2. Policy for promotion of Innovation
Objective:
- Growth model under a declining population
- Vigorous circle of innovation and demand

- Strengthening of global competitiveness
  - **Innovation Superhighway**
    - Facilitation of two way or interactive knowledge flow connecting science – technology - business/management
    - Interdisciplinary technology fusion/coordination
    - Bringing research results to market
    - Contribution to Asian growth
    - Strategic international energy/resource policy

- Productivity improvement through ICT, innovation in service sector
- Stimulation of regional economies
- Cross-sector innovation
  (Human resource, Capital (production means), Money, Skills (promoting cross-sector integration and collaboration through innovative R&D) , Knowledge (management capability))
GOJ encourages to make the linkage between science, technology and business stronger and thicker than now, under the concept of “Innovation Super High-way.”

〈5 main concepts〉

- Two way flow of knowledge, human resources and so on with a wide viewpoint between science, technology and business

- Utilization of the output of R&D in the market

- Inter-disciplinary fusion of knowledge and wisdom

- Smooth and accelerated flow through proper institutional arrangement

- Self-disciplined participants
Promoting knowledge fusion among diversified areas and vertical/horizontal collaboration (e.g. support for medical-engineering collaboration and intercourse between various researchers and managers)

① Encouraging two way flow of knowledge combining S-T-B (e.g. matching fund for academy-industry or industry-industry collaboration, more flexible system)

② Promoting knowledge fusion among diversified areas and vertical/horizontal collaboration (e.g. support for medical-engineering collaboration and intercourse between various researchers and managers)

③ Bringing the results to the market (e.g.: more support to development for practical use, standardization)

Wide view from market to research = research strategy to put much on the link between business and scientific seeds

New industry
Industrial base
Advanced ICT
Society
Environment/energy friendly
Health/Welfare
Security/Safety

Basic/fundamental research with some image on the possible application in the future

College/public research institutes

Company

Research division
Business division

Intellectual base

Life science
ICT
Environment
Energy
Nano-tech
Materials
Manufacturing y
Social infrastructure

Science Technology Business/Management
In the global economy, innovation has received more attention as a driver to enlarge the economic frontier, as a key to provide a solution for global challenges every country faces. OECD has also been more interested in innovation as is shown in the attempt to construct 'innovation strategy.'

As Dr. Schumpeter mentioned almost one century ago, one of the element of innovation is the 'fusion of knowledge'. Therefore, to create a place or an environment, which we named 'intellectual cafe', where such a fusion easily occurs is more important than ever. At the same time, to utilize intellectual cafe' contributes well to improving intellectual assets based management for value creation.

Based on these understanding, this symposium aims to recognize present efforts related to 'intellectual cafe' in industries, academics, regions and so on or for specific topics, to analyze and extract lessons from them, and to discuss how to promote intellectual cafe' activities for inducing innovation.

This symposium will be one of the events held in 'Intellectual Assets week 2007' in Japan.

### Symposium Overview

<table>
<thead>
<tr>
<th>Date</th>
<th>8th ~ 9th November, 2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Place</td>
<td>Nippon Keidanren, Tokyo, JAPAN</td>
</tr>
</tbody>
</table>

### Contact Point

 Industrial Science and Technology Policy and Environment Bureau  
 Ministry of Economy, Trade and Industry  
 1-3-1 Kasumigaseki, Chiyoda-ku, Tokyo 100-8901 Japan  
 Fax: +81-3-3501-7909  
 E-mail: i-cafe@meti.go.jp
### Eco-innovation Area Map

