

Intellectual Property Strategic Program 2018

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Intellectual Property Strategy Headquarters

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1. Introduction

(1) Situation Since the Formulation of the Intellectual Property Policy Vision in 2013

The Intellectual Property Strategy Headquarters approved the Intellectual Property Policy Vision in June 2013 and has promoted intellectual property (IP) strategy across the whole of government by formulating an Intellectual Property Strategic Program every year based on this vision. The main outcomes over the last five years are described below.

(i) Building up a Global IP System for Enhancing Industrial Competitiveness

The Intellectual Property Strategy Headquarters has sought to make Japan's IP system a highly unifying force internationally by promoting international collaboration aimed at building a global IP system and encouraging widespread awareness and understanding of Japan's IP system among emerging countries. In the area of human resource development, it is promoting the dissemination of IP creation education from elementary education onward, but ongoing efforts are required regarding the cultivation and use of global IP human capital as practitioners of business-strategic IP management.

- Achieved the world's fastest patent examination (11 months from request for examination to notice of first action) (2014)
- Expanded Japan's international jurisdiction in international searches for Patent Cooperation Treaty (PCT) applications and the countries eligible for the Patent Prosecution Highway
- Strengthened protection for trade secrets (increased statutory penalties, made offenses subject to prosecution even without a complaint from the victim, reversed the burden of proof, etc.) (2015)
- Revised the employee invention system to permit a corporation to hold the right to obtain a patent from the outset (2015)
- Amended the Unfair Competition Prevention Act and other legislation to prohibit the illicit acquisition of data, standardize data and services, and enhance dispute resolution procedures by ensuring that procedures for the collection of evidence are appropriate and fair (2018)
- Amended the Act on Standardization and Proper Quality Labeling of Agricultural and Forestry Products (JAS Act) to make production and distribution processes and testing methods subject to standards (2017)
- Revised the Curriculum Guideline (to promote education concerning the cultivation of creativity and the protection and use of IP, as well as fostering an understanding of the

significance thereof) (2017)

- Established the Intellectual Property Creation Education Consortium to assist in the construction of learning support systems based on collaboration with local communities and society as a whole (2017)
- Created the Impulsing Paradigm Change through Disruptive Technologies Program (ImPACT) (2013)
- Enacted the Act on Protection of the Names of Specific Agricultural, Forestry and Fishery Products and Foodstuffs to protect geographical indications of agricultural, forestry, and fishery produce (2014)

(ii) Support for Enhancing IP Management by SMEs and Venture Companies

The Intellectual Property Strategy Headquarters has sought to ensure appropriate IP management by SMEs and venture companies by putting in place a nationwide system to raise awareness of its importance and provide finely tuned support at all stages, from IP acquisition through to overseas deployment and utilization, and has also bolstered incentives for IP activities.

- Established a Comprehensive IP Support Counter for SMEs and the like in each prefecture (established in 2011, transferred to the National Center for Industrial Property Information and Training (INPIT) in 2016); opened up IP advice services to the agriculture, forestry, and fisheries sector (2016)
- Fully revised patent fees (2016) and applied a 50% discount on all patent fees, etc. for SMEs (2018)

(iii) Improving the Environment for Adjusting to the Digital Network Society

To harmonize the fair use of works with their proper protection, and to continue new industry creation and cultural development, the Intellectual Property Strategy Headquarters has begun to tailor the copyright system to digital and network technologies and embarked on a nationwide initiative focused on building a digital archive. On the other hand, continued efforts are required in expanding the content industry market, including overseas expansion, and in building a content distribution platform to serve as infrastructure for effective rights management and distribution of profits.

- Revised the Copyright Act relating to the development of flexible provisions on the restriction of rights tailored to advances in digital and network technologies (2018)
- Revised the Copyright Act relating to the establishment of e-book publishing rights (2014)
- Established the Coordination Committee of Digital Archive-related Ministries and Agencies and the Practitioners' Council within the Intellectual Property Strategy

Promotion Bureau, resulting in the formulation of guidelines on building digital archives (2016). Established the Digital Archive Japan Promotion Committee to build the national, integrated and cross-sectoral portal website Japan Search (tentative name) based on cooperation between the National Diet Library and relevant ministries, agencies, and organizations, as well as promoting linkages between archives in each field (2017)

(iv) Strengthening Soft Power Focusing on the Content Industry

To effectively create and communicate the attractions of Japan, such as content, food, clothing, and housing, the Intellectual Property Strategy Headquarters has put in place a system for promoting the Cool Japan Strategy, provided funding and support for overseas expansion of Japanese content and the like, strengthened infrastructure for the Cool Japan Strategy by developing hubs and undertaking human resource development, and steadily implemented countermeasures against piracy. On the other hand, continued efforts are required in the area of support for SMEs and venture companies to assist in promoting content creation, etc., and improving the front-line environment for content creation.

- Established the Cool Japan Public-Private Partnership Platform to create new business through inter-industry partnerships (2015)
- Established the Cool Japan Fund Inc. (2013) and supported the overseas expansion of Japanese content via the Broadcast Program Export Association of Japan (BEAJ), Japan Content Localization and Promotional Support Grants (the J-LOP Project), and the provision of broadcast content free of charge (Japan Foundation)
- Founded the Public-Private Coordination Committee on Improving Filming Location Environments (2017)
- Compiled the results of discussions by the Cool Japan Hub Development Review Committee and the Cool Japan Human Resource Development Review Committee (2017, 2018)
- Decided on the Emergency Measures Against Online Piracy Sites (2018)

In response to the Trans-Pacific Partnership (TPP) agreement, the Intellectual Property Strategy Headquarters decided in November 2015 on policies related to the TPP in the IP field. Based on these policies, it put in place the Act on the Development of Related Legislation Following the Conclusion of the TPP Agreement (Act No. 108 of 2016), which amended the Patent Act, the Trademark Act, and the Copyright Act, among others. Other responses included enhancing IP strategy in the field of agriculture, by such means as strengthening the system for protecting geographical indications.

(2) Social Changes and Background to Deliberations on a New Vision for IP Strategy

As described above, Japan's IP strategy has been steadily strengthened under the framework of the Intellectual Property Policy Vision, but social change has progressed beyond the extent anticipated in 2013 when the vision was formulated.

With technological advances currently taking place in such areas as the IoT, big data, artificial intelligence (AI), and blockchain, and the pace of their social implementation accelerating, the use of these technologies to supply goods, services, and content is spreading, while platforms that directly mediate between supply and demand are expanding. On the consumer side, new values are spreading and becoming increasingly diverse, including the consumption of experiences and the sharing economy. In addition, social issues common to numerous countries are beginning to surface, such as the aging of the population coupled with a declining birthrate and widening disparities due to new technologies.

As countries worldwide head toward becoming advanced knowledge- and information-based societies, IP will become the source of value creation of all kinds. To secure our nation's position and enable it to take the lead in international competition, it is necessary to revamp systems for creating IP and for creating value from IP to make them faster and more flexible through a pro-innovation approach to IP strategy, based on the prospects for the society and economy beyond the changes taking place at present.

The Intellectual Property Strategic Program 2016 and Intellectual Property Strategic Program 2017 have already offered embryonic pointers to these social changes and the need for an IP system that addresses them and various responses have been put in place in existing systems. However, deliberations concerning an Intellectual Property Strategy Vision began at the end of last year, with several rounds of discussion to identify the medium- to long-term prospects for Japan's society and IP system through to the period 2025-2030, as well as the direction of the measures that should be taken. The vision has recently been put together, positioned as a vision for creating a "value design society." While it will be necessary to revise the Intellectual Property Strategy Vision itself when appropriate in response to changes in industrial and social circumstances, the Intellectual Property Strategic Program will continue to be examined every year to ensure that the whole government promotes Japan's IP strategy, while sharing this vision.

