

Carbon Neutrality and Patents

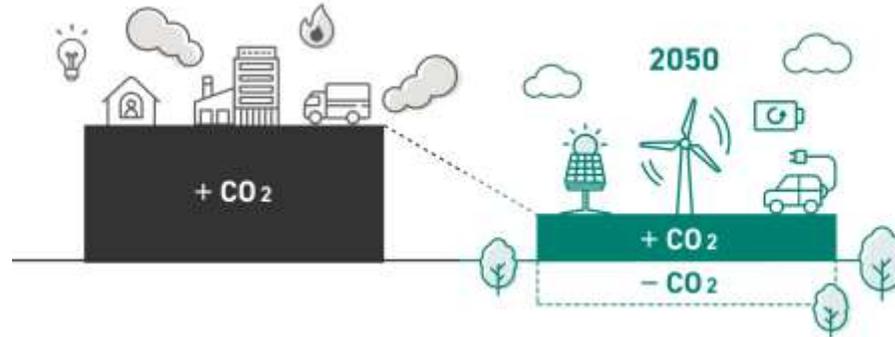
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*The views and opinions expressed in this presentation are those of the author. They do not represent the entities he belongs to or is related to.

Relationship between Carbon Neutrality and SDGs

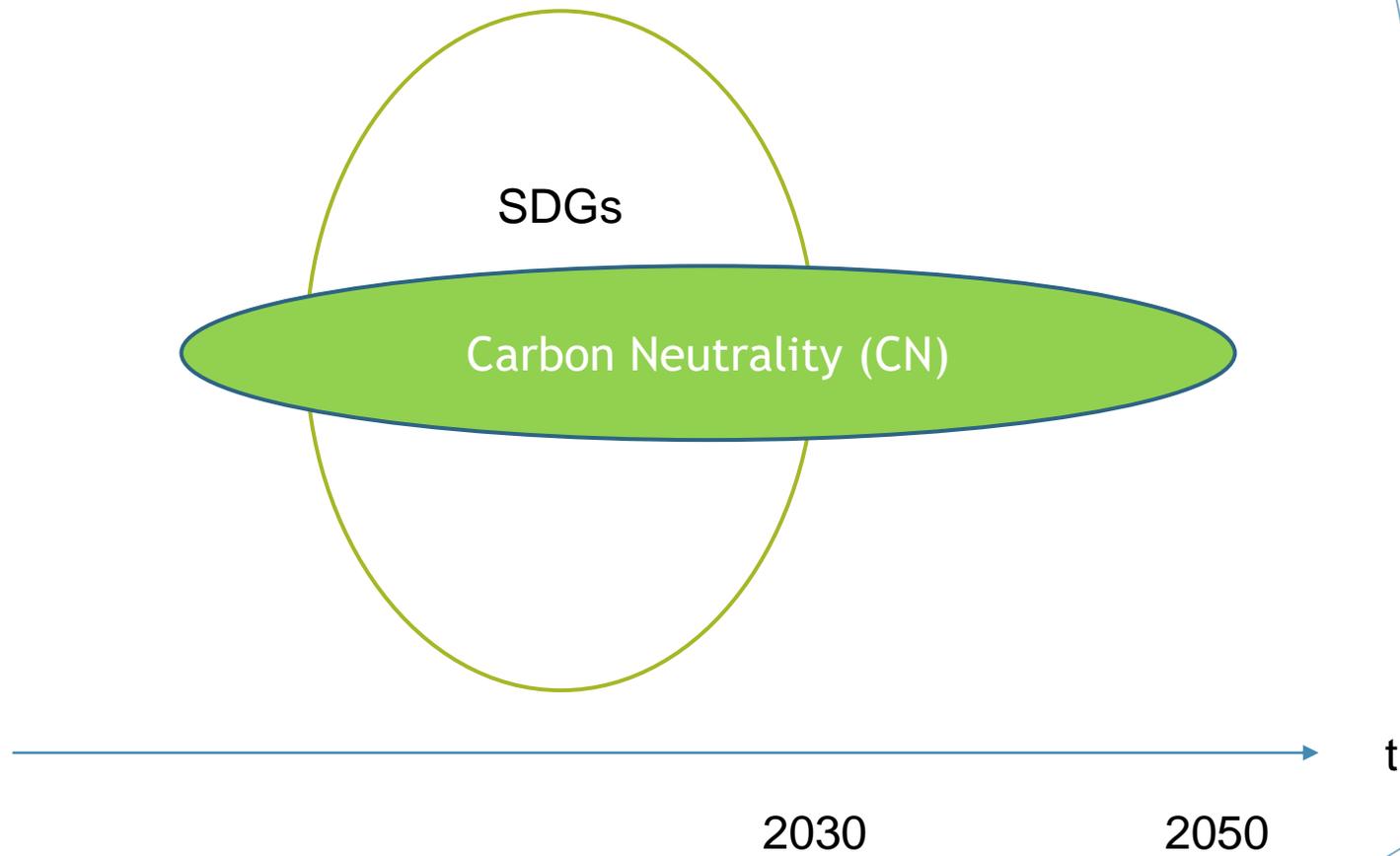
Carbon Neutrality



SDGs



SDGs and Carbon neutrality overlap each other.