**Tentative Proposal by METI, Japan**

<table>
<thead>
<tr>
<th>Field</th>
<th>Industry</th>
<th>Social Infrastructure</th>
<th>Personal Life Style</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Technology</strong></td>
<td>• Sustainable manufacturing</td>
<td>• Innovative R&amp;D (Building Energy Management System)</td>
<td>• Innovative R&amp;D (Intelligent Transport Systems)</td>
</tr>
<tr>
<td></td>
<td>• Innovative R&amp;D (energy saving etc.)</td>
<td>• Innovative R&amp;D (renewable energy, battery)</td>
<td>• Green automobile</td>
</tr>
<tr>
<td></td>
<td>• Green procurement (including BtoB)</td>
<td>• Innovative R&amp;D (superconducting transmission)</td>
<td>• Maglev</td>
</tr>
<tr>
<td></td>
<td>• Green servicing</td>
<td>• Energy services</td>
<td>• Heat pump</td>
</tr>
<tr>
<td></td>
<td>• EMA</td>
<td>• Environmental Rating/green finance</td>
<td></td>
</tr>
<tr>
<td><strong>Business Model</strong></td>
<td>• Environmental Labeling System</td>
<td>• Green certification</td>
<td>• Green procurement</td>
</tr>
<tr>
<td></td>
<td>• Starmark</td>
<td>• Modal shift</td>
<td>• Cool biz</td>
</tr>
<tr>
<td></td>
<td>• Green investment</td>
<td></td>
<td>• Green finance</td>
</tr>
<tr>
<td><strong>Societal System (Institution)</strong></td>
<td>• Top–Runner program</td>
<td>• Automobile Green</td>
<td>• Telework, telecommuting</td>
</tr>
<tr>
<td></td>
<td>• PRS Act (Renewables Portfolio Standard)</td>
<td></td>
<td>• Work-life balance</td>
</tr>
<tr>
<td></td>
<td>• Next-Generation Vehicle and Fuel Initiative (METI)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

23
Eco-innovation and innovative technologies development program

With pursuing eco-innovation based upon Japan’s strength to develop environmentally friendly and energy-saving technologies, and the creation of knowledge which is key to make breakthroughs in responding to climate change, a sustainable socioeconomic system in which sustainability and economic growth are compatible will be realized.

Category 1: Eco-innovation challenging field

The following two elements must be included in the proposal:
1. To consider the user-side and to realize latent needs of user-side essentially.
2. To consider Japan’s strengths in high technology in the field of the environment and energy and the full line of advanced manufacturing technologies.

Category 2: Innovative technologies development to tackle climate change

Any of the following three types of technologies must be focused on:
1. Technologies that would simultaneously achieve economic growth and GHG emission reduction.
2. Technologies that would achieve drastically achieve a reduction of GHG emission by the year 2050.
3. Technologies that would reduce global GHG totally.
Expansion of R&D tax system in 2008 FY

The expansion of "R&D promotion tax system" that deducts a part of experiment and research expenses from the amount of the corporation tax in 2008 FY is aimed at to promote vigor and strengthening of competitiveness for the acceleration of the innovation.

Before

The main body part (total type) and the addition part (increase type) are added up, and it deducts it from the amount of the corporation tax.

However, in total 20% of the amount of the corporation tax is an upper bound.

After (2008FY～)

The main body part (total type) and the addition part (increase type or high-level type) are added up, and it deducts it from the amount of the corporation tax.

However, 20% and 10% of the amount of the corporation tax are upper bounds respectively.

Note 1 (Sales R&D expense ratio -10%) x 0.2

Note 2 8% + Sales R&D expense ratio x 0.2, max 10%
Outline of
Act on Special Measures for Industrial Revitalization
“revised 2007”

August 2007
METI
Outline of Revised “Act on Special Measures for Industrial Revitalization”

Problem of Japanese Economy

- Population decrease, Intensification of global competition
- Difference of economic recovery in region and small and medium-sized enterprise

Directionality of revision

- Improvement of productivity of my entire country like service industry etc.
- Making of business reproduction at early stage in region smooth

Revision

Productivity improvement of industry by innovation【Act on Special Measures for Industrial Revitalization】

I. Support of entrepreneur's match for growth

1. Improvement of productivity of service industry e.g.
   - The service industry is a kernel of the regional economy and many of supporters are SMEs.
   - It accounts for about 70 percent (employment and GDP).
   - However, the productivity is lower than manufacturing and stays in the level of the United States of about 60 percent.

2. Expansion to be supported
   - The entrepreneur who makes the following plans is newly added to the support object.
     "Technological use business reformation plan": Business innovation that uses technology and intellectual property acquired by corporate cooperation
     "Management resource uniting plan": The entrepreneur who belongs to a different field combines management resources and it uses it as one body.
   - supported by the company method exception and the exception of taxation (registration license tax reduction and specially recognized depreciation, e.g.).