(3) Concerning the Preparation of the Intellectual Property Strategic Program 2018

The Intellectual Property Strategic Program 2018 is positioned in the crossover zone with the new Intellectual Property Strategy Vision, while fundamentally serving to progress

initiatives under the framework of the 2013 Intellectual Property Policy Vision and lay the foundations for taking the outcomes to date to the next level.

In transitioning to the new Intellectual Property Strategy Vision, it is necessary to be especially conscious of the fact that, as described below, the IP situation began undergoing rapid changes last year, which have continued into the current year.

One such change is the acceleration in industry and various other fields of initiatives focused on Society 5.0, a concept proposed in 2016 for a new society that incorporates new technologies into all industries and areas of social life to generate innovation and solve social issues in a form tailored to individual needs.

Moreover, with the Tokyo 2020 Olympic and Paralympic Games on the horizon and Japan having been chosen to host the 2019 Group of Twenty (G20) Summit, domestic momentum is building toward bringing to fruition the Sustainable Development Goals (SDGs),¹ which were unanimously adopted at a United Nations (UN) summit in September 2015. The SDGs are increasingly widely recognized as a common global language and even a broad section of the economic world regards their pursuit as a business challenge. In Japan, Society 5.0 has been linked to achievement of the SDGs through the Japan Business Federation's (Keidanren) revision of its Charter of Corporate Behavior in November 2017 to position Society 5.0 as the outcome of achieving the SDGs.

Next is the roll-out through society of a new technology to follow big data and AI. Blockchain technology has begun to be widely used and cases of its utilization are not only found in the field of finance, with virtual currencies a prime example, but are also starting to emerge in non-financial sectors such as commercial distribution management, the sharing economy, and content. As such, there is ample potential for its use in managing IP. This could possibly transform approaches to the content industry, by changing methods of producing (including financing), transmitting, and enjoying content, and diversifying the bodies that produce it by involving ordinary users.

Quantum computing technology is rapidly heading for commercialization. The possibility has grown that, once more extensively used in society, it will encourage widespread utilization of big data and AI in the field of drug discovery, for example, bringing about a

¹ International goals for the period 2016 to 2030 set out in the 2030 Agenda for Sustainable Development adopted at a September 2015 UN summit to serve as the successor to the Millennium Development Goals (MDGs) formulated in 2001. Consisting of 17 goals and 169 targets for achieving a sustainable world, the SDGs are positioned as a universal set of goals to be worked toward, not only by developing countries, but also by developed ones.

major transformation in approaches to research and development, and in the handling of IP.

Furthermore, cutting-edge biotechnology such as genome editing technology will, once linked to big data, informatics, and other digital technologies, bring about innovative changes in fields including healthcare and medical care, and food production. Although it is anticipated that even more IP, including data, will be created in these fields, it will be necessary to examine its handling, taking into account requirements specific to those fields, such as the protection of personal information, safety, and ethical considerations.

Directly linking suppliers with consumers in the age of the IoT, big data, and AI is generating new business across the globe, while leading consumers to desire more finely tuned customization and to pursue new value through the sharing economy, in which people seek to obtain benefits via shared use with others in society rather than the ownership of goods, as well as through the consumption of experiences, a concept that attaches importance to utility value and personal experience. Amid the transition into an age in which the diverse values of users seeking personal and shared experiences drive markets, companies need to tap into intangible assets to undertake agile, ongoing design of value creation mechanisms that appeal to users' diverse values. Innovation is expected to accelerate as a result of such activities. Accordingly, it is vital for each company to gain an accurate understanding of its own intangible assets, developing and sharing a clear awareness of how to leverage and combine them effectively with external resources to create value.

At the same time, with the issue of major platform operators fencing off consumer data of this kind having already been pointed out, problems are beginning to surface due to business operators that provide platforms while holding vast quantities of data occasionally having the power to destroy existing industry ecosystems. Amid this situation, moves have emerged in places such as the European Union (EU) to impose additional costs on free activities of this kind and to establish restrictions on the transfer of personal data. Japan, too, will need to formulate an appropriate response, while assessing international trends.

In terms of negative aspects arising from new technologies, the harm caused by online pirated manga and video content has become a major topic since last year, so a swift and radical response is required, in parallel with efforts to encourage the distribution of authorized content.²

The third change is the expansion in the number of foreign tourists visiting Japan to almost

² Accordingly, the Online Piracy Measures Review Committee was established in April 2018 under the Verification, Evaluation and Planning Committee and will consider such matters as improvements to the legal system.

30 million. This has led to an increase in the number of repeaters — people visiting Japan for the second time or more. Among citizens of the four closest East Asian countries and regions to Japan, who make up more than 80% of repeaters, there is a tendency for the amount spent during their trip to increase with each visit and it has become clear that the proportion visiting Japan’s provincial regions is set to grow.³ In addition, long-term residency by foreign nationals is becoming more widespread, with the town of Niseko in Hokkaido a prime example of this phenomenon.⁴ This situation will contribute to regional revitalization and to swelling the ranks of those who could become influencers and loyal customers of Cool Japan, offering a unique opportunity to accelerate the Cool Japan Strategy.

From these trends, it is clear that Japan is at a major turning point in the whole social paradigm right now and that it is necessary to accelerate initiatives aimed at translating into reality the value design society depicted in our nation’s new Intellectual Property Strategy Vision. The Intellectual Property Strategy Headquarters has put together the Intellectual Property Strategic Program 2018 with this in mind. Discussions on the program were initiated in November 2017 by the Committee on Industrial Property Rights Fields, Committee on Content Fields, and Task Force for IP Valuation in Business, all of which operate within the framework of the Intellectual Property Strategy Headquarters’ Verification, Evaluation and Planning Committee.

The Intellectual Property Strategic Program 2018 needs to establish a starting point for the path toward the new Intellectual Property Strategy Vision based on a pro-innovation strategy that not only responds promptly to changing times, but also creates positive change itself. Accordingly, while further promoting all the measures positioned in the Intellectual Property Strategic Program to date, the Intellectual Property Strategic Program 2018 also takes into account the directions set out in the Intellectual Property Strategy Vision. In particular, it positions new measures and measures requiring enhancement as key priorities, focusing on the areas of “Cultivating human resources and business to meet future needs,” “Encouraging ambitious and creative activities,” and “Designing structures for new fields.”

Going forward, it is hoped that relevant parties from the public and private sectors will

³ Japan Tourism Agency, “Consumption Trend Survey for Foreigners Visiting Japan (annual figures for 2017) (confirmed data),” “Relationship between the Number of Foreign Tourists Visiting Japan and Consumption Trends: Focus on Repeaters from South Korea, Taiwan, Hong Kong, and China” (March 20, 2018)

⁴ Ministry of Justice, “Number of Registered Foreign Residents as of the End of 2017 (confirmed data)” (March 27, 2018)

work together to deploy IP strategy, while engaging in dialogue with the public and society as a whole and constantly adding fresh perspectives to both the Intellectual Property Strategy Vision and the Intellectual Property Strategic Program.

