# **Strengthening of Industrial Competitiveness and Promotion of Intellectual Property Policy**



# 1 Intellectual Property Policy Outline

# 1. Background

With the aim of developing a national IP strategy as soon as possible and strengthening the international competitiveness of Japanese industry and the revitalization of the Japanese economy, the Strategic Council on Intellectual Property was established in February 2002. The Council is composed of related ministers and experts and is hosted by the Prime Minister. The Chairman of the Council is Mr. Hiroyuki Abe, the President of Tohoku University. Having carried out active discussion for about three months since the first meeting on March 20, the Council adopted the IP Policy Outline at the fifth meeting held on July 3. The IP Policy Outline will be the basis for the government to implement a national IP policy, with the national goal of making Japan a nation built on intellectual property.

# 2. Summary of the IP Policy Outline

The IP Policy Outline set the national goal of making Japan a nation that achieves sustainable development of its economy, society and culture by becoming a nation built on intellectual property - in other words, by creating, protecting, and applying intellectual property, which will be a source of national wealth. It also presents a Specific Action Plan for the period until FY 2005. In accordance with the plan, the GOJ as a whole will work on a comprehensive policy for encouraging IP creation, strengthening IP protection, promoting IP utilization, and expanding the human resource base in a focused and planned manner. The IP Policy Outline further recommends passage of the Intellectual Property Basic Law the basis of implementation of the IP Policy Outline, by the 2003 ordinary, Diet session. The Intellectual Property Basic Law provides for (i) making the activation of an intellectual creation cycle a national goal, (ii) establishing the Intellectual Property Headquarters which will lead the reform in a cross-ministry manner, and (iii) preparing the Intellectual Property Policy Plan. (http://www.kantei.go.jp/foreign/policy/titeki/02073taikou-e.html)

#### ■Key Points of the "IP Policy Outline"

## Realize a nation that is built on the platform of IP

Realizing "a nation that is built on the platform of IP" means establishing a nation where intellectual property is used to create high-value added products and services with the aim of revitalizing the economy and society.



#### **Present situation and issues**

- Concern over the decline in the international competitiveness of Japanese industry
- Necessity for establishing an intellectual creation cycle

## Strategy to achieve the goal

A comprehensive policy on IP is necessary.

- (1) Creation Strategy
- (2) Protection Strategy
- (3) Exploitation Strategy
- (4) Development of Human Resources



#### ■Basic Direction to realize Japan as a Nation built on IP

The GOJ as a whole will complete a comprehensive policy by 2005 in a focused and planned manner.

Establish the Intellectual Property Basic Law by the 2003 ordinary Diet session at the latest.

#### The Law will provide for:

- Setting a national goal (basic policy) of activating an Intellectual creation cycle
- Establishing the Intellectual Property Headquarters
- Preparing the Intellectual Property policy Plan



#### **Specific Action Plan**

#### 1. Promotion of Intellectual Property Creation

- Creation of intellectual Property at universities and private companies
- Enhancement of education and research personnel development for the purpose of encouraging creativity

#### 2. Strengthening of the Protection of Intellectual Property

- Prompt and precise examination and appeal/trial of patent applications
- Establishment of a Patent Court function
- Reinforcement of measures against counterfeits and pirated copies
- Promotion of cooperation and international harmonization of the Intellectual Property system
- Reinforcement of trade secret protection
- Protection of Intellectual Property in new areas

#### 3. Promotion of Intellectual Property Exploitation

- Promotion of technology transfer from universities, etc.
- Evaluation and application of Intellectual Property

#### 4. Development of Human Resources

- Fostering of experts
- Improvement of public awareness of Intellectual Property

(Note) Amendments may be made to the Plan

#### ■Priority Measures to Make Japan a Nation built on IP

#### Strengthening of Efforts to realize a Global Patent System

- Sharing of results of patent search and examination between Japan and the United States (Start discussion by the end of FY 2002)
- Development of a program to ensure prompt and precise patent examination (by the end of FY 2002)