II. Use promotion of Intellectual Property

- There is a registration system for licensee's (usual licensee of the patent) protection now.
- It is necessary that (1) a present registration system individually specifies, and register the patent number, and (2) is notified of the licensee.

III. Small and medium-sized enterprise's etc. smooth making reproduction in region

- The ratio of bad loans of the regional bank and the credit union is still high, and a small-scale bankruptcy is tendencies to increase.
- Up to now, 10,000 consultation receipts or more, 1,587 reproduction plan decision support, and the employment of about 75,000 people have been secured in the SMEs reproduction support conference in the whole country.

Strengthening of industrial technology that supports innovation【Industrial Technology Enhancement Act, AIST Act, NEDO ACT】

Concerning strengthening of "Technological management ability" that locates research and development as part of business maneuver, regulations of policy of the basic philosophy and state measures and government and entrepreneurs' obligations e.g. are added.

- The reduction object of the patent fee to the universities e.g. is expanded. (Posdoc and the graduate student, e.g. also)
- The Japanese version Bayh-Dole regulations are transferred from Act on Special Measures for Industrial Revitalization and the software development is added to making to measures when permanent and the object.
I. Business Plan approval scheme for productivity improvement

“ I want to improve productivity through the use of the organization reorganization and the intellectual property of the amalgamation and the subsidiary company establishment, etc. “

- Tax system exception
- Exceptions of Companies Act, etc.
- Financing and acceptances and guarantees, etc.

The plan of the productivity improvement is settled on.

The jurisdiction ministry approves the plan.
1. Outline of existing plan  "Continuance"

Outline and concrete example of existing plan type

**Type A**
- The approach of "Selection and concentration" is urged. (1999～)

**Nippon Steel**
- Division
  - Nippon Steel Engineering
  - Nippon Steel Materials

**Type C**
- Efficiency improvement of excessive supply business
  - *Correspondence to overcapacity (2003～)*

**Hitachi**
- Mitsubishi Electric
- Renesas Technology

**Type B**
- Effective use of management resources
  - *Correspondence to excessive debt (2003～)*

**New Fukusuke**
- Reproduction fund (MKS)
- Investment
- Transfer of operations of excellent section

**Type E**
- Introduction of business reformation equipment
  - *Correspondence to domestic becoming hollow (2003～)*

**Sharp**
- Amount of investment
  - About 100 billion yen

**Kameyama factory** (Mie Prefecture)
2. Outline of new plan 【New】

2 new establishment types

- The change in the cancellation of three excessive (equipment, debt, and employment) is caught, and the axis foot is shifted from "Business reorganization (rationalization and efficiency improvement)" to "Technical innovation (creation of the additional value)".
- To support the entrepreneur who attempts the productivity improvement by the opening innovation, "Type X" and "Type Y" are added.
3. Type X

The 1st pattern (organization reorganization)

- Other companies
- Management resources
  - Human resources
  - Materials
  - Money
  - Knowledge

- Approved entrepreneur
- R&D
- Innovation

New items and services
  (Include International development)

Management resources are acquired by the organization reorganization, and the Open innovation is achieved.

The 2nd pattern (mixing)

- Other companies
- Management resources necessary for R&D of industrial technology. The one in the foreign country is also acceptable.

- Approved entrepreneur
- R&D
- Innovation

New items and services
  (Include International development)

The Open innovation is achieved by united use of Technique of its company and the other companies.

Knowhow, a patent of the university and research laboratories, and foreign patents are contained.
4. Type Y

Management resources are combined and it uses it as one body

Innovation

New items and services in the country

Approved entrepreneur

Human resources

Money

Knowledge

Material

Technique

Amalgamation

Division

Stock transaction

Business transfer

Capital increase

Approved entrepreneur

Human resources

Money

Knowledge

Material

Technique

Amalgamation

Division

Stock transaction

Business transfer

Capital increase

Offer of management resources

Offer of management resources

Different field
5. Assumption case with 2 new establishment Types

**Type X**

【Case 1】
Company A (Electric equipment) inherits the optical communication part business from company B (Metal manufacture), unites its own technology of company A with a new technology that acquires it from company B, and aims at development and the business expansion of the new item in the business concerned field.