Key Priority (1) Cultivating human resources and business to meet future needs

- (i) Assessing the business value of IP
- (ii) Encouraging innovation and branding through design management
- (iii) Support for strengthening IP strategy among regional companies and SMEs, and in agriculture
- (iv) Promoting IP creation education and IP human resource development
- (v) Developing and accumulating “Cool Japan” human resources
- (vi) Identifying, creating, and expanding regional Cool Japan resources

Key Priority (2) Encouraging ambitious and creative activities

- (i) Accelerating open innovation
- (ii) Support for venture companies
- (iii) Establishing a sustainable content creation ecosystem
- (iv) Countermeasures against counterfeiting and piracy

Key Priority (3) Designing structures for new fields

- (i) Designing standards, regulations, and other rules with business models in mind
- (ii) Strengthening IP system infrastructure
- (iii) Strengthening IP strategy relating to data, AI, and other new data-related assets
- (iv) Building a copyright system tailored to advances in digital and network technologies
- (v) Sustainable strengthening of the Cool Japan Strategy
- (vi) Improvements to filming location environments
- (vii) Creating a digital archive society

2. Key Priorities of the Intellectual Property Strategic Program 2018

(1) Cultivating Human Resources and Business to Meet Future Needs

In an age when industrial supply capacity outstrips demand and markets are driven by the diverse values of consumers, the process of generating innovation and approaches to value creation itself are changing. Accordingly, it is extremely important to produce new IP and devise mechanisms for appropriately combining one's own resources, including ideas, with the resources of others to generate/increase value. In particular, as the design of value creation mechanisms belonging to companies that understand the demand side will form the heart of a diverse array of fields, it will be necessary to disseminate this approach throughout all companies, from large corporations to regional companies and SMEs, and also to sectors such as the agriculture, forestry and fishery industry.

Under this overarching design, companies and other agents of economic activity will need to appropriately identify IP within specific business models, assess its value, and leverage it as a resource in their business. More specifically, it will be necessary to develop and disseminate tools for assessing the value of IP, as well as cultivating personnel with design capabilities by nurturing the ability to create and utilize IP from the elementary school stage onward.

Furthermore, a multitude of resources that are appealing to foreign nationals and which could have value as part of Cool Japan can be found nationwide. It is also necessary to amass Foreign Talents to lead and support overseas expansion and regional revitalization through the development of human resources who will create and spread this appeal in the form of products and services that are attractive to foreign nationals, and also through the identification and curation of local resources.

(i) Assessing the Business Value of IP

(Current Situation and Challenges)

With the capacity to supply goods outstripping demand, the value of experiences and services selected on the basis of users' diverse values is set to grow rapidly. Accordingly, value creation mechanisms designed to stimulate and appeal to user needs and wants, and intangible assets of the kind typified by IP such as data that will assist in zeroing in on these will grow in relative importance, compared with tangible assets used for manufacturing goods.

Until now, in front-line practice, assessments of the value of IP have been regarded as something carried out when IP is traded or regarded as a financial asset for the purpose of

procuring finance, or when businesses are bought and sold. The concept of ascertaining the role played by IP in a business and assessing its value has therefore not necessarily become sufficiently prevalent.

Accordingly, to create a situation in which the value of IP to business is appropriately identified and IP is effectively utilized in business, the Task Force for IP Valuation in Business has prepared a design management sheet, which visualizes the relationship between companies' value creation mechanisms and IP so that they can properly evaluate it. It is hoped that companies will use the design management sheet to design (devise) mechanisms that appropriately combine their own and other companies' resources to generate new value and also to facilitate financing.

(Direction of Measures)

- Promote the perspectives of the Task Force for IP Valuation in Business when disseminating Intellectual Asset Management Reports, integrated reporting, local benchmarks, and other communication tools, encourage the introduction of those perspectives into feasibility assessments by financial institutions, and undertake the requisite deliberations on such topics as revising the design management sheet based on the situation in these regards. (Short-term, Medium-term) (Ministry of Economy, Trade and Industry; Financial Services Agency; Cabinet Office)
- Consider utilizing the design management sheet as information to be stored on IP platforms (see p. 17). (Short-term, Medium-term) (Cabinet Office)

(ii) Encouraging Innovation and Branding through Design Management

(Current Situation and Challenges)

Established in July 2017 by the Japan Patent Office (JPO) and the Ministry of Economy, Trade and Industry (METI), the Study Group Considering Industrial Competitiveness and Design⁵ has summarized the challenges faced in increasing the competitiveness of Japanese industry through design and considered how to address them.

In the course of its deliberations, the study group affirmed the importance of design management, an approach which uses design skills as a key management resource to enhance the ability to generate innovation in products, services, and business, as well as the ability to build brands. It will be necessary to implement initiatives that help to strengthen the

⁵ Noting that the focus of design has extended to services and business since online services became prevalent, this study group commented that design is expected to become an effective tool for generating innovation and building brands.

competitiveness of Japanese industry through the practice of design management by companies.

(Direction of Measures)

- Consider approaches to the design system and other IP rights systems from the perspective of enhancing systems that contribute to design management, such as encouraging design management that fosters social innovation through the IoT, AI, big data, and other new technologies, as well as protecting designs that assist in brand formation; amend laws and take other measures required, based on the results of these deliberations. (Short-term, Medium-term) (Ministry of Economy, Trade and Industry)
- Compile an anthology of specific examples of companies that have successfully incorporated design management, organized by company scale and industry type, raise awareness among business proprietors concerning the importance of design management, and consider measures for encouraging design management. (Short-term, Medium-term) (Ministry of Economy, Trade and Industry)

(iii) Support for Strengthening IP Strategy among Regional Companies and SMEs, and in Agriculture

(Current Situation and Challenges)

SMEs are the driving force behind regional economies and supporting their proactive use of IP is vital from the perspective of regional revitalization, as well. A menu of support for individual SMEs has been put in place, to some extent. For example, the JPO compiled and published the Regional Intellectual Property Revitalization Action Plan in September 2016, through which it provides finely tuned support tailored to each specific stage of acquiring IP rights and utilizing IP. However, some have pointed out that awareness of IP and related measures is not necessarily adequate among SMEs themselves or the local governmental organizations and financial institutions that play a crucial role in supporting SMEs. Achieving regional revitalization will require SMEs to be more proactive in positioning IP as part of value creation and to be aware of its role, as well as necessitating support for them in utilizing this. It will therefore continue to be important to provide individual SMEs with support via such initiatives as the Comprehensive IP Support Counters (which have been established in all 47 prefectures).

In addition, the Financial Services Agency (FSA) is encouraging financial institutions to proactively offer loans and core business support based on appropriate assessments of the nature of business and growth potential of companies approaching them for finance

(feasibility assessments). It is hoped that this will help to stimulate regional economies.

In the field of agriculture, specific response measures based on the Ministry of Agriculture, Forestry and Fisheries Intellectual Property Strategy 2020 have been formulated in such areas as the promotion of efforts to establish brands through the use of geographical indications, measures to combat counterfeit goods in overseas markets, and strengthening the competitiveness of the seed and seedling industry. As well as promoting IP policy in agriculture based on this strategy, it will be necessary to continue efforts to put in place an environment conducive to the appropriate protection and use of information with value as IP in this field, such as know-how converted into digital data.

The steady implementation of policies on standards and certification using the frameworks provided by the amended JAS Act,⁶ which entered into force in April 2018, will also be required to bolster the competitiveness of the agriculture sector.

