government's support system for overseas operation of content]



[Results of the J-LOP project]

Expansion of supported cases	<ul style="list-style-type: none"> • About 3,800 cases were adopted as of the end of March, 2015. • One hundred and twenty briefing sessions were held across the country while individual counseling was provided 365 times.
Expansion of countries/ regions and languages	<ul style="list-style-type: none"> • Localization was made for 29 languages and 118 countries while promotion was given in 41 countries. Localization and/or promotion was made for total 120 countries.
Contribution to business expansion	<ul style="list-style-type: none"> • Launching Japan Channels and new All Japan Events in emerging countries is contributing to expansion of a potential customer base. • Supporting overseas expansion of regional businesses from 32 prefectures apart from Tokyo • Providing wide support for overseas promotion of non-content businesses in the fields of electric machinery, food, automobile, tourism, distribution, etc. irrespective of the size of the company.

With a view to deepening Cool Japan strategies centered on content while working with the “Cool Japan Strategy Promotion Council” which has been held since January this year, the Intellectual Property Strategy Headquarters had an intensive debate twice in its Verification, Evaluation, and Planning Committee in order to further promote content (especially video (broadcast) content) abroad and lead it to unified overseas operation through cooperation with peripheral industries and an increase in the number of foreign visitors to Japan. The following shows a summary of challenges and future directions to be taken based on the discussion.

In order to go beyond securing profits from overseas sales of video content per se, and to lead it to sales of relevant toys, merchandise, and music, and build a comprehensive profit-earning structure where related industries could also increase sales by using images generated by content, it is important to promote in an integrated manner 1) creation and securing of content to be popular in the overseas market, 2) spread of Japanese content through continuous efforts for overseas market development, and 3) ensuring of a combined effect through collaboration between different content or cooperation with related industries and regions.

By carefully looking at each phase, the following challenges are identified.

1) Creation and securing of content to be popular in the overseas market

It is important to increase opportunities for joint production with local TV stations which have a thorough knowledge of local needs, be fully aware of overseas needs as well as domestic needs from the content production stage, and implement prompt localization and rights clearance so that existing content could be rolled out to other countries without delay.

2) Spread of Japanese content through continuous efforts for overseas market development

Although it is important to realize environment where Japanese content is viewed on a daily basis, continuous implementation or exposure has not fully been ensured since current differences in prices are making it hard to generate sufficient income from sales of content per se. In such a situation, it is important to secure local broadcast slots and conduct continuous advertising campaigns including promotional events under the cooperation between the public and private sectors, while ensuring collaborative relationship with overseas partners who have expertise in local advertising.

3) Ensuring of a combined effect through collaboration between different content or cooperation with related industries and regions

While advertising projects for Japanese content have been implemented in the overseas market more often than before through the support from the J-LOP project conducted in the past two years, they tend to take place on a sporadic basis. To garner more recognition in local market, creative measures to attract more attention are necessary, for example, by conducting joint events. Furthermore, the growth of content industry needs to be spread wider by going beyond collaboration inside the content industry and producing a combined effect from making partnership with local industries and regions related to Japanese corporations doing business overseas.

On another note, it is important to take interactivity of cultures into account when dealing with such challenges. It is considered instrumental in securing continuity to build mutually beneficial relationship by, for example, accepting overseas content to Japan at the time of launching Japanese content overseas. Japanese have traditionally accepted and respected a diversity of cultures in the first place, and giving extra consideration to reciprocity, by itself, could lead to communicating Japan's national characteristics to the world.

For this reason, talent with a profound knowledge of both Japanese content and cultures of other countries is expected to play increasingly important roles. In March this year, Cool Japan Fund announced its decision of supporting a project of operating special schools to train creators and producers well versed in Japanese content in 12 countries and regions, as a platform to develop talent for content. Through such projects, efforts to create new content by mixing Japan's original content including anime with local culture are expected. In addition, foreign students studying in Japan and fans of Japanese content abroad are a source of international talent who can work as a bridge over a gap of language and culture between Japan and other countries, and thus, an environment needs to be developed where such talent could work for overseas operation of Japanese content industry easily.

While many recognize improvement on measures taken by the Government with regard to its expected roles in overseas operation of Japanese content business, there are still unresolved issues such as insufficiency in ensuring of measures' continuity, and sharing of information on measures; and unclearness of targets and criteria to evaluate achievement with. Such issues also promptly need to be addressed beginning with what can be done right away.

(2) Measures to be taken in the future

Based on the current situation and issues described above, relevant ministries shall make the following efforts with regard to further promotion of overseas operation of content business.

<< Creation and securing of content accepted in the overseas market >>

(Creation of content catering to the local needs)

- In order to create broadcast content attractive to the overseas market by taking into account local culture and needs, the Government will provide support for international joint production of content with overseas media based on local needs and trends of how content is consumed, and offer matching opportunities for Japanese broadcasting stations and program productions with overseas media, while working with Broadcast

Program Export Association of Japan (BEAJ). (short term and medium term) (Ministry of Internal Affairs and Communications [MIC])

(Support for localization of existing content)

- The Government will provide continuous support for localization including adding subtitles, dubbing, and revising content in consideration of local culture, in order to promote Japanese content such as broadcast programs, movies, music, anime, games, etc. in other countries and push forward overseas development through cooperation of content industry and other industries. (short term and medium term) (METI)
- Through video localization projects financed by Cool Japan Fund, the Government will develop infrastructure which provides one-stop functions of localization, video editing, and sales channel development, and promote a broadcast and distribution of Japanese content in other countries. (short term and medium term) (METI)

(Promotion of international movie joint production)

- In order to promote international cultural exchange through movies and ensure opportunities for movie screening in other countries, the Government will continue to provide financial support for international joint production of films, and deliberate on a framework which facilitates international joint production based on overseas needs, including conclusion of an agreement concerning international joint production. (short term and medium term) (Ministry of Education, Culture, Sports, Science and Technology [MEXT], METI, Ministry of Foreign Affairs [MOFA])

(Making rights clearance faster and more efficient)

- Based on the result of the past demonstration experiments, the Government will promote rights clearance for performers from the production stage envisioning overseas sales of the content in order to make even faster and more efficient rights clearance concerning broadcast programs, while working to shorten the total period of time required for rights clearance through simplifying procedures and making related work more efficient, as well as supporting system improvement to realize such change. With regard to master rights for music, the Government will discuss measures to further facilitate clearance based on the conventional framework. (short term and medium term) (MIC, MEXT)

(Consideration of institutional challenges)

- In order to promote medium and long term development of content industry, the Government will discuss challenges concerning financing methods and other issues, and take necessary measures. (short term and medium term) (METI, Financial Service Agency [FSA], relevant ministries)

<< Continuous operation in overseas markets >>

(Support for overseas promotion)

- In order to enhance a foundation for continuous overseas development of Japanese content business, the Government will clarify target countries and regions, and support efforts to ensure broadcast slots in local media while working with BEAJ. (short term and medium term) (MIC)
- The Government will provide continuous support for promotion including international trade fair participation and advertisement in order to spread Japanese content effectively in the world. (short term and medium term) (METI)
- In order to enhance matching functions for Japanese content businesses and overseas content buyers, the Government will develop functions to send out information on JAPACON, a platform providing content, so that collaboration could be made between businesses. (short term and medium term) (MIC, METI)
- With a view to communicating Japan's diverse attractiveness to the world, diplomatic missions abroad and at overseas offices of the Japan Foundation will take advantage of cultural events and other opportunities to implement projects that contribute to the promotion of Japanese content. (short term and medium term) (MOFA)
- As part of the Visit Japan Campaign (a promotion project to attract foreign visitors to Japan), the Government will implement projects which will contribute to the promotion of Japanese entertainment content, including the overseas operation of broadcast content. (short term and medium term) (Ministry of Land, Infrastructure, Transport and Tourism [MLIT])

(Exposure of Japanese content to less marketable countries)

- In order to promote Japanese culture and develop a foundation for future business opportunities, MOFA and the Japan Foundation will, taking local needs into account, play a central role in providing Japanese video materials for broadcasting on TV, which may have an impact on a variety of local audiences. (short term and medium term) (MOFA)

(Enhancing consulting functions to support overseas business development, and providing business meeting opportunities)

- While taking advantage of knowledge accumulated in the Visual Industry Promotion Organization (VIPO) through the J-LOP project, the Government will provide consulting services for companies wishing to start business overseas, and matching with producers who have expertise and experience in overseas business development. (short term and medium term) (METI)

- The Government will develop consultation service functions including providing referral to local business and relevant parties, and information on local situation, by taking advantage of its overseas organizations including the Japan External Trade Organization (JETRO) and diplomatic establishments abroad. As well, JETRO will play a key role in providing support for SMEs aiming to expand into overseas market by helping them participate in trade fairs abroad or have business talk with overseas buyers who JETRO has invited to Japan. (short term and medium term) (MOFA, METI)

(Development and utilization of international talent for content)

- The Government will provide support for development of world-class producers who will undertake joint production through providing opportunities to study in overseas educational institutions (film schools), and do an internship. (short term and medium term) (METI)
- The Government will continue to send performers and artists to other countries for training in order to develop them into world-class talent. (short term and medium term) (MEXT)
- Through projects financed by Cool Japan Fund, the Government will build a platform which will develop human resources locally supporting overseas operation of Japanese content business. (short term and medium term) (METI)

(Collaboration with fans of Japan abroad)

- In order to strengthen efforts to promote Japanese content through SNS, etc., the Government will cooperate with fans of Japanese content overseas as well as foreign students studying in Japan and implement marketing and promotion projects (Foreign Students Ambassador Project) more frequently with a greater number of participants. (short term and medium term) (METI)

(Conducting overseas market surveys)

- With regard to subsidized overseas operation of content, the Government will collect as much information as possible on local taste for content and post-broadcast responses and provide such information to content businesses, in order to further promote overseas content business meeting local needs. (short term and medium term) (MIC, METI, MOFA)
- To contribute to effective overseas operation of content business, the Government will put together market surveys and trend surveys conducted by relevant ministries and independent administrative corporations, and provide and communicate them in the form of a summary. (short term) (Cabinet Secretariat, relevant ministries)

<< Strengthen collaboration between content and industries >>

(Promotion of collaboration with a variety of fields)

- The Government will deliberate on and develop a cross-sectoral framework such as collaboration between the public and private sectors and business matching system in order to effectively promote entertainment content which communicates Japan's attractions to the world and to fully exploit such ripple effects as increases in the number of fans of Japan overseas and of foreign visitors to Japan, unified overseas operation through cooperation with non-content industries, popularization of Japanese food and food culture and the revitalization of regional economies. (short term and medium term) (Cabinet Secretariat, MIC, MOFA, METI, MLIT, Ministry of Agriculture, Forestry and Fisheries [MAFF], other relevant ministries)
- The Government will increase opportunities to promote Japanese content to fans and buyers through encouraging promotional activities using content in non-content trade fairs. (short term and medium term) (METI)
- With a view to increasing the number of companies and industries which expand into overseas market or conduct regional development projects by using content as a key element, the Government will deliberate on measures to effectively communicate actual cases and effects to non-content industries including Japanese companies overseas and local subsidiaries. (short term and medium term) (METI)