【Case 2】
Company C (precision machine) uses the unused patent that became unnecessary by company D (electric equipment) strengthening the center business, and has commercialized the burial type micropump to inject the drug solution into the laboratory animal.

**Type Y**

【Case 3】
Company E (life insurance) invests in company F (dine out), and sends life consultant planner to the nursing facilities that company F manages. Company E aims at the offer of the insurance product and the development of the new item and company F aims at the differentiation with other rival companies.

【Case 4】
Company G (consumer electronic) and company H (material) establish the joint company of the plasma display panel manufacturing. Securing a dominant competition by the upgrade of the functional component by the joint development from the product development stage and the vertical integration is aimed at.
6. Requirement for approval by each Types

<table>
<thead>
<tr>
<th>Type</th>
<th>Improvement of ROE or ROA more than standard value</th>
<th>Rise of tangible fixed assets turnover ratio more than standard value</th>
<th>Rise of amount of additional value an employee more than standard value</th>
<th>Rise of ratio of machine devices more than standard value</th>
<th>Improvement of another index that corresponds to the above-mentioned</th>
<th>Business innovation (Note 1)</th>
<th>The business field is in excessive supply structures.</th>
<th>Interest-bearing debt/cash flow ≤10</th>
<th>Current revenue ≥ current expenditure</th>
<th>Consideration to employment</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Need ROE 2% point</td>
<td>Need ROA 2% point</td>
<td>Need ROA 2% point</td>
<td>Need ROA 2% point</td>
<td>Need ROA 2% point</td>
<td>Need ROE 2% point</td>
<td>Need ROA 2% point</td>
<td>Need ROA 2% point</td>
<td>Need ROA 2% point</td>
<td>Need ROA 2% point</td>
</tr>
<tr>
<td>C</td>
<td>Need (5%)</td>
<td>Need (5%)</td>
<td>Need (5%)</td>
<td>Need (5%)</td>
<td>Need (5%)</td>
<td>Need ROA 2% point</td>
<td>Need ROA 2% point</td>
<td>Need ROA 2% point</td>
<td>Need ROA 2% point</td>
<td>Need ROA 2% point</td>
</tr>
<tr>
<td>B</td>
<td>Need (5%)</td>
<td>Need (5%)</td>
<td>Need (5%)</td>
<td>Need (5%)</td>
<td>Need (5%)</td>
<td>Need ROA 2% point</td>
<td>Need ROA 2% point</td>
<td>Need ROA 2% point</td>
<td>Need ROA 2% point</td>
<td>Need ROA 2% point</td>
</tr>
<tr>
<td>X</td>
<td>Need (10%)</td>
<td>Need (10%)</td>
<td>Need (10%)</td>
<td>Need (10%)</td>
<td>Need (10%)</td>
<td>Need ROA 3% point</td>
<td>Need ROA 3% point</td>
<td>Need ROA 3% point</td>
<td>Need ROA 3% point</td>
<td>Need ROA 3% point</td>
</tr>
<tr>
<td>Y</td>
<td>Need (10%)</td>
<td>Need (10%)</td>
<td>Need (10%)</td>
<td>Need (10%)</td>
<td>Need (10%)</td>
<td>Need ROA 3% point</td>
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<td>Need ROA 3% point</td>
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<tr>
<td>E</td>
<td>Need RO E 3% point</td>
<td>Need RO A 3% point</td>
<td>Need RO A 3% point</td>
<td>Need RO A 3% point</td>
<td>Need RO A 3% point</td>
<td>Need RO E 3% point</td>
<td>Need RO E 3% point</td>
<td>Need RO E 3% point</td>
<td>Need RO E 3% point</td>
<td>Need RO E 3% point</td>
</tr>
</tbody>
</table>

**Note 1:** It only has to fill either of right one. ① Ratio ≥ 1% that new item & and service occupy to domestic sales ② Decrease rate ≥ 5% of A cost of goods manufactured and sales expense ③ Average of B sales growth rate ≥ industry +5%

**Note 2:** To use the reduction and the specially recognized depreciation of the registration and license tax, it needs it.