#### Establishment of a Patent court function

Granting to the Tokyo and Osaka District Courts exclusive jurisdiction over lawsuits related to intellectual property rights including patent rights (Bill to be submitted to the 2003 ordinary Diet session)

#### Reinforcement of Measures against Counterfeits and Pirated Copies

- Improvement of border measures against infringement of intellectual property rights (amend legal systems and the operation thereof by FY 2004)
- Strengthening of approaches through bilateral and multilateral negotiations (implement in or after FY 2002)

#### Reinforcement of Protection of Trade Secrets

■ Reinforcement of protection in both civil and criminal cases (Bill to be submitted to the 2003 ordinary Diet session)

# Strengthening of Creation of Intellectual Property and Management thereof at Universities

- Establishment of a system for strategic creation of intellectual property in cooperation with private companies, etc. (Establish by FY 2003)
- Establish Intellectual Property Headquarters in dozens of Universities throughout Japan (Start by FY 2003)

# Fostering of IP Experts

■ Strengthening of education at law schools in the field of intellectual property



# Task Force on Industrial Competitiveness and Intellectual Property Rights Policy

# 1. Background

In the context of concern over the decline in the competitiveness of Japanese industry and in light of trends in technological development, IT policy and judicial reforms in Japan, the Task Force on Industrial Competitiveness and Intellectual Property Rights Policy was established on October 19, 2001 with the objective of discussing desirable IP policy to strengthen Japanese industrial competitiveness. This Task Force, a private consultative group for the Director-General of the Economic and Industrial Policy Bureau of the Ministry of Economy, Trade and Industry and the Commissioner of the Japan Patent Office, consists of people from industrial circles and universities as well as IP experts. The Chairman of the Task Force is Mr. Hiroyuki Abe, the President of Tohoku University. The Task Force held six meetings in total, in which members discussed various issues vigorously and intensively, and adopted the final report on June 5, 2002. The recommendations in the report were included in the IP Policy Outline, contributing to the development of a national strategy on intellectual property.

# 2. Recommendations in the Report

Integrated Intellectual Property Strategies to Reinforce Industrial Competitiveness

#### **Present Situation**

- Patents obtained by universities and technologies transferred to businesses are both small in number.
- Intellectual property is not strategically obtained, managed or utilized to a sufficient degree.
- More trade secrets are being leaked.
- Damage by counterfeits is increasing in seriousreas.
- Technology is unintentionally draining overseas.

#### **Target**

 Take measures by FY 2005 to become one of the world's principal intellectual property-based countries.

### **Four Strategies**

#### Strategy 1

#### Establish a Human Resource Base for the Age of Intellectual Creation

Develop providers of intellectual property services such as researchers engaged in intellectually creative activities

- Raise public awareness of intellectual property
- Develop specialists
- Review the employee invention system
- Utilize former technical experts of large companies in small and medium-sized companies

# Strategy 3

#### Actively Utilize Intellectual Property in Corporate Management

Develop an environment for implementation of IP-based business strategy

- Establish strategic measures for intellectual property
- Strengthen protection of trade secrets
- Promote information disclosure
- Ensure prompt and precise examination
- Reform the trial system
- Improve the procedures for collecting evidence
- Protect license contracts
- Securitize intellectual property and establish a trust system

# **Strategy 2**

Create and Accumulate Intellectual Property at Universities and Research Institutes
Accelerate creation of intellectual property in advanced technology
fields

- Thoroughly enforce the Japanese version of the Bayh-Dole Act
- Attribute inventions to the organizations that made them
- Increase allowances for application fees
- Clarify the examination standards
- Provide patent information in a timely manner

# **Strategy 4**

#### Strengthen Protection of Intellectual Property Overseas

Protect Japanese intellectual property strongly overseas as well

- Strengthen approaches to the countries that infringe rights
- Strengthen border measures