(Direction of Measures)

- Ensure widespread awareness of the halving of patent and other fees for all SMEs introduced under the FY2018 amendment of the Patent Act, etc. and consider streamlining application procedures for reductions and exemptions, to encourage SMEs to make use of IP. (Short-term, Medium-term) (Ministry of Economy, Trade and Industry)
- Strive to enhance the Comprehensive IP Support Counter advice system by such means as increasing the number of support staff; making use of patent attorneys, lawyers, and other experts; providing support via visits to those seeking advice; and working in partnership with SME support organizations. In addition, consider measures focused on the use of design management sheets, to strengthen comprehensive business and IP support. (Short-term, Medium-term) (Ministry of Economy, Trade and Industry)
- Use financial intermediation function benchmarks and other indicators when undertaking dialogue with financial institutions, as well as taking into account the state of IP use, to encourage financial institutions to undertake initiatives in such areas as providing loans based on feasibility assessments and core business support, and to include the use of IP as part of these. (Short-term, Medium-term) (Financial Services Agency)
- Strengthen support for the preparation of the Intellectual Property Business Valuation Report by incorporating the feedback of the financial institutions who use it to make it more user friendly, in order to promote IP utilization in corporate feasibility assessments by financial institutions. Consider future approaches aimed at further enhancing financial support for SMEs in the area of IP. In addition, encourage dissemination of the

⁶ Act on Japanese Agricultural Standards

perspectives of the Task Force for IP Valuation in Business and undertake the requisite deliberations on such topics as revising the design management sheet based on the situation in these regards. (Short-term, Medium-term) (Ministry of Economy, Trade and Industry; Financial Services Agency; Cabinet Office)

- Promote the perspectives of the Task Force for IP Valuation in Business when disseminating Intellectual Asset Management Reports, integrated reporting, local benchmarks, and other communication tools, encourage the introduction of those perspectives into feasibility assessments by financial institutions, and undertake the requisite deliberations on such topics as revising the design management sheet based on the situation in these regards. (Short-term, Medium-term) (Ministry of Economy, Trade and Industry; Financial Services Agency; Cabinet Office) [Described above]
- Make further progress with deliberations in such areas as ensuring fairness in proof of infringement under the Plant Variety Protection and Seed Act, clarifying the scope of rights, and approaches to access to variety registration information, and also consider approaches to the attribution of employee-bred varieties as part of his/her duties and to objections under the Act. (Short-term, Medium-term) (Ministry of Agriculture, Forestry and Fisheries)
- Consider matters concerning support for applications to register varieties overseas and approaches to the protection of important varieties within Japan, including statutory measures, where necessary, in order to address the outflow of plant varieties developed in Japan to other countries. (Short-term, Medium-term) (Ministry of Agriculture, Forestry and Fisheries)
- Amend the Act on Protection of the Names of Specific Agricultural, Forestry and Fishery Products and Foodstuffs to make advertising, Internet sales, and other areas of the service sector subject to protection by geographical indications, and restrict the prior usage period, on which there is no limit under the existing Act, in order to achieve higher-level protection of geographical indications corresponding to the Japan-EU Economic Partnership Agreement (EPA). (Short-term, Medium-term) (Ministry of Agriculture, Forestry and Fisheries)
- Consider response measures focused on the problem of malicious trademark applications by third parties for names of varieties for which an application for variety registration has been submitted under the Plant Variety Protection and Seed Act. (Short-term) (Ministry of Economy, Trade and Industry; Ministry of Agriculture, Forestry and Fisheries)
- Work on bringing smart agriculture, smart forestry, and smart fisheries to fruition by developing the Agricultural Data Collaboration Platform, which uses ICT and the like to facilitate the collection, sharing, and utilization of a wide range of data. In the agricultural

field in particular, consider such matters as specific model agreement conditions for inclusion when providing others with data collected and granting consent for its use, and draw up guidelines for data use and agreements that can be utilized on the Agricultural Data Collaboration Platform. (Short-term, Medium-term) (Ministry of Agriculture, Forestry and Fisheries)

- Endeavor to increase the visibility and influence of JAS⁷ standards and certification, and aim to institute international standards, by such means as encouraging the acquisition and use of JAS certification in Asian countries, creating a new JAS mark, and concluding mutual recognition agreements between the Food and Agricultural Materials Inspection Center and certification bodies in other countries. (Short-term, Medium-term) (Ministry of Agriculture, Forestry and Fisheries)
- Strive to provide support in the forestry field in such areas as formulating IP and standardization strategies, and endeavor to secure and enhance industrial competitiveness through collaboration between industry, academia and government. (Short-term, Medium-term) (Ministry of Agriculture, Forestry and Fisheries)

(iv) Promoting IP Creation Education and IP Human Resource Development

(Current Situation and Challenges)

Generating innovation requires personnel capable of creating new things and personnel capable of utilizing the things created or combining them with various other things to design mechanisms for creating new value.

The Intellectual Property Creation Education Consortium established in January 2017 undertakes initiatives aimed at promoting IP creation education centered on promoting and fostering understanding of the creation of new things and respect for things created by others. Given that the Curriculum Guideline promulgated in March 2017 stipulates that education aimed at cultivating creativity will be enhanced, IP creation education in elementary and junior high schools was systematized in FY2017 by summarizing how IP creation education relates to the new Curriculum Guideline, to make it easier to incorporate IP creation education into school education. In addition, a survey of systems and structures for implementing IP creation education in provincial regions has been conducted.

As well as undertaking initiatives aimed at ensuring that IP creation education becomes more widespread in front-line education, it is necessary to consider support measures focused on systematizing IP creation education in high schools and on ensuring that front-line teachers

⁷ Japanese Agricultural Standards

can deliver IP creation education in practice.

(Direction of Measures)

- Promote initiatives aimed at ensuring that IP creation education becomes widespread in front-line education, by such means as gathering teaching materials for delivering IP creation education, demonstrating IP creation education in elementary and junior high schools, systematizing IP creation education in high schools, and disseminating examples of successful IP creation education. (Short-term, Medium-term) (Cabinet Office)
- Consider the expansion of the system for promoting IP creation education in provincial regions (regional consortia). (Short-term, Medium-term) (Cabinet Office)
- Promote thorough adherence to the overall purpose of the new Curriculum Guideline, to ensure that education concerning IP tailored to students' level of development is provided at elementary, junior high, and high schools, to cultivate creativity and inculcate an understanding of IP's significance. (Short-term, Medium-term) (Ministry of Education, Culture, Sports, Science and Technology)
- Create teaching materials for teachers and for students who aspire to become teachers, in order to enable teachers in front-line education to understand the necessity of IP creation education and deliver that education themselves. (Short-term, Medium-term) (Cabinet Office; Ministry of Economy, Trade and Industry)

(v) Developing and Accumulating “Cool Japan” Human Resources

(Current Situation and Challenges)

In February 2017, the Cool Japan Human Resource Development Review Committee began clarifying the types of workers required in the content industry and other Cool Japan industries and published its first report in May that year, concerning the direction of the requisite responses for developing the human resources required in industries associated with Cool Japan. These include Producer Talents, Specialist Talents, Foreign Talents, and Regional Producer Talents.

In March 2018, the committee published its final report, which incorporated such new points for discussion as initiatives focused on matching Foreign Talents with companies; the enhancement of the corporate employment environment for foreign nationals; the construction of a nationwide system for cooperation among industry, academia, and government in the acceptance of Foreign Talents; and the effective development of Regional Producer Talents. The final report also confirmed the progress and outcomes of measures by relevant ministries and agencies based on the first report (such as the development of mechanisms for proactively

appointing teacher-practitioners at professional graduate schools). It is necessary to steadily implement measures based on this final report.

It is also important to further increase interest in Japan among foreign nationals who support the demand side as influencers and loyal customers of Cool Japan, and to swell their ranks. Accordingly, it will be vital to consider measures aimed at increasing the number of foreign nationals with high spending power who spend extended periods living in Japan for a variety of reasons, along with initiatives aimed at increasing the number of Japan fans, such as building mechanisms that enable foreign nationals with an interest in Japan to obtain certain benefits through registration or the like. These deliberations should be informed by initiatives in other countries, such as Estonia's e-Residency⁸ system, for example.