**Note 3:** To use the specially recognized depreciation, it needs it.

**Note 4:** It only has to fill either of one including “Case to develop new demand for the foreign country by the new item and service”.

**Note 5:** It only has to fill either of if happen become case ① or “Sales growth rate ≥ industry mean value +5%(the new item and service)” one.
### 7. Table of Plan and support measures

<table>
<thead>
<tr>
<th>Companies Act</th>
<th>Civil Code</th>
<th>Tax system</th>
<th>Low ※ 1</th>
<th>Low ※ 2</th>
<th>New</th>
<th>Policy financing</th>
<th>Acceptances and guarantees</th>
<th>Investment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Informal organization reorganization (2/3 or more of right to votes of subsidiary company)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Inspection post investigation at investment in kind etc. (It is acceptable in the investigation of the director and the auditor.)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Annexation of the simultaneous stocks from reduction of capital (It is acceptable in the corporate resolution.)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Only the creditor when the business is transferred agrees doing</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Reduction of registration and license tax (0.7→0.25% etc.)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Specially recognized depreciation of business reformation equipment</td>
<td>20%</td>
<td>20%</td>
<td>20%</td>
<td>30%</td>
<td>30%</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Inclusion in expenses of loss from valuation of property at debt waiver</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Reduction of real estate acquisition tax when business is transferred (3%→2.5% etc.)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Speed-up of corporate uniting examination (usually 30 days to 15 days)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Exclusion of application of acquisition restriction like the foreign stocks etc.</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Financing and investment of the capital investment capital and long-term operating fund of The Development Bank of Japan</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Low interest loan such as Japan Finance Corporation of SME</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Acceptances and guarantees to overseas subsidiary company with Organization for SMEs and Regional Innovation, JAPAN concerning L/C issue debt</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Undertaking of the stocks when investing in plant and equipment by Small and Medium Business Investment &amp; Consultation CO., LTD.</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
</tbody>
</table>

Low ※1: Act on Prohibition of Private Monopolization and Maintenance of Fair Trade  
Low ※2: Limited Partnership Act for Investment
II. Outline of The Specific Non-Exclusive License Registration System 【New】

“I want to use the patent and the model utility right well by the contract with other companies. “

Registration of The Specific Non-Exclusive License
1. Issue of licensee protection

Non-exclusive licenses shall have no effect on any third party unless registered. If a non-exclusive license is not registered, the relevant licensee may become subject to a seek injunction or claim for damages by the transferee of the patent right licensed or may be involuntarily required to suspend its business and research activities due to termination of the license agreement by the trustee in case of insolvency of the licensor.

→ It is important to give licenses the capacity of being asserted against third parties through registration in order for licensees to conduct their business and research activities without anxiety.
2. Key points of the specific non-exclusive license registration system

**Purpose**

The specific non-exclusive license registration system is a new registration system that was established as a special system relating to the requirement to duly assert against third parties concerning non-exclusive licenses for patent rights, etc.

**Effect of registration**

A non-exclusive license on a patent right or utility model right granted under a “specific non-exclusive license agreement” shall have effect on third parties if it is registered in the specific non-exclusive license registry.

“Specific non-exclusive license agreement”

(1) Agreement between juridical persons (corporations)

(2) Agreement in writing

(3) Agreement to grant a non-exclusive license on a patent right, utility model right or an exclusive license on these rights

(4) Agreement that does not specify all rights subject to the license by patent numbers or utility model registration numbers

**Disclosure system**

- Neither the details of the non-exclusive license nor the name and address of the non-exclusive licensee is disclosed to the public.
- All registered contents are disclosed to parties concerned in the registration and third parties who assert against the registered non-exclusive licensee.