(Collaboration with regions)

- From the perspective of revitalizing regional economies, the Government will make efforts to encourage initiatives, especially those of regions, to produce content capable of communicating regional appeal to the world and popularize such content continuously through the use of BEAJ, while providing greater support for localization and promotion of such content. (short term and medium term) (MIC, METI)
- In order to promote film shooting and revitalize creative activities, the Government will summarize information on various shooting locations in the country, make referral to regional film commissions, and at the same time, continue to communicate such information at home and abroad. (short term and medium term) (MEXT)

<< Dealing with challenges common to all phases >>

(Ensuring interactivity of cultural exchange)

- The Japan Foundation will, through "WA Projects", develop interactive cultural exchanges and networks with Asian countries by the implementation of art and cultural projects. These projects include showing Asian films at the Tokyo International Film Festival, introducing Japanese movies to Asian countries, and inviting film professionals to Japan. (short term and medium term) (MOFA)

- In order to generate better understanding of Japanese culture in the world, and form and strengthen a network of artists and cultural figures, the Government will appoint such people as “Japan Cultural Envoy” who will reside overseas for a certain period of time where they give a lecture or a demonstration regarding Japanese culture, while it will also conduct international cultural exchange projects at home including the artist-in-residence program which have artists from other countries stay in Japan where they make creative activities and interact with local people. (short term and medium term) (MEXT)

(Publicity and education of measures to expand content business abroad)

- As there are so many measures concerning content business operation abroad, the Government will make publicity materials which facilitate private companies’ understanding of such measures, and thereby spread information to businesses. (short term) (Cabinet Secretariat, relevant ministries)

(Deliberation on methods to understand economic effects from overseas operation of content business)

- In order to understand economic effects from overseas operation of content business, the Government will discuss how data should be recorded on, for example, overseas sales of character merchandise or contribution of tourist attraction to domestic consumption, while cooperating with the private sector. (short term and medium term) (MIC, MEXT, relevant ministries)

(Countermeasures against counterfeiting and piracy concerning overseas business of official content)

- In order to beef up measures against counterfeiting and piracy in countries where rights have been violated, the Government will approach the counterpart of such countries through an intergovernmental conference and unified efforts of the public and private sectors. (short term and medium term) (Relevant ministries)

Part 2: Eight important measures

1. Realization of the world's fastest and utmost quality examination system

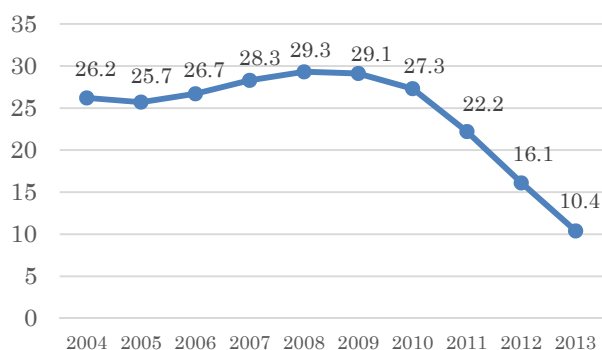
(1) Current situation and issues

As one of the most important issues among our country's intellectual property policies, acceleration and streamlining of the patent examination process was carried out through a variety of efforts and the official target of 11 months from the request for patent examination to the first notice of examination was achieved in March last year. Granting "robust, broad, and valuable patent rights" is essential to protect invention appropriately, and efforts to improve quality of patents are important as well. While aiming to realize the shortest "period of time until acquiring the right to a patent" in the world, and to establish "robust, broad, and valuable patent rights", the Government needs to continue to develop and enhance the patent examination system with a view to continuous improvement of examination quality.

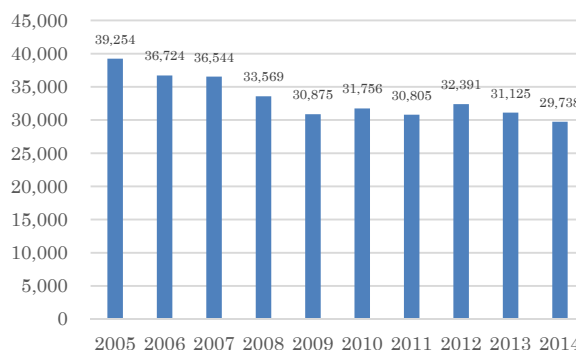
With regard to design, the Locarno Agreement which established international classification of design came into effect in September last year, and so did the Geneva Act of the Hague Agreement Concerning the International Registration of Industrial Designs in May this year. However, applications for design registration are on the decline in Japan and fell below 30,000 cases last year. Since it is becoming harder to make differentiation through technology, design of products is gaining more importance today. Nevertheless, applications for design registration have dropped, behind which, as some have pointed out, the system's procedure is not convenient enough for companies, especially SMEs, to file for registration. In order to improve convenience, it is necessary to review the country's design registration system and its operation.

With regard to trademarks, the "Policy of quality concerning trademark examination" developed in August last year specifies that deliberation should be made regularly on revision to guidelines including examination criteria in order to achieve better predictability of trademark examination, etc.

[Changes in the period from the request for patent examination to the first notice of examination]



[Changes in the number of applications for design registration]



To support overseas business of Japanese companies, the Government needs to ensure that intellectual property rights can be obtained smoothly in their foreign markets. However, as the globalization of economy advances, the same invention tends to be submitted for registration in Patent Offices of multiple countries and regions, and thus increasing the burden on examiners in respective Patent Offices. In such a situation, the JPO is promoting a work-sharing program for patent examination with a view to making examination at Patent Offices in other countries and regions fairer and more efficient. It is important to continue to take this and other measures for international cooperation of patent examination while enhancing communication of our country's examination guidelines.

(2) Measures to be taken in the future

Based on the current situation and issues described above, in order to realize the “world's fastest, highest-quality patent examination system” while revitalizing our country's system for industrial property rights and promoting international cooperation for patent examination, etc., relevant ministries will promote the following efforts.

<< Realization of the “world's fastest and utmost quality patent examination, etc.” >>

(Making faster and higher quality patent examinations)

- The Government will make efforts to shorten the “period of time required for grant of the right” (standard total pendency) and the “period of time required for receiving the first notice of patent examination” from the request for patent examination, to within 14 months and 10 months on average respectively. The Government will also work towards maintaining and improving high-quality patent examinations, grant “robust, broad, and valuable patent rights”, and further develop and enhance the patent examination system

in order to release high-quality examination results at home and abroad. (short term and medium term) (METI)

(Quality control of patents, design, and trademarks)

- Based on the improvement recommendations provided by the Subcommittee on Examination Quality Management, the Government will release high-quality examination results at home and abroad through the improvement of the quality management system such as revision of the “Quality Management Manual for Patent Examination (Quality Manual)”, enhancement of timely and proper quality audits, and enhancement of the user satisfaction survey on patent examination quality. With regard to design and trademarks as well, the same kind of measures shall be taken as for patents. (short term and medium term) (METI)

(Deliberation on revision to the design registration system and its operation)

- The Government will discuss measures to simplify procedures by, for example, partially allowing non-submission of drawings, or realizing use of digital access service enabling exchange of necessary documents electronically, in order to improve convenience and promote greater use of the design registration system by users in Japan. (short term) (METI)

(Organizing design classification)

- In order to properly implement the Locarno Agreement which has established international classification of design, the Government will develop a classification made by integrating the Japanese design classification into the Locarno Classification, and discuss measures to promote assignment of class numbers under the new classification to design literature owned by our country, as needed, and thereby develop a database. (short term and medium term) (METI)
- The Government will deliberate on assignment of class numbers under the above classification to China design bulletin so that users in Japan could access it more easily. (short term) (METI)

(Revision to criteria for trademark examination)

- In order to improve the predictability and consistency of trademark examination, the Government will revise description of criteria for trademark examination and make it clearer and easier for users to understand in and outside Japan. (short term and medium term) (METI)

<< Promotion of international cooperation for patent examination, etc. >>

(Improving and expanding operation of the Patent Prosecution Highway (PPH))

- To make it possible for Japanese companies that carry out overseas expansion to obtain patent rights at an early stage in various countries the Government will continue to promote the unification of PPH requirements and to expand the PPH, based on users' needs. (short term) (METI)

(Promotion of cooperation with the Patent Offices of other countries for patent examination)

- With an aim to improve quality of examination, the Government will work with the United States Patent and Trademark Office (USPTO) with regard to development of a framework where patent examiners of JPO and USPTO could collaborate in examination. (short term and medium term) (METI)

(Development and communication of guidelines for research and examination concerning patent examination criteria and PCT applications)

- The Government will update the current guidelines for patent examination to make them easier to understand, translate them into English, and communicate them to the world. (short term) (METI)
- The Government will develop easy-to-understand guidelines for criteria used by Japan's patent examiners and operation thereof concerning international search and preliminary examination of international applications under the Patent Cooperation Treaty (PCT), translate the guidelines into English and communicate them to the world. (short term) (METI)

(International dissemination of the trial and appeal decisions of JPO)

- In order to increase and improve international dissemination of the trial and appeal decisions of JPO to users abroad, the Government will disseminate them translated into English to the world. (short term) (METI)

2. Introducing a new employee invention system and enhancing the protection of trade secrets

(1) Current situation and issues

<< Introducing a new employee invention system >>

With regard to revision to the employee invention system, the Intellectual Property Strategic Program 2014 urged that a conclusion be reached at the earliest possible stage during the previous fiscal year, including on the necessity to take legal measures. The Patent System Subcommittee of the Intellectual Property Committee under the Industrial Structure Council had discussion for revision and reached a conclusion in January this year. In response to the conclusion, the Government submitted a bill to partially revise the Patent Act including revision to the employee invention system to an ordinary session of the Diet in March this year. The following shows its outline.

- An invention by an employee belongs to the employer, etc. when the right becomes effective, if any provision in any agreement, employment regulation or any other contract stipulates in advance that the right to obtain a patent for any invention made by the employee will be vested in the employer, etc., aiming to eliminate the instability in the ownership of a patent right.
- An employee, etc. has the right to receive reasonable remuneration or other economic profits, if the employee, etc. causes the employer, etc. to acquire the right to obtain a patent.
- The Minister of Economy, Trade and Industry will define guidelines for procedures to determine the details of the reasonable remuneration or other economic profits, through the examination procedures of the Industrial Structure Council, aiming to encourage inventions.

<< Protection of trade secrets >>

As large-scale, serious technical information leaks have begun surfacing in recent years, the Intellectual Property Strategic Program 2014 urged that comprehensive three-part measures should be taken with regard to the protection of trade secrets: 1) revision to support by the “Government” for companies and the legal system, 2) efforts of “businesses” including development of a management system and cooperation for the investigative authorities in times of emergency, and 3) “cooperation between the public and private sectors” made by both the Government and businesses working together to further beef up

the security of trade secrets. In response to this recommendation, the “Subcommittee concerning the Protection and Utilization of Trade Secrets” was established under the Intellectual Property Committee of the Industrial Structure Council in September last year. Based on the result of discussion in the Subcommittee, the Government has made the following efforts.