(Direction of Measures)

- Based on the Final Report of the Cool Japan Human Resource Development Review Committee (March 2018), promote initiatives that contribute in the following areas: operating a professional graduate school system that assists in Cool Japan human resource development; building a system for cooperation in such areas as institutional initiatives aimed at amassing and tapping into Foreign Talents and sharing information at both the local and national level among industry, academia, and government about the acceptance of Foreign Talents; the spread of the Japanese language overseas; the development of human resources capable of identifying, refining, and publicizing overseas the attractions of regional Japan; and the development of Specialist Talents tailored to current industrial needs. (Short-term, Medium-term) (Cabinet Office; relevant ministries and agencies)

(vi) Identifying, Creating, and Expanding Regional Cool Japan Resources

(Current Situation and Challenges)

Although there are many things in Japan's provincial regions that have potential as Cool Japan resources, such as the local products, local dishes, and traditional crafts cultivated in each region, it has been pointed out that they are not produced (curated) in a way that is attractive to foreign nationals, so their appeal is not being fully utilized.

As stated in the Final Report of the Cool Japan Human Resource Development Review Committee, it is vital for provincial regions to introduce external perspectives by such means

⁸ A mechanism under which applicants can obtain an ID issued by the Estonian government, which enables the bearer to carry out various procedures in the EU online, including starting up companies, concluding contracts, and making payments. e-Residency – New Digital Nation (Republic of Estonia website) <https://e-resident.gov.ee/>

as the following:

- Supporting Artist in Residence initiatives
- Encouraging relocation/remigration to the regions based on the I-turn, U-turn, and J-turn models
- Attracting anime production companies to provincial regions, thereby simultaneously attracting industry, amassing Regional Producer Talents, and promoting the attractions of the region.

It is therefore important for Japan's regions to accept "seeds" and talent from urban areas, combine them with local seeds and needs to create synergies, create and edit local attractions effectively, and deploy them as products and services.

In May 2017, the Final Report of the Cool Japan Hub Development Review Committee summarized effective techniques for collaboration between Cool Japan hubs in each part of Japan; these included, for example, the creation of a website that can serve as a gateway for effectively aggregating and disseminating information about filming locations, and methods of working with foreign bloggers and other influencers to encourage anime tourism.

(Direction of Measures)

- Have regional Cool Japan promotion committees discuss measures for the integrated dissemination and promotion of various local attractions by provincial regions based on urban seeds and personnel or by means of techniques and know-how such as the utilization of foreign influencers; undertake more effective regional seminars to discuss in specific terms such matters as measures for solving regional problems. (Short-term, Medium-term) (Cabinet Office)

(2) Encouraging Ambitious and Creative Activities

As stated in (1) above, the ways in which innovation occurs and approaches to value creation are changing significantly, so business must be overhauled and industrial regeneration promoted without delay to maintain Japan's international competitiveness. The nation also faces the challenge of how to swiftly and flexibly incorporate external needs and resources to continue creating new business models while existing industry ecosystems are being transformed via the medium of digital networks. Encouraging open innovation and venture creation across Japanese industry as a whole will therefore be important, so it will be necessary to proactively utilize SMEs and venture companies as partners, as well as ensuring that large corporations in particular take the lead in collaboration not only between industry and academia, but also between one industry and another.

In the content field, too, the development of digital technology is driving changes in the ecosystem, including in production and distribution methods. To ensure the sustainable development of the content industry, which enjoys international popularity and plays a key role in Cool Japan, it is necessary to put in place an ecosystem that encourages creators and the companies that support them to take on new challenges. At the same time, there is a need to put in place infrastructure that gives creators peace of mind, in the form of effective anti-piracy measures based on international partnership and cooperation, which take into account advances in technologies and distribution techniques in the digital age.

(i) Accelerating Open Innovation

(Current Situation and Challenges)

Amid changing approaches to innovation and with conventional self-sufficiency having the potential to actually reduce competitiveness, it will be essential for companies to gain and maintain competitiveness by securing their core competences and then promote open innovation by combining their technologies, ideas, services, know-how, data, etc. with the resources of actors in other industries and fields, such as universities, research institutes, and companies outside their corporate group, as well as involving users, in order to create new value capable of social implementation.

While the necessity of open innovation has been discussed previously, it is not necessarily being pursued with sufficient speed, due in part to awareness among Japanese universities, research institutions, and companies lagging behind. The key to creating value will lie in how companies tap into not only technology seeds, but also user needs and wants, while leveraging big data and AI technology. From this perspective, enhancement of the environment and

systems for stimulating open innovation will be required.

(Direction of Measures)

- Summarize the IP-related challenges that need to be addressed in promoting open innovation and consider response measures. (Short-term, Medium-term) (Cabinet Office)
- Consider approaches to an IP platform that matches Japanese seeds capable of helping to solve challenges faced in achieving the SDGs with the needs of countries worldwide in respect of addressing those challenges. (Short-term, Medium-term) (Cabinet Office; Ministry of Economy, Trade and Industry; Ministry of Foreign Affairs)
- Promote initiatives aimed at forming innovation management hubs (tentative name), including efforts to strengthen networks involving universities, industry, and TLOs involved in the practical aspects of effective technology licensing of university research output. (Short-term, Medium-term) (Ministry of Education, Culture, Sports, Science and Technology)
- Engage with relevant organizations in considering how to build a quality assurance system⁹ focused on the practical skills of the research administrators tasked with promoting and managing research, in order to enhance and strengthen the contribution that they make to establishing universities as hubs of innovation. (Short-term, Medium-term) (Ministry of Education, Culture, Sports, Science and Technology)
- Support the development of systems at universities for maximizing open innovation by such means as promoting the establishment of a centralized management system for large joint research projects in which corporate business strategy is closely involved, and encouraging joint research involving multiple companies in non-competitive realms. (Short-term, Medium-term) (Ministry of Education, Culture, Sports, Science and Technology)
- Provide integrated support covering everything from the identification of inventions with the potential for commercialization to the acquisition of rights to them and their utilization, in order to steadily put to practical use basic research output from universities, which are the source of innovation, and ensure that it becomes widely used. (Short-term, Medium-term) (Ministry of Economy, Trade and Industry)
- Analyze and research domestic and overseas IP trends in space systems from FY2018 and consider formulating an IP strategy for the space field that covers governmental organizations, Japan's space agency (Japan Aerospace Exploration Agency (JAXA)), and

⁹ It is envisaged that this quality assurance system will involve checking the extent to which research administrators have mastered the requisite knowledge and skills upon receipt of an application for such an assessment.

the private sector. (Short-term, Medium-term) (Ministry of Economy, Trade and Industry; Cabinet Office; relevant ministries and agencies)

(ii) Support for Venture Companies

(Current Situation and Challenges)

Venture companies are expected to play a key role in promptly generating innovation, particularly in new fields of industry, so strengthening support for generating and nurturing innovation will be vital from the perspective of accelerating innovation in Japan. Accordingly, it is necessary to put in place an environment that produces venture companies and nurtures them through partnerships between venture companies and large corporations.

In addition, as IP is the main asset of many venture companies, it is important to promote insights into the IP that they have and provide them with swift support in acquiring and utilizing IP. However, some have pointed out that, although there is a great deal of support on the menu for SMEs, the support available is not fully applicable to the unique challenges faced by venture companies, such as the difficulty of procuring finance and the paucity of accumulated know-how.

Accordingly, it will be necessary to enhance support focused on venture companies and put in place an environment conducive to their continuous generation of innovation.