＜Prior disclosure＞

“Certificate of disclosed matters”

Document describing registered matters **except the details of the non-exclusive license and the name and address of the non-exclusive licensee**

＜Subsequent disclosure＞

“Certificate of summary of registered matters”

Document describing the **name and address of the licensee** in addition to the matters described in the certificate of disclosed matters

“Certificate of registered matters”

Document describing all registered matters
3. Comparison with the current registration system (1)

Under the specific non-exclusive license registration system, it is possible to register multiple patent rights in a comprehensive manner without specifying patent numbers.

Current registration system

A non-exclusive license is found to have the capacity of being asserted against third parties if it is registered in the patent registry while specifying patent numbers for licensed patent rights.

Specific non-exclusive license registration system

A registered non-exclusive license is found to have the capacity of being asserted against third parties if it is registered in the specific non-exclusive license registry while specifying licensed patent rights by means other than patent numbers (for example, by licensed products).
4. Comparison with the current registration system (2)

Relationships with the current registration system

- The current registration system and the specific non-exclusive license registration system exist concurrently, and it is possible to register under both systems.
- In terms of the order of registration, neither system has an advantage over the other.

Differences from the current registration system

<table>
<thead>
<tr>
<th>Method of specifying licensed patent or utility model rights</th>
<th>Current registration system</th>
<th>Specific non-exclusive license registration system</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-exclusive licenses are registered while specifying patent numbers or utility model registration numbers.</td>
<td>Non-exclusive licenses are registered while specifying licensed patent or utility model rights by means other than specifying patent numbers or utility model registration numbers.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Disclosure</th>
<th>Current registration system</th>
<th>Specific non-exclusive license registration system</th>
</tr>
</thead>
<tbody>
<tr>
<td>All registered contents are disclosed to the public.</td>
<td>The details of the non-exclusive license and the name and address of the non-exclusive licensee are not disclosed to the public.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Registry</th>
<th>Current registration system</th>
<th>Specific non-exclusive license registration system</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-exclusive licenses for patent rights are registered in the patent registry, and non-exclusive licenses for utility model rights are registered in the utility model registry.</td>
<td>Non-exclusive licenses for patent rights and utility model rights can be registered at one time in the specific non-exclusive license registry.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Right that arises in the future</th>
<th>Current registration system</th>
<th>Specific non-exclusive license registration system</th>
</tr>
</thead>
<tbody>
<tr>
<td>A patent/utility model right can be registered only after the registration establishing it.</td>
<td>A patent/utility model right can be registered if the scope is specified. After the registration establishing the patent/utility model right, the relevant license can obtain the capacity of being asserted against third parties within the scope of registration.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Effect of registration</th>
<th>Current registration system</th>
<th>Specific non-exclusive license registration system</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advantages, such as receipt of a notice of invalidation proceedings, can be obtained in addition to obtaining of the capacity of being asserted against third parties.</td>
<td>Only the capacity of being asserted against third parties. Other advantages, such as receipt of a notice of invalidation proceedings, are not available (excluding non-voluntary licenses due to use prior to request for invalidation proceedings).</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Registration license tax</th>
<th>Current registration system</th>
<th>Specific non-exclusive license registration system</th>
</tr>
</thead>
<tbody>
<tr>
<td>Registration license tax is 15,000 yen per right.</td>
<td>Registration license tax is 150,000 yen per registration, irrespective of the number of rights included in the registration.</td>
<td></td>
</tr>
</tbody>
</table>
3. Japanese Case Study
Globalization & Open Innovation

-Japanese Work on Case Studies-

<Cases>
Selected 3 companies from the previously screened 15
- OMRON: Industrial Automation, IT Components
- TORAY: Chemicals, Textiles
- NEC: IT, Network Services

<Process>
- Nov. 2006: Phase 1
- Jan. 2007: Phase 2
- Feb. 2007: follow-ups
- Mar. 2007: Analysis & Phase 3
- Sep. 2007: Summarize
- Global R&D “Kyo-So” (collaborative innovation) networks
  ...Japan, China, India and US using its local subsidiaries as a hub.
- Most human resources are employed locally.

CASE - OMRON -

Kyo-So Projects in China: 20
Ex. XJTU, Zhejiang Univ.

Kyo-So Projects in India: 10

Kyo-So Projects in Japan: 13
Ex. Tohoku Univ., Kumamoto Univ.