First, with regard to revision to the system against a leak of trade secrets, the Government submitted a bill to partially revise the Unfair Competition Prevention Act to an ordinary session of the Diet in March this year, which would raise a fine, make such act an offense indictable without an official complaint, ease victims’ burden of proof (switching the burden of proof), and expand the range of punishable offense (restriction of transfer and import/ export of goods infringing trade secrets, punishment of subsequent acquirers, etc.), based on the idea that it is necessary to further improve deterrence in both criminal and civil aspects. On another note, the Council on Customs, Tariff, Foreign Exchange and other Transactions deliberated on possibilities of application of the border control to goods infringing trade secrets, and decided in December last year that the Council should continue to discuss this matter.

Second, with regard to revision to the Trade Secret Management Guidelines, the Government revised the “Trade Secret Management Guidelines” which showed measures of a minimum level to be eligible for legal protection, in January this year.

Third, with regard to development of a one-stop support system for trade secret management, and cooperation with the investigative authorities, the Government established a portal site for the National Center for Industrial Property Information and Training (INPIT) in October last year so that SMEs could acquire knowledge; and set up a consultation service in INPIT and Comprehensive IP Support Counters nationwide providing advice regarding management methods of trade secrets and “actions in times of emergency” such as a leak of trade secrets in February this year, through which the Government built a system where SMEs, etc. could ask for advice from former corporate employees with expertise, lawyers, and patent attorneys in one location.

Forth, with regard to cooperation between the public and private sectors, the Government held the “Public-Private Strategic Council for Countermeasures against the Outflow of Trade Secret” with representatives of relevant ministries including METI and National Police Agency [NPA] as well as industry groups attending in January this year, where a declaration of Japan’s actions was compiled aiming to create a “society that has zero tolerance regarding the misappropriation of trade secrets”.

(2) Measures to be taken in the future

As of today, the Diet deliberations of relevant bills have not finished yet, and thus measures to be taken in the future will not be made more specific until the Diet deliberations reach a conclusion. Based on the premise that the cabinet-sponsored bills will be passed, however, relevant ministries will make the following efforts with a view to introduction of a new employee invention system and enhancement of the system for trade secret protection.

<< Introduction of a new employee invention system >>

(Efforts to introduce a new employee invention system)

- If the bill for the Act of the Partial Revision of the Patent Act, submitted to an ordinary session of the Diet this year is enacted, the Government will take necessary preparatory measures without delay to implement a new employee invention system. Especially with guidelines concerning procedures for adjustment between employers and employees (including consultation with and hearing from employees), the Government will consult interested parties in the Industrial Structure Council before defining the guidelines while taking into account the private sector's initiatives, various situations of research and development depending on the industry, and shifts in economic and social trends. Once the guidelines have been defined, the Government will publicize them widely including to employers and employees, and make efforts to support the improvement of any agreement, employment regulation, or any other contract concerning employee invention made in the enterprises. (short term and medium term) (METI)

<< Reinforcement of trade secret protection >>

(Introduction of border control concerning goods infringing trade secrets)

- If a bill to partially revise the Unfair Competition Prevention Act submitted to an ordinary session of the Diet this year is passed, both import and export of goods infringing trade secrets will be banned. In consideration of this, the Government will deliberate on adoption of border control concerning goods infringing trade secrets in relevant ministries, reach a conclusion during this fiscal year, and take necessary measures, based on the premise that a mechanism will be introduced to make it possible to decide and confirm promptly and accurately that import/ export cargo contains goods infringing trade secrets. (short term and medium term) (Ministry of Finance [MOF], METI)

(Development of the Manual for Trade Secret Protection (provisional name))

- The Government will develop the “Manual for Trade Secret Protection (provisional name)” which shows comprehensive measures including preventative measures against a trade secret leak and advanced measures recommended to be taken at the time of a

leak. (short term and medium term) (METI)

(Enhancement of one-stop support for trade secret management)

- Based on the installation of a consultation service and a portal site concerning intellectual property strategies including trade secret management, the Government will make efforts to raise awareness, especially in SMEs across the country, through INPIT by increasing information sent out through the website, holding seminars in various locations in the country, and offering e-learning content. (short term and medium term) (METI)

(Development of a system to store trade secrets)

- As a measure to facilitate proof of possession of trade secrets and the right of prior use in cases of a trade secret leak, etc., the Government will promote development of a system realizing long-term storage of a timestamp added to electronic documents containing technical knowhow which should be kept secret in companies. (short term and medium term) (METI)

(Promotion of cooperation of the public and private sectors)

- Based on the declaration of Japan's actions compiled at the "Public-Private Strategic Council for Countermeasures against the Outflow of Trade Secret", the Government will hold the "Public-Private Forum on Trade Secrets" as an opportunity for working-level representatives of the public and private sectors to exchange information closely about the latest methods of leaking trade secrets and measures against such attempts. (short term and medium term) (METI)

(Cooperation with the investigative authorities, etc.)

- In order to promote preventative measures against a trade secret leak in companies and improve deterrence against stealing technical information, the Government will enhance cooperation among METI, NPA/ the prefectural police, Public Security Intelligence Agency, and Information-technology Promotion Agency. More specifically, the Government will promote measures including sharing information by the public and private sectors on criminal methods and technical fields requiring a caution through organizing the "Public-Private Forum"; raising awareness in companies including those located in the provinces; providing a smooth "liaison" with NPA, if requested by businesses, in cases where they have consulted, regarding an actual trade secret leak, the "Consultation Desk on Trade Secrets and IP Strategies" of the National Center for Industrial Property Information and Training (INPIT). (short term) (METI, NPA, MOJ)

3. Effort for international standardization and certification

(1) Current situation and issues

With regard to international standardization strategies, the Intellectual Property Strategy Headquarters formulated the “Action Plan for International Standardization Strategies” in seven specific strategic fields (the final revision was made in March 2012). Based on this plan, efforts are currently being made in each field to promptly and accurately lead international standardization through cooperation between the private and public sectors. With regard to certification, efforts are being made to prepare systems that can flexibly respond to certification that is expected in new industrial fields.

As well, the Government is promoting standardization of technology and products of Japanese companies, for which, in May last year, the “Public-Private Strategies for Standardization” was adopted in order to strengthen strategic standardization efforts through close cooperation between the public and private sectors, followed up by establishment of the “System for Standardization of a New Market Creation Type”, in July the same year, as a measure to standardize things, which would be hard to standardize through existing industrial organizations including fusion technique covering several fields and cutting-edge technology of middle-ranking companies and SMEs which could lead to acquisition of the global market, in an integrated fashion by going beyond the borders of different ministries and industrial fields.

In order to further accelerate strategic standardization initiatives under the cooperation between the public and private sectors, further endeavor is needed including making an integrated effort for standardization from the stage of research and development, developing human resources responsible for international negotiation concerning standardization, and enhancing support systems to help middle-ranking companies and SMEs with their standardization efforts.

As the globalization of food production, manufacturing, and distribution advances, the Government also needs to appropriately deal with the increase in importance of standards and certification concerning food-safety control in transactions, handle development of IoT (Internet of Things) which creates new value by using a large amount of big data, and promote international standardization strategically in relevant technological fields.

(2) Measures to be taken in the future

Based on the current situation and issues described above, relevant ministries will make the following efforts with regard to international standardization and certification.

<< Acceleration of strategic standardization >>

(Integrated efforts for standardization from the stage of research and development)

- The Government will implement standardization in an integrated manner from the research and development phase in order to establish international standards by recognizing important technology, through which global growth is expected in the near future, at an early stage. (short term and medium term) (METI)

(Developing human resources taking the lead in international negotiations for standardization)

- In order to develop human resources who can take on the roles of international secretaries and chairpersons at international meetings including technical committees of international organizations for standardization (ISO/IEC), and world-class talent with capabilities of negotiation and management in addition to competence to perform a necessary task for international standardization, the Government will deliberate on improvement of the training system for young standardization talent. As well, the Government will implement a human resources development program for managers and sales representatives to cultivate talent who can strategically utilize standardization as a business tool while promoting introduction of standardization courses at universities. (short term and medium term) (METI)

(Enhancement of support systems for standardization efforts of middle-ranking companies and SMEs)

- To accelerate standardization of excellent technology and products owned by middle-ranking companies and SMEs through the use of the “System for Standardization of a New Market Creation Type”, etc., the Government will build a system to provide consistent support from discovery of eligible cases to development of standards and receiving certification in cooperation with a variety of relevant organizations including local governments, industry support institutions, concerned groups, and certifying bodies. The Government will achieve by 2020 the target of 100 cases of standardization of excellent technology owned by middle-ranking companies and SMEs through the use of the “System for Standardization of a New Market Creation Type”, etc. (short term and medium term) (METI) [shown again]

(Development of the certification infrastructure in strategic fields)

- With regard to strategically important fields from the perspective of overseas expansion by Japanese companies, such as, large-scale power conditioners, the Government will prepare facilities for certification and tests, while driving development of international standards required for certification, and the system for it, as well as forming the

certification infrastructure through which certification and results of tests would be recognized internationally. (short term and medium term) (METI)

<< Promotion of international standardization strategies in individual fields >>

(Promotion of international standardization strategies in the field of food industry)

- The Government will develop a mechanism for standards and certification concerning food-safety control in Japan based on HACCP, an internationally recognized method, and promote it under the cooperation between the public and private sectors. (short term and medium term) (MAFF)

(Promotion of international standardization strategies compatible with the advancement of IoT)

- Aiming to advance IoT through which the global market is expected to grow, the Government will establish and demonstrate necessary technology in the relevant technical fields while promoting efforts for international standardization. (short term and medium term) (MIC, METI)

(Efforts for international standardization of traditional medicine)

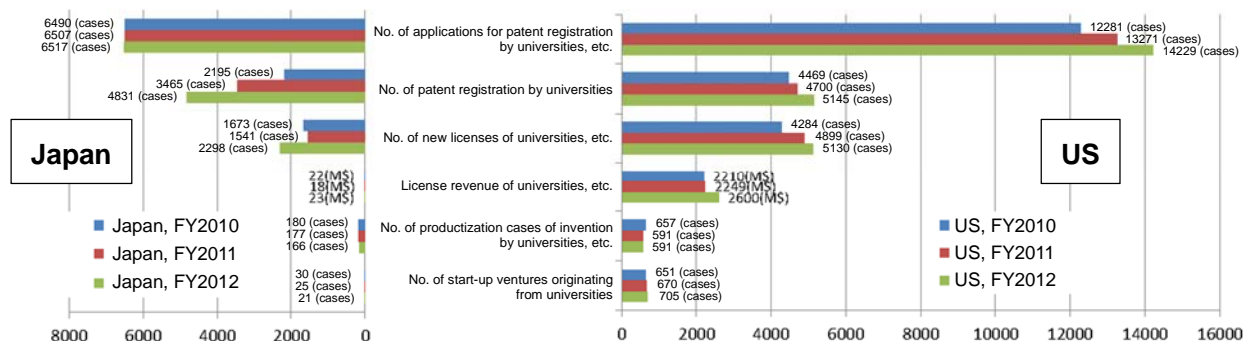
- With regard to international standardization of traditional medicine, the Government will keep informed on other countries' efforts in international conferences, etc. and take necessary measures regarding our country's traditional medicine. (short term and medium term) (Ministry of Health, Labour and Welfare [MHLW])

4. Enhancing the functionality of industry-academia-government collaboration

(1) Current situation and issues

Although collaboration between industry and academia is being established in Japan, there are many challenges to overcome before realizing stable transfer of technology for commercialization since most of technological seeds owned by universities are in the stage of search to fundamental research, and have not reached to the phase where business could decide whether they would be profitable or not, and also there is difference in understanding between industry and academia. For example, the rate of utilization of patents owned by universities, etc. remains at 20%¹² while results of industry-academia collaboration indicated by license revenue, the number of productization cases, and the number of start-up ventures originating from universities, are poorer than those of the US, although they should not be simply compared without due consideration to social and historical backgrounds.