(Direction of Measures)

- To support venture companies in promptly acquiring IP rights (given that such companies play a key role in innovation, but have little experience of acquiring rights), appropriately prescribe requirements for venture companies eligible for such support and, by the end of FY2018, put together a system that enables them to receive notice of the results of the first screening within one month, in principle, if they so request (“super accelerated examination”). In addition, provide support for the acquisition of rights that venture companies can easily utilize, by such means as offering interviews to facilitate face-to-face communication with examiners. (Short-term, Medium-term) (Ministry of Economy, Trade and Industry)
- Encourage the stimulation of the venture ecosystem by disseminating IP content such as the anthology of examples of domestic and overseas venture companies’ IP strategies compiled in FY2017 and by providing a forum that links parties involved in the venture ecosystem (venture companies, venture capitalists, accelerators/incubators, etc.) with professionals from the world of IP (patent attorneys, lawyers, etc.) (Short-term, Medium-term) (Ministry of Economy, Trade and Industry)

- Provide venture companies in the startup phase with support via the development of an appropriate IP strategy tailored to their business by a team of professionals with experience in the field of venture company support. (Short-term, Medium-term) (Ministry of Economy, Trade and Industry)
- Encourage the facilitation of financing, including for university ventures in the pre-startup phase, by such means as support provided by gap funding and the utilization of share options as remuneration for licensing. (Short-term, Medium-term) (Ministry of Education, Culture, Sports, Science and Technology; Ministry of Economy, Trade and Industry)

(iii) Establishing a Sustainable Content Creation Ecosystem

(Current Situation and Challenges)

Manga, anime, movies, music, games, broadcast programs, and other forms of content are elements driving the Cool Japan Strategy and are also essential to promoting an understanding of Japan. The steady implementation of government measures including Japan Content Localization and Promotional Support Grants (the J-LOP Project), which support the localization and promotion of such content, and the project to support overseas expansion of broadcast contents has generated positive outcomes.

Upgrading overseas expansion will require a strategy based on the shift in consumption trends from objects to experiences and services, and technological innovation and changes in the telecommunications environment such as the development of 5G telecommunications systems. It will also be necessary to support wider-ranging expansion initiatives involving inter-industry partnerships. For example, e-sports,¹⁰ which has recently become the focus of attention as a new area of growth in the field of content, is a growing business that has sprung up due to the emergence of digital as the main form of transmission, so the government must lose no time in gasping such new trends and, if necessary, get to work on putting in place the appropriate environment for ensuring their sound development.

In addition, ensuring the sustainable development of the content industry requires the production environment to be enhanced, so it will be necessary to provide support for initiatives that enables creators and others to use new techniques to finance and distribute their work. Blockchain and other new technologies have the potential to assist in building mechanisms for managing copyright works and distributing the profits generated from them, so it is necessary to provide support both for developing environments that make it easier for

¹⁰ An abbreviation of “electronic sports,” the term refers to sporting events that mainly involve competitive video gaming. Competitions are held across the globe in front of large audiences.

creators to secure appropriate remuneration and for undertaking initiatives that encourage efforts to maximize the value of as-yet-unexploited copyright works, by facilitating the exploitation of copyright works through the utilization of such new technologies.

(Direction of Measures)

- To construct an ecosystem centered on creators, who play the central role in creating appealing content that will attract a global audience, provide support for (1) initiatives focused on the planning, production, and overseas promotion of content using crowdfunding and other new forms of financing; and (2) initiatives focused on simultaneous worldwide roll-out of anti-piracy measures. (Short-term) (Ministry of Economy, Trade and Industry)
- Contribute to the expansion of inbound tourism, the promotion of Cool Japan, and regional revitalization by means of the following: working with the Broadcast Program Export Association of Japan (BEAJ) to support initiatives involving the production and ongoing overseas expansion of broadcast content that communicates Japan's appeal; developing the human resources required for overseas expansion of broadcast content; and conducting surveys in target markets. (Short-term) (Ministry of Internal Affairs and Communications)
- Generate explosive growth in the number of Japan fans by continuing to provide Japanese broadcast content via the Japan Foundation with the objective of promoting understanding of Japan, primarily in countries and regions where access to Japanese culture is challenging due to the difficulty of commercial expansion, while also maintaining broadcast slots that would be difficult to reacquire once lost. In addition, conduct surveys of local market structure and program purchase intention among local television stations, as a form of advance marketing to facilitate greater self-reliance in the overseas expansion of Japanese content in the future. (Short-term) (Ministry of Foreign Affairs)
- Undertake deliberations aimed at building mechanisms for managing copyright works and distributing the profits generated from them by means of blockchain and other technologies, to encourage the exploitation of content. (Short-term, Medium-term) (Ministry of Economy, Trade and Industry; Ministry of Education, Culture, Sports, Science and Technology)

(iv) Countermeasures against Counterfeiting and Piracy

(Current Situation and Challenges)

2017 was a year that brought a renewed awareness of the rampant nature of IP

infringements, which are becoming increasingly borderless, acute, and sophisticated. Specifically, extremely malicious websites distributing infringed content on a massive scale were a problem in the first half of the year, while the latter half saw the arrest of operators of a leech site for distributing pirated content themselves and also the arrest of operators of a “spoiler website,” who published manga and other content online prior to its official release date. Media coverage of such issues provided a striking sense of the malicious nature of online piracy websites and the growing harm that they have been causing of late. Identification of the operators and administrators of such sites has remained difficult since then and piracy sites to which requests for the deletion of infringed content cannot even be submitted have appeared or been discovered. Access to such sites by a large number of Internet users is intensifying, giving rise to a situation in which the rights of copyright holders could be significantly impaired as a result of a sharp drop in sales in the steadily growing digital comic market, for example.

While the Intellectual Property Strategic Program 2017 advocated countermeasures against counterfeit and pirated items circulating on the Internet, this situation demonstrated the need to stem the drastic upsurge in infringements of rights. The Intellectual Property Strategy Headquarters and the Ministerial Meeting Concerning Measures Against Crime therefore approved a set of emergency response measures¹¹ on April 13 this year.

As well as continuing to enforce a strict crackdown, it will be necessary during the current fiscal year to further enhance government-wide deliberations on approaches to countermeasures against counterfeiting and piracy, while supporting private sector initiatives. It is hoped that this will serve as a permanent fix for the rampant problem of malicious infringement, and that deliberations about far-sighted measures will minimize future harm to the manufacturing and content industries.

(Direction of Measures)

- Establish a forum for deliberations by experts and relevant ministries and agencies concerning measures to combat counterfeit and pirated items circulating on the Internet and promote collaboration with rights holders and relevant business operators, while sharing information about the reality of such measures, including approaches to the circulation of authorized content, and the state of public and private sector initiatives. In addition, undertake comprehensive deliberations concerning future approaches and directions in respect of countermeasures, including consideration of discussion points

¹¹ Intellectual Property Strategy Headquarters / Ministerial Meeting Concerning Measures Against Crime, Emergency Measures Against Online Piracy Sites (April 2018) (<http://www.kantei.go.jp/jp/singi/titeki2/kettei/honpen.pdf>)

concerning the development of a site-blocking system and radical countermeasures against counterfeiting and piracy.