Public image of SDGs (or CN) and patents

- ▶ SDGs (or CN) ≐ Goal of "Public Interest"
- ▶ Patents ≐ Right to protect
"private interests" (exclusivity)

SDGs **vs** Patents ?

Conflict/Confrontation ?

Challenges to achieving SDGs (or CN)

It's not enough to simply extend what we do now

→ “**Innovation**” is essential !

e.g. Cost-reduction technology for renewable energy ,
Green hydrogen technology,
CCS (carbon dioxide capture and storage) technology, etc.

Nikkei Newspaper, "Economic Classroom,"
May 4, 2018 (morning edition)

UN's development goals and IP Visualizing related technologies through patents

To incentivize technological innovation

【Key Points】

- Two aspects of IP: exclusive rights and technical information
- Patents allow companies to make huge investments
- Lead the world by linking SDGs and patents

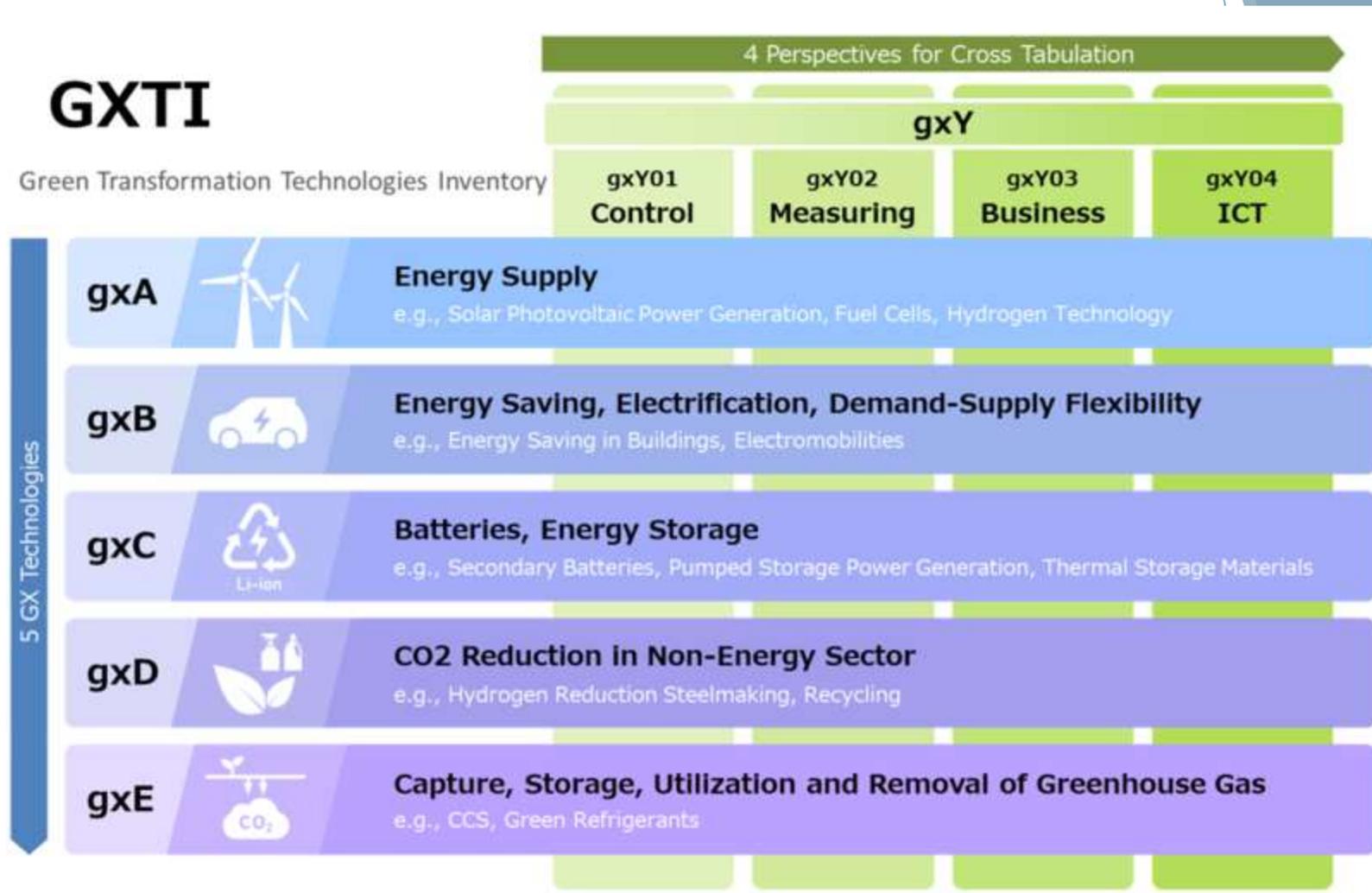
GPIF, one the world's largest institutional investors, starts to utilize patent information