[Comparison of performance concerning industry-academia technology transfer between Japan and the US]¹³



While 60 to 70% of the number of patents of universities are through joint applications with companies, it is pointed out that the rate of implementation is substantially low¹⁴ since joint applications with large enterprises tend to be used by the companies defensively.

As discussed previously, based on the deliberations by the Verification, Evaluation, and Planning Committee of the Intellectual Property Strategy Headquarters as well as the Task Force for Promotion of Intellectual Property Utilization in the Provinces, established under

¹² Source: JPO Annual Report 2014, p. 49.

¹³ Compiled by METI based on AUTM U.S. Licensing Activity Survey, and UNITT University Innovation and Technology Transfer Survey

¹⁴ Source: Universities and social research unit policy recommendation “Issues concerning the intellectual property system and industry- academia cooperation”, UTokyo Policy Alternatives Research Institute (2015)

the Committee, the Government needs to make efforts for 1) enhancing intellectual property strategies of universities, 2) developing infrastructure concerning treatment of intellectual property of universities, and 3) improving supporting functions for bridging and commercializing, as intellectual-property related challenge to be overcome with a view to promoting universities' innovation through the cooperation between industry and academia.

(2) Measures to be taken in the future

Based on the current situation and issues described above, relevant ministries will make the following efforts in order to strengthen cooperation between industry-academia-government and promote utilization of intellectual property of universities.

<< Efforts to enhance intellectual property strategies of universities >>

(Development of a research management system towards strengthening universities' competitiveness)

- In order to develop a research management system to make the most of universities' human and technical resources with a view to innovation and enhancement of competitiveness, the Government will discuss and analyze the research management system of universities while deliberating on supporting measures to realize effective utilization of research management resources at universities including human resources for research, intellectual property, and financial resources for investment in research and development. (short term and medium term) (MEXT)

(Promotion of universities' initiatives to establish their own intellectual property strategies and implement intellectual property management)

- In order to promote universities' initiative to establish their own intellectual property strategies and implement intellectual property management, the Government will evaluate the status of universities' efforts to obtain rights of intellectual property carefully selected based on intellectual property strategies, and their activities of technology licensing in accordance with commercialization plans of intellectual property, and provide support for universities' intellectual property efforts including filing of applications in other countries. (short term and medium term) (MEXT)

(Improvement of industry-academia collaborative activities through the use of evaluation of industry-academia collaborative functions)

- In order to keep informed on the state of industry-academia collaborative activities, such as those by universities and TLOs, and effectively realize improvement of such activities,

the Government will collect and analyze data concerning evaluation indicators for industry-academia collaborative activities between universities and TLOs, among others, share the results with each organization, and encourage individual universities and TLOs to make improvement. Also, the Government will develop and provide the “Handbook for Managing University-Industry Collaboration Activities” which enables universities and TLOs to utilize the evaluation indicators and inspect their industry-academia collaborative activities by themselves. (short term and medium term) (METI, MEXT) [shown again]

(Deliberation on patent applications and contract in joint research)

- With regard to joint research contracts between universities and businesses, from the perspective of realizing flexible treatment with due consideration for individual situations of SMEs, large enterprises, and universities while promoting the use of universities’ intellectual property, the Government will look into forms of patent applications in joint research and state of utilization thereof as well as actual conditions of contracts, and deliberate on patent applications and contracts in joint research, based on which the Government will work with universities and companies to get them to adopt a flexible contract. (short term and medium term) (MEXT, METI) [shown again]

(Development of supporting measures for POC)

- In order to connect research results of universities with commercialization by SMEs, the Government will enhance support for implementation of Proof of Concept (POC) which tests feasibility of new research ideas. (short term and medium term) (MEXT) [shown again]

<< Enhancement of intellectual property strategies for national research and development projects >>

(Reviewing operations of a Japanese version of the Bayh-Dole Act)

- In order to fully connect the results of the nation’s research and development to commercialization, and maximize national wealth, the Government will study how intellectual property management for the Japanese government’s research and development projects should be practiced and will take necessary measures while consulting the “Guidelines for Intellectual Property Management in Government-commissioned Research and Development” (METI) adopted on May 15 this year with regard to operation of a Japanese version of the Bayh-Dole Act. (short term) (Cabinet Secretariat, relevant ministries).

5. Improvement of infrastructure of legal systems for adjusting to development of the digital network

(1) Current situation and issues

With the advance of the digital network, content-providing service based on the cloud technology is growing home and abroad. Environment is becoming available where content could be viewed irrespective of the device and terminal used, for instance, in services which enable users to access content stored on the cloud through their mobile terminals in cases where the content saved in the users' PCs has been compared and found to be identical to the content stored in the servers of the cloud business.

Based on the shift in technology and trends of new services launched by business overseas, it is hoped in Japan as well that new content services are created and become available to improve convenience of content users. As well, creation of such services contributes to not only the relevant industries, but also development of culture through further distribution of content.

In the meantime, some point out that in Japan relationship between the range of reproduction for personal use based on the Copyright Act and cloud services is unclear and discouraging business from starting services.

Taking such opinions into account, the Copyright Subcommittee of the Council for Cultural Affairs had discussion on the relationship between cloud services and the copyright system in the last fiscal year. As a result, the Subcommittee concluded that "cloud locker services of a certain type are classified as reproduction for personal use". As well, in order to develop cloud locker services beyond reproduction for personal use, rights clearance costs (search for and contract with individual right holders, etc.), which would be immeasurable, need to be reduced.

In consideration of this, a group of right holders in the field of music made a proposal to the Council for Cultural Affairs, of the establishment of "Music Centralized Control Center (provisional name)" where cloud locker service businesses would provide one-stop rights clearance service. The proposal soon should be made more concrete and materialized. As well, such efforts for central control should be rolled out to other fields since reduction of rights clearance costs is a common issue to all types of content usage.

Based on the request from business, the Council also had discussion on relationship between cloud services of non-locker types, including media conversion services, video-recording and playback services for individual users and thesis plagiarism inspection services, and the copyright system. Businesses providing these services in Japan showed

their views in their interview that their services were generally provided in accordance with contract with right holders and the current provisions of right restriction, and that they would make an additional contract in case of services going beyond the legally stipulated range. In addition to this, since it was argued that such services, in light of their very nature, should be provided based on contract with right holders not by restricting rights, the Council concluded that they would not necessitate a legal reform at this stage.

In the meantime, diversification is expected to continue in terms of forms, environment and means of content usage, as technology advances. As well, times are approaching where the internet abounds with copyrighted materials with unclear ownership, as in burgeoning cases of machines taking the place of human beings and producing copyrighted materials due to the advancement of technology concerning artificial intelligence; and the distinction blurs between information and things because of the development of 3D printing. As highly flexible right restriction provisions are increasingly needed to create and develop services using creation in Japan while dealing with such technological and social changes promptly, demand is becoming stronger for development of a system appropriate to the times of the digital network. Therefore, the Government needs to proceed with deliberation while taking into account significance of policies, economic effects of new business creation, and impact on content creation activities and relevant industries.

On another note, when deliberating on promotion of creating and providing new services using content, it is important to take into consideration development of environment to promote sustainable expansion of content reproduction in Japan, including ensuring appropriate return to creators and improving the platform to make it easier to distribute Japanese content home and abroad.

Recent years have seen the increasing use of ICT in the field of education. For this reason, the Government needs to organize and discuss challenges in the relevant copyright system to be able to deal with the trends of use of digitalized educational materials stored in the cloud and on-demand lecture distribution through the internet, and take necessary measures without delay. As well, it is necessary to deliberate on the status of digital textbooks and educational materials and the relevant textbook authorization system for introduction of such teaching materials based on the recommendation included in the “Plans for regulatory reform implementation” (approved by the Cabinet in June 2014), etc. The Government needs to continue discussion in order to reach a conclusion by FY2016.

As an increasing amount of public data owned by public institutions and subsidized research data is becoming available globally, discussion and efforts for such a trend are being made in Japan as well from the perspective of innovation, etc. In that regard, the

Government needs to take into consideration development of environment which makes it easy to utilize data, including clarification of the copyright policy.

(2) Measures to be taken in the future

Based on the current situation and issues described above, relevant ministries will make the following efforts with regard to development of an infrastructure including a legal system compatible with the advancement of the digital network.

(Promotion of collective license systems for smoother right processing)

- In order to promote development of a licensing system in the private sector, the Government will provide support, as needed, for the private sector's effort to work on specifics of a "contract scheme by centralized control" and the "Music Centralized Control Center" (provisional name) as a one-stop counter, based on the discussion of the Council for Cultural Affairs. (short term and medium term) (MEXT)
- The Government will provide support, as needed, to promote the private sector's effort for development of a database concerning content and introduction of an internationally-standardized content management system. (short term and medium term) (METI, MIC, MEXT)

(Improving the environment for sustainable content reproduction)

- The Government will deliberate at the Council for Cultural Affairs on revision of the compensation for private sound and visual recording and introduction of a new system which could replace the compensation system, reach a conclusion thereof, and take necessary measures in order to return appropriate value to creators and then promote the content ecosystem. (short term and medium term) (MEXT, METI)

(Considering the system for building an environment for creating new industries)

- Based on creation of new businesses in the internet era, and technological and social change and needs as seen in the advent of artificial intelligence and 3D printing, the Government will discuss the system compatible with the new era, including highly flexible right limitation provisions and a smooth licensing system, while taking into account the balance between the protection of intellectual property and promotion of utilization thereof, and global trends. (short term and medium term) (Cabinet Secretariat, MEXT, relevant ministries)
- With a view to development of industry related to cyber security, the Government will discuss, for example, clarification of legality concerning reverse engineering with a purpose of security in the Copyright Act. (short term and medium term) (MEXT)

(Promoting ICT use in education)

- The Government will discuss issues about the copyright system in smooth utilization of digitalized educational materials and education through the internet such as on-demand lectures, and take necessary measures. (short term and medium term) (MEXT)
- The Government will deliberate on the status of digitized textbooks and educational materials and the relevant textbook authorization system for introduction of such teaching materials, reach a conclusion thereof by FY2016, and take necessary measures. Based on the deliberation, it will also discuss the relevant copyright system, and come to a conclusion without delay. (short term and medium term) (MEXT)
- Upon using ICT in the field of education, the Government will continue with demonstration experiments using cloud technology, etc. in order to contribute to development of teaching methods to promote new ways of learning through cooperation among schools, or between schools and homes, and help solve challenges of installation costs of terminals and systems as well as issues concerning storage, protection, and utilization of teaching materials and learning history. (short term and medium term) (MEXT, MIC)

(Promoting release of public data and secondary use thereof)

- With a view to making research data publicly available, the Government will organize issues concerning data rights including ownership and the copyright policy of data, beginning with results of publicly funded research. (short term and medium term) (Cabinet Office)

6. Acceleration of improvement towards using archives more smoothly

(1) Current situation and issues

Not only from the aspect that the digitally archived content will become the cornerstone of cultural conservation and succession as well as the base of cultural development, it will also become the base of secondary application of the conserved content and the base to disseminate it both at home and abroad, and such efforts are actively being promoted mainly in Western countries.