(Short-term, Medium-term) (Cabinet Office; National Police Agency; Ministry of Internal Affairs and Communications; Ministry of Finance; Ministry of Education, Culture, Sports, Science and Technology; Ministry of Economy, Trade and Industry; relevant ministries and agencies)

- Examine approaches to dealing with the act of leading users to infringed content via leech sites, giving full consideration to stakeholders' views, while also bearing in mind the balance between the protection of rights and freedom of expression, and take the requisite measures with a view to submitting a bill without delay. (Short-term) (Ministry of Education, Culture, Sports, Science and Technology)
- To address the growing influx of counterfeit and pirated items arising from advances in cross-border electronic commerce (e-commerce), continue to enforce a strict crackdown on items of this kind imported in the guise of goods for personal use. In addition, consider the direction of specific responses to imports of counterfeit goods as items for personal use, in which there has been a particularly marked rise, while gaining an understanding of the extent of harm suffered by rights holders and the like, and of the operational situation, including that relating to the development of systems in other countries. (Short-term) (Ministry of Finance; Ministry of Economy, Trade and Industry)
- Consider approaches to teaching materials and the like that will assist in education about copyright, including anti-piracy measures, and then develop and promote widespread adoption of those teaching materials, etc. in order to enhance IP-related teaching materials. (Short-term, Medium-term) (Ministry of Education, Culture, Sports, Science and Technology)
- Promote awareness activities that bring ministries and agencies together with relevant organizations to foster a deep-seated sense of discipline among the public to ensure that they do not tolerate counterfeit and pirated items, including infringed content, based on the awareness not only that such items should not be purchased, but also that inadvertently consuming infringed content in particular benefits the infringing party. (Short-term, Medium-term) (National Police Agency; Consumer Affairs Agency; Ministry of Finance; Ministry of Education, Culture, Sports, Science and Technology; Ministry of Agriculture, Forestry and Fisheries; Ministry of Economy, Trade and Industry)

(3) Designing Structures for New Fields

To ensure the ongoing development of Japanese industry and culture, it is necessary not only to foster creativity and the willingness to take on challenges by nurturing both human resources and business, but also to provide systematic support for those activities in the form of mechanisms and expand the stage on which such activities can take place, or identify new sources of value creation.

From this perspective, it is particularly important to strengthen standardization strategies, which will become increasingly crucial when expanding into international markets, and to put in place IP system infrastructure tailored to new IP-related situations, such as technological trends and expectations around solving challenges through the promotion of the SDGs. New information assets arising from the development of technologies such as data and AI are one of the frontiers of the modern world, so maximum efforts continue to be required in respect of measures focused on facilitating their utilization.

In the case of the Cool Japan Strategy, identifying the essence of Japanese attractions that appeal to foreign nationals and effective methods of promoting and publicizing them, and widely utilizing them will make it possible to find and enhance Cool Japan resources in various fields and regions, thereby creating new value.

As well as direct benefits including production and employment, movie locations could assist in spreading the word about the appeal of the areas used as locations, and also open up secondary business opportunities, such as location tourism after filming ends, with fans making “pilgrimages” (to use the buzzword that became popular in 2017) to sites where movies were filmed. Accordingly, it is anticipated that initiatives will be enhanced going forward, including autonomous efforts by private sector business operators and local governments.

Finally, a nationwide digital archive must be built without delay. This should contain a wide range of content, consisting mainly of Japanese cultural resources, which should offer a one-stop search function across all fields for overseas users as well, which could facilitate both the combination and utilization of such content.

(i) Designing Standards, Regulations, and Other Rules with Business Models in Mind

(Current Situation and Challenges)

As we enter the Fourth Industrial Revolution, an age in which various linkages will create new added value, international standardization will become crucial to forging links between all kinds of goods and services. In particular, this era will see the roll-out not only of

individual products and technologies, but also of higher-layer systems incorporating them, in combination with international standardization, inter-industry partnerships, regulations, and conformity assessment, all focused on services using those systems.

In light of this background, the Technical Regulations, Standards and Conformity Assessment Subcommittee of the the Industrial Structure Council's Committee on Industrial Science and Technology Policy and Environment put together a report entitled "Future Approaches to Technical Regulations, Standards and Conformity Assessment" in October 2017, setting out the direction of approaches to standardization strategy, public-private partnerships, and standardization systems. The primary focus until now has been standardization activities in the form of developing domestic and international standards, but going forward, it will be necessary to gain an overview of the interactions between standards and such individual elements as research and development, regulation, and conformity assessment, based on the perception that standards are just one of several tools available. This should then inform consideration of the direction to be taken in the basic response of the country as a whole, taking into account the business models of Japanese companies, and rules such as standards and regulations will need to be designed accordingly.

Both the public and private sectors are now considering standardization not only in the conventional realms of regulations and conformity assessment, but also in the context of higher-level contexts, including social issues and composite systems, such as the SDGs and Society 5.0.

In light of this situation, ongoing consideration will be required concerning such matters as approaches to formulating international rules and standardization strategies that are favorable to business development by Japanese companies, as well as approaches to systems for public-private partnerships.

(Direction of Measures)

- Consider the direction to be taken in the basic response of the country as a whole, taking into account business models, in light of the findings of the Regulations, Standards and Conformity Assessment Subcommittee of the the Industrial Structure Council's Committee on Industrial Science and Technology Policy and Environment in the October 2017 report "Future Approaches to Technical Regulations, Standards and Conformity Assessment." Put in place international standardization systems designed with a view to their use in the regulation and conformity assessment of standards, and further promote international standardization activities based on partnerships between the public and private sector. (Short-term, Medium-term) (Ministry of Economy, Trade and Industry)
- Taking into account enhancements to the Industrial Standardization Act, including the

expanded focus of standardization and the acceleration of the JIS¹² development process, take the requisite measures to put in place the appropriate operational environment for the Act, including strengthening collaboration between ministries with a view to formulating a standardization strategy that includes the service sector and developing accreditation criteria for accredited industrial standard development organizations. (Short-term, Medium-term) (Ministry of Economy, Trade and Industry)

- Use the Public-Private Committee on Acquisition of International Standards established in September 2017 to consider the fields on which Japan should devote particular energies in the formulation of international rules and standards and consider approaches to public-private partnerships relating to international standardization in the systems field. (Short-term, Medium-term) (Cabinet Secretariat; Ministry of Economy, Trade and Industry; relevant ministries and agencies)

(ii) Strengthening IP System Infrastructure

(Current Situation and Challenges)

As new technologies in the form of AI, the IoT, and big data drive rapid and innovative change in society, forms of business are being transformed in response. Amid this situation, it is necessary to ensure that, as one of the most effective tools supporting business, IP rights are made more user-friendly by tailoring them to the times and user needs. Regarding litigation proceedings, which are an important means of realizing IP rights, the Review Committee for the Use of IT in Court Proceedings established under the Headquarters for Japan's Economic Revitalization made a recommendation to the effect that "it is hoped that efforts will be made to enable IT to be used in civil proceedings for all case types" ("Report on the Use of IT in Court Proceedings," March 30, 2018). Accordingly, it is important to consider the existing IP rights system from the perspective of whether it is capable of responding to the new era or whether it is a user-unfriendly system that lags behind the times, and to make the requisite revisions to the system and its operation.

(Direction of Measures)

- Given that the substantial increase in the number of trademark applications has led to a tendency toward longer examination periods, enhance the trademark examination system to ensure that examination periods do not become any longer. In addition, use accumulated examples to analyze the actual content of examinations of new types of

¹² Japanese Industrial Standards

trademark and undertake deliberations with a view to revising the Trademark Examination Guidelines, etc. Furthermore, promote widespread awareness and understanding of Japan's Trademark Examination Guidelines through such opportunities as hosting training courses for specific countries and exchanging opinions with them. (Short-term, Medium-term) (Ministry of Economy, Trade and Industry)