“Environmental regulations will raise Japanese stocks, GPIF estimates, boosted by potential value of patents”
(Nikkei Newspaper, October 22, 2020)

The President **emphasized the significance of patent data analysis.**

“Analysis of Climate Change-Related Risks and Opportunities in the GPIF Portfolio” (Supplementary Guide to GPIF ESG Report 2019) stated on page 54 that **they assessed the quality of patents and utilized this assessment as a proxy indicator of a company's innovative capacity.**

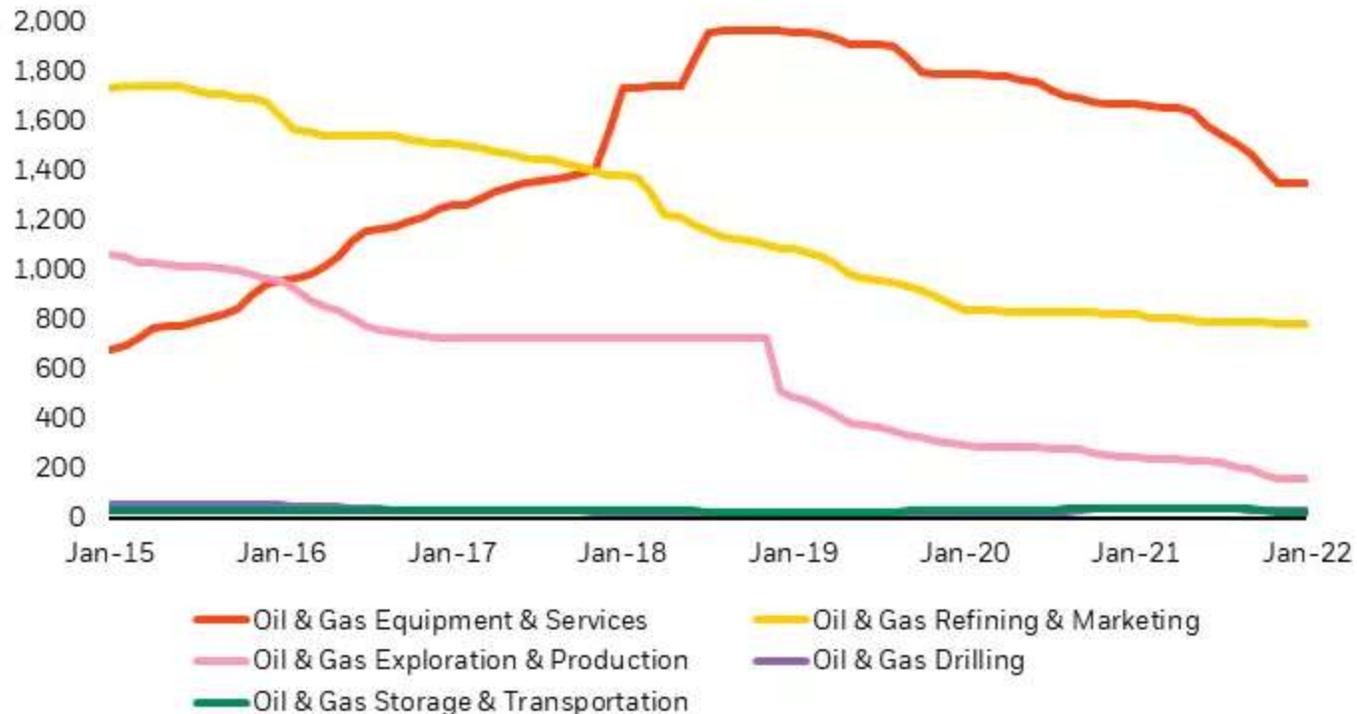
GXTI (Green Transformation Technologies Inventory)



Patent analysis by BlackRock, the world's largest asset manager

Green patent filings across the energy sector

Rolling 12-month median of aggregate monthly green patent filings by sub-industry



(source: <https://www.blackrock.com/us/individual/insights/energy-transition-investing>)

Summary

- Patent system is extremely important for promoting innovation to achieve carbon neutrality.
- Patent information is useful in that it can objectively and neutrally indicate what players are working on what innovations to what extent.
- These days institutional investors are paying more attention to patent information. This is considered to be a good trend, since the inflow of funds into carbon-neutral innovations will increase the likelihood of achieving carbon neutrality.
- In line with the trend among institutional investors, who are beginning to utilize patent information, companies should promote "visualization" of their own innovations through patent information.

Thank you for your attention.

I would be happy if you find my presentation useful!