Total Kyo-So Projects: 51
CASE - OMRON -

- “Kyo-So area“ as an innovation incubating area is located right next to the research laboratories.
- Partners for collaboration works from outside (including from abroad) are invited to have their own pilot offices in “Kyo-So area”, which facilitates very unique, opened and creative atmosphere.
- Special promenade is installed in the office building as the cross-over/encounter/fusion zone for the people having some various functions.
Features of Toray’s R&D

Advantages
1. Culture and history that create innovative technologies
2. Various kinds of specialists groups in many fields
3. Unified R&D structure
4. Leading company in academia/industry / government collaboration
5. Advanced analytical capabilities : TRC

Core Tech.
- Organic Synthetic Chemistry
- Polymer Chemistry
- Biochemistry

Advanced Tech.
- Nanostructure Design/Control
- New Polymer
- Bio/Nanotechnology
- Protein, Cell

Advanced Materials
- Nano-structured Materials
- Environmentally Friendly Materials
- Advanced Electronics Materials
- Advanced Display Materials
- Drug Discovery/Innovative Therapy
- Bio/Nanobio Materials

Business Network
- Fibers & Textiles
- Plastics & Films
- Water Treatment
- Composite Materials
- Electronics & Information Related Products
- Chemicals
- Pharmaceuticals & Medical Products
- Amenity
- Uniform & Advanced Textiles
- Affiliated Companies
Topics: RIKEN’s Integrated Collaborative Research Program with Industry

- Laboratory name: Integrated Materials Research Laboratory
- Research topic: Research on the expression and application of specific optical properties using nano-scale composites
- Research term: 4.5 years
NEC

- Corporate Philosophy:
  Developing new collaborations with the strong core X core
  ... not just sourcing nor supplement of the technology/business

- Identify and strengthen the core technologies inside the corporation.

- “Core X core” produces diversity and distinguished heterogeneity.

- will supply the platform for the customers also creating collaboration of
  cores by themselves
  ... extending and developing their core X core approaches to their
  customers
Activities toward creating Technology Innovation

Nurture strong core technology based on science through collaborative efforts with external parties and deploy to business

Companies, Universities, National Institutes

(Objective of external collaboration)
- Complimenting technology (Intake of new seeds, strong technology)
- Partner building (standardization)
- Diversify risks in development
- Shorten Time To Market
Promoting Open Innovation

- Cultivate new core technology through intake from different areas of knowledge and by promoting convergence in different technology layers.
- Strengthen core technology through proactive use of external parties and global collaboration.

**Intake of knowledge from different areas**
- Proactive collaboration with different areas
  - Social interaction @Tokyo University
  - Financial Engineering, etc

**Promote convergence of different technology layers**
- Collaboration in fundamental areas with universities
  - MIT (Quantum computer)
  - China Academy of Science (Knowledge Information Processing)

**Cultivating new core technology area**
- Host NEC Technology Forum

**Global collaboration**
- Internal overseas lab collaboration
  - Joint projects, personnel exchange
- Standardization, National projects
  - NGN, Mobile NW standardization activities
  - EU-Project participation (Grid)

**Strengthen Core Technology**
- Joint research and business with other companies
  - Toshiba (MRAM)
  - Vidient Systems (Physical Security)… etc

**Use of external parties**
- University, National Institute collaboration
  - National project participation
    - Next Generation Supercomputer core technology

**Promote convergence of different technology layers**
- Host NEC Technology Forum

**Use of external parties**
- Joint research and business with other companies
  - Toshiba (MRAM)
  - Vidient Systems (Physical Security)… etc

**Collaboration in fundamental areas with universities**
- MIT (Quantum computer)
- China Academy of Science (Knowledge Information Processing)
Lessons

How to approach “the Open Innovations“ by the companies:

- "Open Innovation" is not always meant for "global sourcing of knowledge".

- The 1st step is the identification of its core/non-core competence.

- The 2nd step is the inside work for organizational reviews leading to the cost-benefit analysis.

- "Open Innovation" is one of the strategic ways for conducting R&D governance, not a purpose.

- There are some uniqueness depending on the variety of companies’ backgrounds/philosophies and markets/businesses, etc.