Since early 2000s, Japan has promoted establishment of digital archives in each field of books, cultural assets, etc. mainly by the public institutions. At present, the National Diet Library (NDL) has digitized about 2.5 million pieces of content, mainly of books and magazines, and the “Cultural Heritage Online” of the Cultural Affairs Agency offers more than 100,000 cultural assets information for public reading. In addition, about 100 million pieces of content of bibliographic information (Metadata¹⁵) has been made searchable on NDL Search through the collaboration with about 100 digital archives of the public libraries, university libraries, museums, private businesses, etc., and in this way, the digital archiving is steadily improving in Japan.

¹⁵ Metadata is a data that explains about the data. Here, it means the data that explains the details of materials housed in archival institutions.

Current situation of main archives of Japanese content

Game	<p>Ritsumeikan Center for Game Studies Number of material: Unknown</p> <p>Tokyo International Manga Library (Meiji University) Number of material: approx. 140,000 (Manga), etc.</p> <p>Kyoto International Manga Museum (Kyoto City, Kyoto Seika University) Number of material: approx. 300,000 (Manga)</p>	<p>Cultural Affairs Agency "Media Arts Archive Project" Number of material information (Game) approx. 35,000 titles (Manga) approx. 250,000 books, (Anime) approx. 80,000 comic magazines approx. 9,000 titles</p>	<p>* In addition to publications, the National Diet Library also collects other media such as CD, DVD, ROM cassettes, etc. of music, image, game, etc. based on the legal deposit system. * In the "Compilation of database of physical article information," only cross-sectoral initiatives are described, excluding those database independently compiled by facilities/institutions. * The number of material collected based on the legal deposit system by the National Diet Library are excerpted from the National Diet Library Yearbook A [FY2013].</p>
Manga, Anime			
Publications, etc.	<p>National Diet Library *Legal deposit system, etc. Number of material: approx. 10 mil. (Books) approx. 16 mil. (Serial publication) approx. 14 mil. (Non-book materials)</p>	<p>National Diet Library "National Diet Library Search" Number of material information: approx. 100 mil. (books) *Cross/integrated search among libraries around the country</p>	<p>National Diet Library approx. 2.485 mil (Total) Released on internet approx. 490,000 Sent to libraries approx. 1.38 mil. approx. 90,000 (Classic writings) approx. 1.235 (Magazines), approx. 500,000 (Books) approx. 140,000 (Doctoral thesis), approx. 30,000 (Music/speeches)</p>
Broadcast programs	<p>Broadcast Programming Center of Japan Number of material: approx. 21,000 (broadcast programs)</p>	<p>JAPACON (Information portal of contents for overseas) *Disseminate bibliographic information of TV programs, anime, movie films, etc.</p>	<p>Broadcast Programming Center of Japan Approx. 21,000 (broadcast programs)</p> <p>NHK "NHK Archives" Number of material: approx. 850,000 (broadcast programs) approx. 6 mil. (news films)</p> <p>* Started experimental use of internet related to education/research. * A part of programs are distributed on internet for a fee (NHK Ondemand)</p>
Movie films	<p>National Gallery (National Film Center, The National Museum of Modern Art, Tokyo) Number of material: approx. 67,000 (films) approx. 650,000 (still pictures) approx. 50,000 (posters)</p>	<p>Cultural Affairs Agency "Japanese Cinema Database" Number of material information: 45,521 (films that passed screening of Film Classification and Rating Committee)</p>	<p>National Gallery (National Film Center, The National Museum of Modern Art, Tokyo) approx. 2,400 (digital cinemas)</p>
Cultural assets	<p>National Institutes for Cultural Heritage (National Museum) Number of material: approx. 136,000 (collections + deposit)</p> <p>National Gallery Number of material: approx. 41,000 (art works)</p>	<p>Cultural Affairs Agency "Cultural Heritage Online" Nationally designated cultural assets, information provided by local government, museums and art galleries nationwide.</p>	<p>National Institutes for Cultural Heritage (National Museum) "e-National Treasure" 1,057 (high-definition national treasures/important cultural properties)</p> <p>National Gallery Approx. 35,000 (Number of exhibition: approx. 14,000)</p> <p>Approx. 110,000 (cultural heritage information) Approx. 50,000 (cultural heritage images)</p>
(Reference)			
Public documents, etc.	<p>National Archives of Japan Number of material: approx. 1.35 mil. (public documents) 29 (important cultural properties)</p>	<p>National Archives of Japan (Cross search) Number of material information : Unknown *Cross search among 9 Public Record Offices around the country</p>	<p>National Archives of Japan "National Archives of Japan Digital Archive" Public documents: approx. 127,000 Important cultural properties/Precious documents: 1,473</p>
Archiving stages	Collection/preservation of physical materials	Compilation of a database of physical material information	Digitization of materials
			Internet use of materials

On the other hand, it cannot really be said that full consideration has been given to the direction of the efforts toward archival systems over all content and on the effective use of archives including the global dissemination of it. Therefore, the Intellectual Property Strategy Headquarters formed the "archive task force" under the Verification, Evaluation, and Planning Committee in FY2013 and discussed on the promotion of the use of the archives and, based on its conclusion, has accelerated its efforts on the field of media arts, on the relaxation of the requirements for the Compulsory Licensing System for orphan works, etc. In the Verification, Evaluation, and Planning Committee held in FY2014, there were opinions that further consideration should be made on constructing the whole picture of the archive system and should improve the environment to promote effective use of them and, following such opinions, they held intensive debates twice and straightened the direction of efforts in the future. The challenges mentioned below were shared throughout the intensive debates.

- The leaders of digital archive in Japan range from the National Diet Library, administrative agencies such as Cultural Affairs Agency, independent administrative agencies to private sectors, etc. Consequently, while efforts are being made separately by each organization and each field, interaction among those archives is not sufficient

and there is a need to promptly clarify the responsible organizers (aggregators) in each field and to improve the environment which enables effective use of digitized materials in an integrated fashion.

- While the efforts on digitizing books and cultural assets, etc. have progressed since early 2000s, the efforts on media arts field have a relatively short history, and there is a difference in individual effort in each field. It is expected to promote efforts on conservation and effective use of the cultural assets, especially movie films and animations.
- To establish digital archives and to use them effectively, it requires digitization of the source materials as well as the publication of them through the internet, etc., however, it puts a great burden, especially on the public archival institutions that handle a huge volume of content, to handle copyright licensing procedures. Therefore, further improvement of the system is expected for smooth licensing procedures, by referring to the efforts in foreign countries.

Based on the actual situation of the use of digital archives, the direction toward the effective use of archives can be summarized as follows.

- Secondary use of digitized content (use for publishing graphics data of art works, etc., republication of out-of-copyright books, use of images in schools, etc.)
- Use for disseminating information in Japan and abroad (to advertise/disseminate Japanese culture, museums, etc. in Japan and abroad by archival institutions, to improve multilingual services on PCs to introduce art works to visitors, efficient mutual loans of art works and collections among museums, etc.)

Based on the efforts and outcomes of developing digital archives in the past, and in responding to the above-mentioned challenges, as well as to further facilitate effective use of digital archives, the Government needs to promote comprehensive approaches in the future. To that end, the relevant ministries and agencies as well as working-level officials needs to create a place to share information to mutually collaborate these efforts regarding digital archives, while promoting 1) establishment of a base (a comprehensive portal site) that enables cross-sectional cooperation, 2) efforts of each field centering around the organizers of each field (aggregators), and 3) comprehensive institutional approach in terms of preservation and effective use.

In doing so, the Government will need to advance its efforts focusing on the foundational approaches such as to improve the systems and rules related to the establishment and

effective use of archives, to create a cross-sectoral cooperation base for archiving, to clarify the organizers of each field (aggregators), and to support the efforts of main archival institutions, etc. Meanwhile, it is also important to have portal sites that have a clear purpose, e.g. a portal site intended for a field or region, etc. as the volume of information that can be put on the cross-sectorally comprehensive portal site is limited. Also, there is a move to personally establish archives based on the content owned by private businesses, etc. Besides, public research institutes are continuing to establish digital archives of academic articles. In the future, it will be necessary to advance the efforts with consideration for the sharing of know-how of establishing archives and creation of open metadata interface, etc. so that the collaboration of the sectoral portal site, private sector-led archive establishment, and the comprehensive portal site will work smoothly, while promoting participation of private sector and local governments.

(2) Measures to be taken in the future¹⁶

Based on the above concept, the relevant ministries and agencies will promote efforts related to the acceleration of improvement toward effective use of archives as follows.

<< Promotion of cross-archival collaboration >>

(Building a comprehensive portal site)

- In order to develop collaboration of archives at the meta data level between the National Diet Library Search and the main archives operated by the aggregators in each sector including the Cultural Heritage Online in the cultural assets field, the Government will start consideration in the first half of FY2015 on the specific collaboration measures toward early realization of interaction between archives of the National Diet Library Search and that of Cultural Heritage Online for the cultural assets field, and as for the other field, the Government will sort out problems in collaborating archives and advance efforts to improve the portal sites available for cross-sectoral search. (short term and medium term) (National Diet Library, MEXT, MIC)

(Establishing a liaison committee of related ministries and council of practical members (tentative name))

- In order to share and deliberate on the problems in promoting effective use of data such as specific measures to promote linkage of archives, creation of open metadata, etc. and in digital archiving of content including human resources development in the archive

¹⁶ Although the National Diet Library is an organization that belongs to the legislative body, its projects related to this plan were included in the list of responsibility for the sake of convenience, because the measures for archives is to be addressed by the nation as a whole, and because the NDL plays a key role in it.

field, etc., as well as to respond to the practical issues, the Government will hold a liaison committee of related ministries and council of practical members (tentative name) to discuss the digital archive issues, with participation of the working-level personnel from the ministries and agencies relevant to the digital archive, the National Diet Library, and aggregators in the main fields, etc. within FY2015. (short term) (Cabinet Secretariat, National Diet Library, MEXT, MIC, METI)

<< Promotion of efforts in each field >>

(Efforts by aggregators in each field)

- The following organizations will formulate the policies to establish archives including selecting of target collections and standardization of metadata format, and will cooperate with archive institutions in each field in digitizing their collections as well as in aggregating metadata; the National Diet Library for the field of books, etc., the Broadcast Programming Center of Japan (that handles broadcast content of both Japan Broadcasting Corporation (NHK) and private TV stations) and NHK (that handles only the content of NHK) for the broadcast content. As there is no core archive hub yet for the fields of media arts and cultural assets, such as movie films, games, and animations, the Cultural Affairs Agency will cooperate for the time being. (short term and medium term) (National Diet Library, MEXT, MIC)

(Field of books, etc.)

- Toward the expansion of content, and in order to promote digitization of archival documents in public and university libraries, etc., the Government will provide seminars on the procedures to build archives, etc. (short term) (National Diet Library, MEXT)
- To reinforce the collaboration with the comprehensive portal site, the Government will support public and university libraries, etc. by delivering recommendations to attach the metadata to digitized materials and to publicize those documents with external link interface (API), and will disseminate information necessary to promote efforts for digitization of archival documents and for the collaboration of those archives. (short term) (National Diet Library, MEXT)
- The Government will continue to work for the digitization of archival documents in the National Diet Library, and will reinforce its efforts toward the promotion of effective use of digitized data. (short term) (National Diet Library)

(Cultural assets field)

- Toward the 2020 Tokyo Olympic/Paralympic Games, to disseminate information on cultural assets to abroad, the Government will promote aggregation of data related to local cultural resources other than national treasures and important cultural properties,

which consist Japan Heritage, and to increase the publication rate of pictures while advancing efforts that will contribute to the effective use of them including multilingualization. (short term) (MEXT)

- Based on the efforts in the past, the Government will disseminate necessary information to local museums and art galleries to promote digital archiving and effective use of cultural assets, etc. in museums and art galleries throughout Japan. (short term) (MEXT)

(Field of Media Arts, etc.)

- To promote effective use of the “Media Arts Database” established in the fields of manga, animation, game, and media art, the Government will strive to enrich the content by collecting and registering new information into the database, by renovating the system, etc. while performing the appropriate maintenance, and in cooperation with private sector. (short term) (MEXT)
- The National Film Center, The Museum of Modern Art, Tokyo will continue digitization to gather and preserve movie films. (short term) (MEXT)
- To promote private sector-led archive establishment, the Government will support formation of the base for the model field such as design, etc. (short term) (MEXT)
- The Government will introduce the example of initiatives to construct database, such as exemplification of metadata items in media arts field, in the Media Arts Database Guideline (guidebook). (short term) (MEXT)

(Broadcast content field)

- To promote effective use of archives in the broadcast content field, the Government will continue its effort related to the broadcast content to be used in schools for educational purposes and in remote areas. (short term) (MIC)

<< Improvement of infrastructure conducive to effective use of archives >>

(Improvement of copyright system for building archives and promoting their use)

- With regard to the works possessed by art museums, etc., the Government will deliberate on a specific system to expand the range of target facilities permitted for duplication as well as on the use of digital data of such works for the purpose of explanation and introduction of the works, with a view to submit a bill to the next ordinary Diet session for the issues that require legal revision, and promptly take necessary measures for the issues that do not require legal revision upon reaching a conclusion within FY2015, and take necessary measures. (short term) (MEXT)
- To promote the effective use of archives by smoothing licensing procedures of the enormous quantity of past content properties including orphan works, the Government will review the compensation deposit in Compulsory Licensing System for the case

when copyright owners cannot be contacted, and on simplification of its procedures for the re-use of orphan works, with a view to submit a bill to the next ordinary Diet session for the issues that require legal revision, and will take necessary measures for the issues that does not require legal revision upon reaching a conclusion within FY2015, and take necessary measures. (short term) (MEXT)

(Manifestation of intention by copyright owner on the use of work)

- The Government will consider the problems related to the use of works after the death of copyright owners, etc. and, based on the result, consider necessary approaches, for instance, how the indication of intention should be made by the copyright owners in advance, etc. (short term and medium term) (Cabinet Secretariat, MEXT)

(Improvement of environment to build portal sites for different purposes)

- To make the building of portal site easy according to the intended use, the Relevant Ministries and Agencies Liaison Conference, etc. will consider the problems in creating open metadata on the comprehensive portal site, and will advance improvement of the environment to diffuse the function of sorting out data set from the comprehensive portal site, etc. (short term and medium term) (National Diet Library, Cabinet Secretariat, relevant ministries and agencies)

(Developing archive-related human resources)

- In order to support fostering of human resources who can lead the establishment of archives or those who can support the effective use of archives, the Government will implement initiatives including holding of a symposium for relevant persons of art galleries, museums, universities and research institutes and private-sector facilities, aiming to spread awareness of the importance of archives and archive specialists by making good use of know-how and the results acquired in establishing archives up to now. (short term and medium term) (National Diet Library, MEXT, MIC)
- In response to the revised ministerial ordinance, digital archive-related courses were newly incorporated in the training courses for librarians and curators in digital archive-related universities from FY2012, and the Government will promote further enhancement of development of human resources who have specialized knowledge and skills in digital archives. (short term and medium term) (MEXT)

(Support of local archive establishment)

- Through the efforts toward creating a public cloud, in which information owned by local governments are accumulated, the Government will support establishment of digital archive that enables collection and utilization of content such as information of original

culture of the region, etc., (short term and medium term) (MIC)

7. Promotion of International protection of intellectual property and cooperation

(1) Current situation and issues

Due to the globalization of economic activities and the development of information and communication technology, business enterprises are expanding their operations worldwide without regard to national boundaries. Under such circumstance, and in order for Japanese companies with technologies and brand power to globally and strategically expand business, it is absolutely imperative to ensure that they can protect and utilize their intellectual property rights properly and smoothly in the countries they advance to. However, in emerging countries that are expected to become even more important markets in the future, the difference of the system of intellectual property protection and the level of protection has become a big issue in doing business.

To respond to these issues, the Government has been working to improve the environment in which Japanese companies can obtain intellectual property rights in emerging countries in a similar manner as that of Japan, by conducting surveys on the procedures and examination standards, etc. through the assistance to emerging countries to improve intellectual property rights systems; promoting harmonization of examination practices by dispatching examiners to emerging countries; expanding the target countries for the examination of international patent applications by Japan Patent Office; expansion of Patent Prosecution Highway (PPH) that enables early acquisition of right in foreign countries, etc.

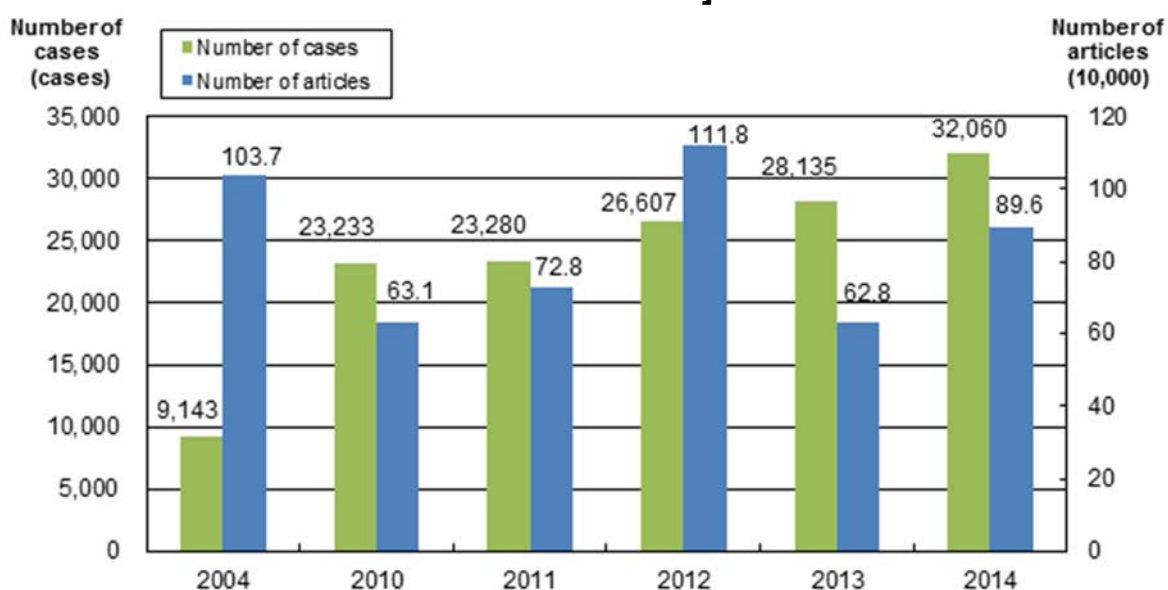
During recent years, in addition to U.S. and Europe, China, etc. is expanding its assistance to emerging countries to improve legal systems and cooperation in examinations. In the future, by keeping attention to the efforts of these countries, and by continuing active efforts to support emerging countries in improving their legal systems and to cooperate in examinations, etc., the Government should reinforce dissemination of information to obtain understanding of users in emerging countries on the Japanese intellectual property right system and its operations.

In addition, from the perspective of increasing effectiveness of the protection of the intellectual property rights, the Government has implemented government-to-government talks held by Japan-China Intellectual Property Right Working Group, etc., and, in cooperation with industrial circles, encouraged efforts of governments and agencies of foreign countries including China, etc., and implemented the measures against counterfeit products and anti-piracy measures by providing seminars to the officials of executive agencies of foreign countries, such as custom house officials.

The actual situation of damages incurred by counterfeiting and piracy has become diversified and complicated while the means to produce such products have been increasingly sophisticated year after year and, in recent years, along with the economic growth in Asia, the distribution of infringing goods are expanding not only within a region but also around the whole world by way of various countries. To prevent flooding of such counterfeiting and piracy, the Government and private sectors have been working together to take countermeasures. As a result, as far as border enforcement is concerned, for example, the number of import suspension of intellectual property infringement goods reached a record high of roughly 32,000 last year at the custom houses across the country.¹⁷

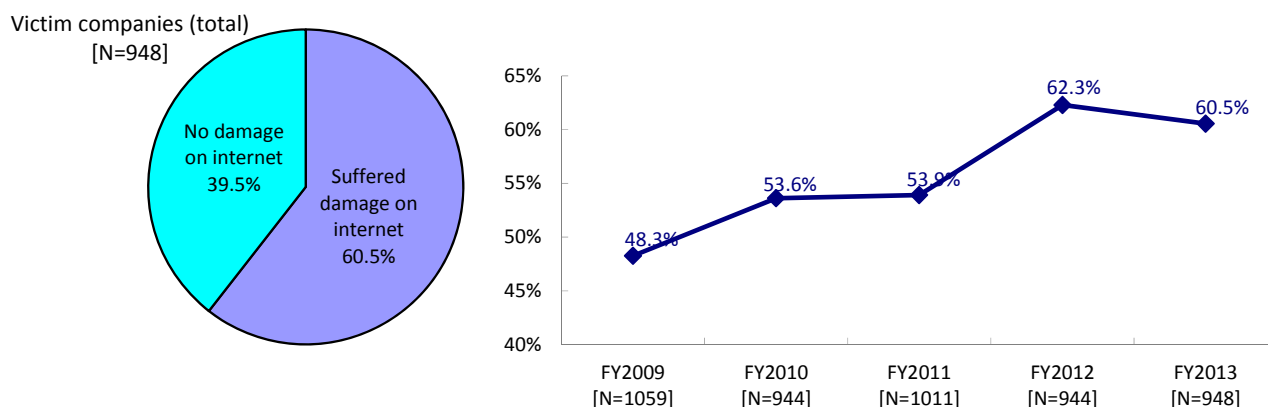
Also, in recent years, due to the global spread and expansion of the internet, the transnational infringement of intellectual property rights on the internet has become more serious, such as e-commerce transactions of counterfeiting and piracy, illegal uploading and downloading of movie films, animation, broadcast programs, music, games, etc.

[Status of import suspension of intellectual property infringement goods at the custom]



¹⁷ Source: MOF, “FY2014 Suspension of goods infringing intellectual property rights by Japan customs”

[Status of damage incurred from counterfeits on the internet]



(Note) The figures show the ratio of companies who suffered damage caused by counterfeiting either of their trademark, design, patent/utility model patent, copyrighted work, or other intellectual property rights on the internet among all companies who suffered damage from counterfeiting in FY2013 18

In order to tackle such situation through unified efforts of the public and private sectors, the “Manga-Anime Anti-Piracy Committee” and METI have been implementing “Manga-Anime Guardians (MAG) PROJECT” in unison since August 2014, in which they consistently and strategically eliminate the pirated editions on the internet on a massive scale, direct from pirated editions to genuine editions, and spread public awareness. It is important to improve the environment where enthusiastic fans in Japan and abroad can easily enjoy Japanese content while expanding the distribution of genuine version of content by continuing and enhancing these efforts. Furthermore, in the past several years, the application of misappropriated trademarks of geographical names of Japan and counterfeiting and piracy is increasing overseas including in China, taking a free ride on the highly appreciated agricultural, forestry and fishery products and foods of Japan. Therefore, it is required to enhance measures against these nociceptive behaviors, etc. by carrying out field investigations and monitoring trademark applications abroad, while differentiating genuine specialty goods of Japan based on the newly introduced the GI protection system, and to protect the intellectual property of the agricultural, forestry and fishery products and foods of Japan and improve Japan brand power.

In the future, based on the concept that the increase in the level of and harmonization of international intellectual property system are the important international infrastructure in doing global business, and in order for Japanese companies to expand their business in emerging countries in most appropriate manner, it is necessary to enhance dissemination of information related to Japanese intellectual property right system while actively and strategically continuing support to and cooperation with emerging countries, from the establishment to the enforcement of the intellectual property right such as patent

¹⁸ Source: Japan Patent Office, “FY2014 Counterfeit Damage Survey Report”

examination, detection of counterfeiting and piracy, etc.

(2) Measures to be taken in the future

Based on the present situation and those issues mentioned above, the relevant ministries and agencies will promote the following initiatives with regard to the international protection of intellectual property and cooperation.

<< Response to internationalization of the intellectual property system >>

(Spread and dissemination of Japanese intellectual property system into emerging countries)

- To support global business activities of Japanese companies, the Government will work to spread and disseminate the Japanese intellectual property system including examination practices and methods of developing human resources in the field of intellectual property, etc. through the cooperation in examinations by sending and receiving human resources in the field of intellectual property to/from emerging countries including examiners etc. and through the cooperation with other countries in examinations, etc. (short term and medium term) (METI)
- In collaboration with the World Intellectual Property Organization (WIPO), and targeting at the government employees in emerging countries in Asia, etc., the Government will hold symposiums and training programs on copyright and neighboring rights. (short term and medium term) (MEXT)

(Support for developing intellectual property judicial personnel in emerging countries, etc.)

- In order to support the improvement and operation of legal systems related to the intellectual property enforcement in emerging countries, etc., and to establish effective judicial procedures, the Government will support development of judicial personnel in the area of intellectual property in these countries by providing training courses for such judicial officials, etc. (short term and medium term) (MOJ, METI, MOFA)

(Support overseas residents to have access to patent attorneys in emerging countries, etc.)

- In order to promote global business activities, the Government will, in cooperation with relevant organizations, improve the system to support Japanese businesses abroad in terms of intellectual property by assisting overseas residents by having access to Japanese patent attorneys by dispatching patent attorneys to foreign countries including emerging countries, etc. (short term) (METI)

<< Strengthening the protection of intellectual property through international frameworks >>

(Protection of intellectual property and strengthening of its enforcement by utilizing trade-related agreements)

- Through bilateral and multilateral agreements, including Free Trade Agreements (FTAs) and Economic Partnership Agreement (EPAs), the Government of Japan will proactively discuss strengthening protection of intellectual property and countermeasures against counterfeiting and piracy, and strive for the preparation and improvement of the intellectual property system and ensuring effective law enforcement. In particular, with regard to the TPP Agreement, the Government of Japan will pursue the best outcome for the sake of our national interests, taking into consideration opinions and comments of related persons, including those from industry. (short term and medium term) (Cabinet Secretariat, MOFA, MOF, METI, MEXT, MAFF)
- The Government of Japan will continue to encourage relevant countries to ratify the Anti-Counterfeiting Trade Agreement (ACTA), for the early enactment of the ACTA. (short term and medium term) (MOFA, METI, MEXT, MAFF, MIC, MOJ, MOF)

<< Enhancing countermeasures against counterfeiting and piracy >>

(Expansion of the circulation of genuine content and countermeasures against piracy)

- In parallel with measures in cooperation with regulatory bodies of various countries, the “Council for Countermeasures for the Manga and Anime Pirated Goods” and METI will take unified measures including the prompt request for the removal of extremely infringed content that is illegally uploaded to overseas websites, management and improvement of websites that encourage users to use genuine content, and promotional activities to users at home and abroad. (short term and medium term) (METI)

(Countermeasures against infringement of intellectual property through the Internet)

- In order to prevent the occurrence and expansion of damage to consumers from counterfeiting and piracy, the Government of Japan will raise users’ awareness, send a request for the deterrence of displaying illegal websites in search engines, send a request for the deterrence of publishing advertisement on websites in which counterfeiting and piracy are sold, take countermeasures against online payment in cooperation with banks, etc., and raise users’ awareness by using security software. (short term and medium term) (METI, Consumer Affairs Agency [CAA])
- As countermeasures against counterfeiting and piracy in auctions and e-commerce using the Internet, the Government of Japan will facilitate the efforts of the private sector such as eliminating these goods through voluntary action with cooperation between Internet service providers (ISPs) and rights holders. (short term and medium term) (Cabinet Secretariat, METI, MIC, MEXT, NPA, MOF, MAFF, CAA)
- The Government of Japan will consider countermeasures against websites and actions which provide the opportunity for counterfeiting and piracy in Japan through the Internet, including servers located overseas. (short term and medium term) (Cabinet

Secretariat, related ministries and agencies)

(Appeal to overseas governments and enforcement authorities and support for Japanese companies, etc.)

- The Government of Japan will encourage overseas governments of countries where infringements occur to enhance countermeasures against counterfeiting and piracy through intergovernmental consultations and joint efforts by the public and private sectors. (short term and medium term) (METI, MEXT, MOF, MOFA, MAFF)
- In order to support strengthening overseas enforcement systems, the Government of Japan will enhance its relationship with overseas governments by holding seminars on the judgment of authenticity for personnel of regulatory bodies in countries where infringements occur, developing human resources through various training programs, and exchanging opinions with related organizations by inviting them to Japan, etc. (MOF, METI, MEXT, MOJ)
- In order to further protect copyrights and prevent the circulation of illegal content in countries where infringements occur, the Government of Japan will support human resource development for the implementation of copyright system by local collective management organizations and government authorities, as well as promote awareness rising activities of copyrights by the government of countries where infringements occur. (short term and medium term) (MEXT)
- In order to promote the protection of the intellectual property rights of Japanese companies in countries where infringements occur, the Government of Japan will provide support to Japanese companies' countermeasures against counterfeiting and piracy by conducting surveys on actual damages and the intellectual property system in such countries and providing publicly results thereof. (short term and medium term) (METI, MEXT, MOFA)

(Strengthening countermeasures against infringements of intellectual property in agricultural, forestry and fishery products and foods)

- As countermeasures against counterfeits of Japanese agricultural and fishery products and foods in overseas countries, the Government of Japan will take countermeasures against infringements of intellectual property through on-site inspection, monitoring of trademark application, etc. regarding overseas counterfeits. It will also try to strengthen branding through differentiating agricultural, forestry and fishery products and foods that are registered based on the GI protection system as Japan's genuine specialties using the GI mark. (short term and medium term) (MAFF)

(Countermeasures against domestic infringements and steady implementation of educational activities)

- In order to intensify cracking down on illegal counterfeiting and piracy domestically and suspend the importation of goods that violate intellectual property rights, which are diminishing in quantity and becoming more dispersed, the Government of Japan will crack down on them further enhancing our affiliation with rights holders. (short term and medium term) (NPA, MOF)
- Based on the requirement under agreements, etc., central governmental agencies, incorporated administrative agencies and special public corporations will surely acquire, manage, or use software in a manner authorized by the relevant license. Also, such principle will be well informed in the above entities. (MOFA, related ministries and agencies)
- In order to increase people's knowledge on counterfeiting and piracy as well as awareness of not purchasing them easily, the government ministries and agencies and related organizations will make unified efforts to promote educational activities. (short term and medium term) (MOF, NPA, METI, MEXT, MAFF, CAA)

8. Strategic development and utilization of human resources for intellectual property

(1) Current situation and issues

One thing supporting the intellectual property system is human resources. Not only the government but also private sectors have previously taken various measures for the development of human resources for intellectual property, such as the “Comprehensive Strategy for the Development of Human Resources for Intellectual Property” (January 2006) which aimed at improving the quality and quantity of human resources for intellectual property, and the “Plan for the Development of Human Resources for Intellectual Property” (January 2012) which is mutually complementary with the strategy and aimed at the development of human resources in management for intellectual property.

However, the development of human resources that can consider intellectual property strategy and human resources strategy in an integrated manner and carry out comprehensive management for intellectual property still continues to remain a great issue.

In particular, not so many local small and medium-sized enterprises (SMEs) are able to develop their business in an effective manner using their own intellectual property (technology, brand, etc.). Human resources who can provide advice to these SMEs from the viewpoint of both intellectual property and business are also insufficient. Moreover, some people point out that agricultural production sites in Japan are vulnerable to the protection of intellectual property and unconcerned with its use.

SMEs and companies involved in agriculture require efforts to raise awareness of developing and recognizing their intellectual property and utilize it in business, as well as developing human resources who can utilize intellectual property in businesses by strategically facilitating the rights, standards and privilege for intellectual property.

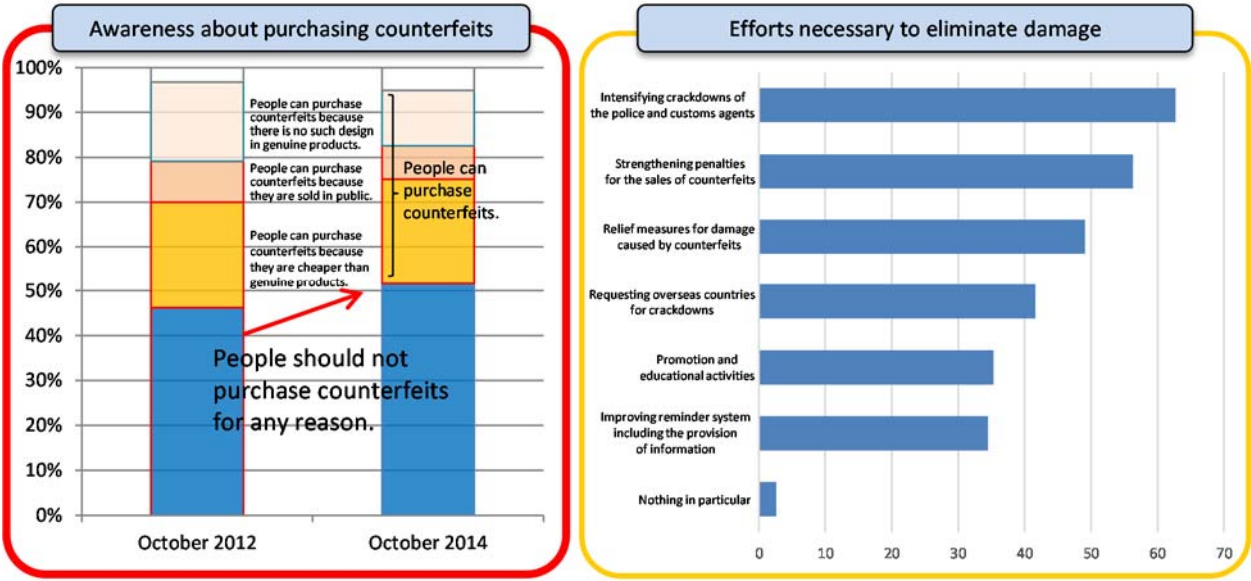
There is an urgent need for overseas development in the content industry, and the development of internationally-oriented human resources (content producers) who are responsible for content production with a view to overseas markets and partnerships and negotiations with overseas media, etc. In order to produce content with overseas markets in mind, the roles that human resources with a detailed knowledge of both Japanese content and overseas culture play are becoming more important. It is necessary to proactively develop and use international human resources including students studying in Japan and overseas fans of Japanese content. Besides, it is an important challenge to develop a content production environment in Japan, where new content for overseas markets can be produced after another.

In order to promote the effective use of archives, from the viewpoint of overcoming the

shortage of experts, it is important to develop archive experts through systematic human resources development in educational institutions and training for in-service human resources such as librarians and curators.

Broadening the base for general human resources is important for the effective development of afore-mentioned human resources. It is also necessary to educate people and promote their understanding of intellectual property.

According to data on people’s awareness of intellectual property, the government has previously conducted a total of five surveys on people’s awareness of intellectual property. In the latest survey¹⁹ conducted in November last year, 51.9% of people answered that they “think people shouldn’t purchase counterfeits for any reason,” exceeding the majority since the start of the survey. In order to maintain and increase people’s awareness of purchasing counterfeiting and piracy, it is important to take measures such as continuous implementation of a campaign against counterfeiting and piracy and effective PR through strengthened cooperation between related ministries and agencies and corporations.



In order to broaden the base for human resources for intellectual property, efforts in various stages of education are important. The effective improvement in quantity and quality of human resources for intellectual property can be achieved by combining efforts of increasing knowledge on intellectual property of future human resources for intellectual property by promoting education on intellectual property from elementary school to university and efforts for the improvement of expertise in human resources for intellectual

¹⁹ Source developed based on the “Survey on Intellectual Property (surveyed in October 2014),” Cabinet Office

property.

The target year of the “Comprehensive Strategy for the Development of Human Resources for Intellectual Property” was set in the previous fiscal year. Bearing in mind that the year has passed, it is necessary to examine efforts made by various entities in the last 10 years in a cross-sectional manner and consider the development of human resources for intellectual property required in each field in the future.

(2) Measures to be taken in the future

Based on the above-mentioned current situation and issues, the following approaches will be promoted by the related ministries and agencies concerning the development and utilization of human resources for intellectual property and the strengthening of public awareness and education of intellectual property, in order to facilitate the strategic use of intellectual property and overseas development of the content industry.

<< Development of human resources who can strategically utilize intellectual property >>

(Developing human resources enabling support for the establishment of comprehensive intellectual property strategies)

- On putting in perspective stages from the consideration of business models to exercising rights (such as handling lawsuits), by preparing a place to comprehensively provide knowledge regarding intellectual property management strategy aligned with business strategies based on legal knowledge about intellectual property and overseas information, the Government of Japan will continue to strengthen and carry out the development of human resources who can support the establishment of comprehensive intellectual property management at SMEs and venture companies, which takes patents, designs, trademarks, and know-how into account. (short term and medium term) (METI)

(Raising awareness of intellectual property among SMEs and people involved in SME support)

- In order to expand the base for intellectual property by raising awareness among the management of SMEs who have little awareness of intellectual property and people involved in the support of these SMEs, the Government of Japan will expand explanatory seminars and training programs on strategies including the acquisition of rights, standardization and preserving secrets of intellectual property for the management of SMEs and people involved in SME support. (short term and medium term) (METI) [shown again]

- In order to raise awareness of intellectual property depending on the needs of SMEs themselves and people involved in SME support, the Government of Japan will develop necessary textbooks and learning materials as well as encouraging SMEs and people involved in SME support to effectively use these materials. (short term and medium term) (METI) [shown again]

(Raising awareness of intellectual property management among people involved in agriculture)

- The Government of Japan will raise awareness of the protection and utilization of intellectual property among people involved in agriculture so that they can establish a business model using intellectual property and carry out strategic intellectual property management that supports the business model. The government will also formulate and disseminate guidelines specifying computerized know-hows of experienced farmers as intellectual property. (short term and medium term) (MAFF) [shown again]

(Training patent attorneys to support the strategic use of intellectual property)

- In order to strengthen the training of patent attorneys who can support SMEs and venture companies so that they can build intellectual property strategies from the perspectives of intellectual property and business, the Government of Japan will encourage further improvement of the training of patent attorneys about the protection and use of intellectual property including standardization of open and closed strategies and preservation of trade secrets. (short term) (METI) [shown again]

(Development of human resources taking the lead in international negotiations for standardization)

- The Government of Japan will consider expanding the training system for young human resources for standardization in order to develop human resources who can take on the roles of international secretaries and chairpersons in international conferences of technical committees in international organizations for standardization (ISO/IEC) and have global-level negotiation and management abilities as well as the execution ability of duties for international standardization. The government will also implement human resources programs for personnel in managerial and sales positions to develop human resources who can utilize standardization as a business tool in a strategic manner and promote the introduction of standardization classes in universities. (short term and medium term) (METI) [shown again]

<< Development and utilization of international human resources in the content industry >>

(Development and utilization of international human resources in the content industry)

- The Government of Japan will provide opportunities to study abroad and participate in internship programs in overseas educational institutions (film school), and support the development of international-level producers who can take the lead in co-productions. (short term and medium term) (METI) [shown again]
- The Government of Japan will continue to provide performers and artists with opportunities to take overseas training in order to develop international-level human resources. (short term and medium term) (MEXT) [shown again]
- The Government of Japan will develop a human resources development platform that supports the local development of Japanese content in overseas countries through programs invested in by Cool Japan Fund. (short term and medium term) (METI) [shown again]
- The Government of Japan will implement marketing and promotion programs (overseas student ambassador program) with increased number of people and promotions in cooperation with overseas fans of Japanese content including overseas students, in order to accelerate the release of Japanese content through SNS, etc. (short term and medium term) (METI) [shown again]

<< Development of human resources who will become the foundation for the content industry >>

(Development of archive-related human resources)

- In order to support the development of human resources who lead the establishment of archives and support the use of archives using know-hows and achievements that have been acquired through the establishment of existing archives, the Government of Japan will conduct activities including the holding of symposiums to spread awareness of the necessity of archives and the importance of archive human resources for museums, universities and research institutions, and people involved in private facilities. (short term and medium term) (NDL, MEXT, MIC) [shown again]
- In response to the revised ministerial ordinance, digital archive-related courses were newly incorporated in the training courses for librarians and curators in digital archive-related universities from FY2012, and the Government will promote further enhancement of development of human resources that have specialized knowledge and skills in digital archives. (short term and medium term) (MEXT) [shown again]

(Nurturing young creators and provision of opportunities to publish their work)

- In order to nurture young creators in the animation field, the Government of Japan will support their development using OJT programs through the production of original

animation works by production staff including young animators and continue to provide opportunities to publish their work. (short term and medium term) (MEXT)

- In order to develop creators in the field of media arts such as manga, animation, games, etc., the Government of Japan will reward excellent works in the Festival of Media Arts and provide support for the exhibition of award-winning works in overseas festivals of media arts. (short term and medium term) (MEXT)
- In order to develop core expert human resources in developing fields such as animation, manga, games and CG, the Government of Japan will promote human resources development that responds to the needs of companies and industry by developing short term programs through trials based on the standard model curriculum developed with cooperation among professional training colleges, universities and industry, etc. (short term and medium term) (MEXT)

(Improving an environment for content production and trade normalization)

- In order to establish an environment in which reasonable benefits produced by business activities are returned to content production sites, and in order to normalize trade, the Government of Japan will strictly enforce the Anti-Monopoly Act and the Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors. We will also promote public awareness of the guidelines for the normalization of trade in content production concerning the production work engaged in by creators, considering the importance of improving the content production environment and with the aim of normalizing trade. (short term and medium term) (Fair Trade Commission, MIC, METI)

<< Promotion of education and educational activities for intellectual property >>

(Promotion of intellectual property education in universities, etc.)

- The Government of Japan will promote voluntary efforts towards the establishment of subjects on intellectual property in departments and faculties of universities that develop future human resources for intellectual property including department of science, faculty of engineering, faculty of law, department of economics and department of arts, referring to the examples of efforts in universities that make subjects on intellectual property compulsory. (short term and medium term) (MEXT, METI)

(Promotion of intellectual property education)

- In order to increase young people's awareness and knowledge on intellectual property and broaden the base of human resources for intellectual property, the Government of Japan will promote intellectual property education in elementary schools, junior high schools and high schools. (short term and medium term) (MEXT)

(Steady promotion of educational activities for people)

- The government ministries and agencies and related organizations will put unified efforts towards the promotion of educational activities in order to educate people on counterfeiting and piracy and raise awareness of considering carefully before purchasing them. (short term and medium term) (MOF, NPA, METI, MEXT, MAFF, CAA) [shown again]

<< Cross-sectional verification and consideration of human resources
development for intellectual property >>

(Review of development strategies of human resources for intellectual property)

- The Government of Japan will verify efforts for human resources development for intellectual property made by various bodies in the “Comprehensive Strategy for the Development of Human Resources for Intellectual Property” in a cross-sectional manner and consider how future desired human resources for intellectual property and their development should be continued. (short term and medium term) (Cabinet Secretariat, related ministries and agencies)