- To enable users to obtain higher-quality international examination reports in respect of international applications under the Patent Cooperation Treaty (PCT), launch the PCT Collaborative Search and Examination pilot program — a framework for working with overseas IP agencies on preparing international examination reports — before the end of FY2018 and steadily implement it. (Short-term, Medium-term) (Ministry of Economy, Trade and Industry)
- Based on the results of the trial project conducted in FY2017 in accordance with the Japan Patent Office (JPO) Action Plan for Utilization of AI Technology (published on April 27, 2017), as part of a set of initiatives aimed at more advanced and efficient patent administration, achieve further progress in specific deliberations, including the development of the systems required to expedite the utilization of AI technology. (Short-term, Medium-term) (Ministry of Economy, Trade and Industry)
- To alleviate the burden on users arising from accessing patent information, improve and expand the information from examination and trial documentation that can be referred to on the Japan Platform for Patent Information (J-PlatPat) and speed up the provision of bibliographic and progress information. (Short-term) (Ministry of Economy, Trade and Industry)
- To increase the JPO's ability to disseminate examination and trial information, develop an environment conducive to increasing the accuracy of the Japanese-to-English machine translation system. In addition, increase the accuracy of the system for machine translation from other languages to Japanese, to make it easier for Japanese users to access IP information from patent offices overseas. (Short-term, Medium-term) (Ministry of Economy, Trade and Industry)
- Ensure widespread awareness of the Guide to Licensing Negotiations Involving Standard Essential Patents. In addition, facilitate licensing negotiations and expedite dispute settlement via the operation of the advisory opinion system to determine standard essentiality, which was launched in April 2018. (Short-term, Medium-term) (Ministry of Economy, Trade and Industry)
- Promote widespread awareness and ensure appropriate operation through supervision of two systems introduced under the FY2018 revision of the Patent Act, namely the system for determining the necessity of submitting documents or objects for inspection via

in-camera procedures under an order for submission of documents or order for presentation of objects to be inspected, and the system for involving a neutral third-party technical expert under a duty of confidentiality in procedures for the collection of evidence. (Short-term) (Ministry of Economy, Trade and Industry)

- Through public-private partnerships, taking into account the April 2018 interim report of the inter-ministerial liaison meeting, steadily promote initiatives such as human resource development and efforts to put in place the infrastructure required to achieve proactive use of international arbitration, which is an increasingly useful means of settling international disputes. (Short-term, Medium-term) (Ministry of Justice; relevant ministries and agencies)
- Move forward with deliberations on the use of IT in civil proceedings, such as online document submission and enabling proceedings to be carried out via web conferencing, to make trials faster and more efficient, and increase convenience for users, given that some have pointed out that the use of IT in civil proceedings in Japan is inadequate compared with other countries. (Short-term, Medium-term) (Ministry of Justice)
- Continue efforts to enhance the dissemination of information to other countries regarding major IP-related judicial precedents and other information concerning the settlement of IP disputes in Japan.

(iii) Strengthening IP Strategy Relating to Data, AI, and Other New Data-related Assets

(Current Situation and Challenges)

In the age of the Fourth Industrial Revolution, the accumulation of large volumes of digital data via networks across the boundaries between different sectors and companies and its processing via such analytical technologies as AI is expected to produce new added value and lead the creation of business and innovation. Putting in place an environment conducive to the use of data and AI is essential in an era such as this.

Based on the Intellectual Property Strategic Program 2017, the Unfair Competition Prevention Act and the Copyright Act have been amended, and contract guidance concerning data has been put in place, with the aim of encouraging the utilization of data and AI. With drastic changes taking place in both technologies and services in the fields of data and AI, continued scrutiny of technical trends and operational issues in such areas as learned models and AI creations will be required and revisions to the existing IP system and its operation may need to be considered.

Open science¹³ is rapidly becoming widespread and it is necessary to consider the formulation of policies and plans for the management and utilization of research data as the product of research.

From the perspective of ensuring proper data circulation, it is appropriate to consider the use of blockchain technology, which is attracting attention as a technology for recording transaction history.

(Direction of Measures)

- In light of such developments as the introduction of injunctions on the illicit acquisition of data under the Unfair Competition Prevention Act, take the requisite measures to put in place an appropriate operational environment for the Act, including formulating guidelines and promoting widespread awareness and understanding of the Act. (Short-term, Medium-term) (Ministry of Economy, Trade and Industry)
- Carry out a full revision of the Contract Guidelines on Data Utilization Rights ver. 1.0 and undertake in-depth investigation of data-related contracts. Summarize approaches to contracts relating to the development and use of AI for the first time. Accelerate the dissemination of the revised guidelines by promoting widespread awareness of them, to encourage their use by parties to contracts and thereby encourage the utilization of data and AI. Continue to identify challenges affecting their use and undertake deliberations aimed at their international roll-out. (Short-term, Medium-term) (Ministry of Economy, Trade and Industry)
- Continue deliberations concerning the implementation of information banks by promoting the operation of the Guidelines of Certification Schemes Concerning Functions of Information Trust and the implementation of trials via public-private partnerships. Continue deliberations concerning approaches to data portability in Japan. (Short-term, Medium-term) (Cabinet Secretariat; Ministry of Internal Affairs and Communications; Ministry of Economy, Trade and Industry)
- Take the necessary measures to promote data utilization by building a mechanism that connects health and medical data, enabling it to be utilized swiftly and smoothly. (Short-term, Medium-term) (Cabinet Secretariat; Ministry of Health, Labour and Welfare)
- Promote open science by scrutinizing cases and trends in international discussions. Consider formulating a data policy and data management plan, paying attention to open-close strategies that take into account the national interest and the features of

¹³ Open science is a concept that encompasses both open access and the opening up of research data (open data). (5th Science and Technology Basic Plan (approved by the Cabinet in January 2016))

research fields. (Short-term, Medium-term) (Cabinet Office; relevant ministries and agencies)

- Work on bringing smart agriculture, smart forestry, and smart fisheries to fruition by developing the Agricultural Data Collaboration Platform, which uses ICT and the like to facilitate the collection, sharing, and utilization of a wide range of data. In the agricultural field in particular, consider such matters as specific model agreement conditions for inclusion when providing others with data collected and granting consent for its use, and draw up guidelines for data use and agreements that can be utilized on the Agricultural Data Collaboration Platform. (Short-term) (Ministry of Agriculture, Forestry and Fisheries) [Described above]
- Conduct fixed-point observation of trends in technology and services, as well as trends in IP systems overseas, and consider the need for further legislation in light of these. In particular, continue to consider approaches to the IP system involving changes in technologies and services relating to learning data, AI programs, learned models, and AI creations. (Short-term, Medium-term) (relevant ministries and agencies)
- Taking into account the development of flexible rights limitation under the Copyright Act, take the requisite measures to put in place an appropriate operational environment for the Act, including formulating guidelines, promoting widespread awareness and understanding of copyright, and encouraging efforts to enhance the licensing environment. (Short-term) (Ministry of Education, Culture, Sports, Science and Technology)
- Undertake deliberations aimed at building mechanisms for managing copyright works and distributing the profits generated from them by means of blockchain and other technologies, to encourage the exploitation of content. (Short-term, Medium-term) (Ministry of Economy, Trade and Industry; Ministry of Education, Culture, Sports, Science and Technology) [Described above]

(iv) Building a Copyright System Tailored to Advances in Digital and Network Technologies

(Current Situation and Challenges)

Issues pointed out regarding the current copyright system include the fact that it is effectively impossible to obtain prior consent from all copyright holders when using large volumes of information. Accordingly, a bill amending the Copyright Act by instituting provisions that ensure appropriate flexibility according to the categories of activity involving copyrighted material was drawn up and passed after being debated in the Diet.

It is necessary to take such steps as formulating guidelines, to put in place an appropriate

operational environment for the aforementioned amended act. Ongoing deliberations are also required regarding a copyright system that adequately responds to the needs of a new age, to encourage innovation while maintaining the balance between protection and utilization.

(Direction of Measures)

- Taking into account the development of flexible rights limitation under the Copyright Act, take the requisite measures to put in place an appropriate operational environment for the Act, including formulating guidelines, promoting widespread awareness and understanding of copyright, and encouraging efforts to enhance the licensing environment. (Short-term) (Ministry of Education, Culture, Sports, Science and Technology) [Described above]
- Consider measures aimed at facilitating the use of the compulsory licensing system for orphaned works, taking into account the results of a trial project undertaken in collaboration with organizations representing rights holders, and take the requisite steps. (Short-term, Medium-term) (Ministry of Education, Culture, Sports, Science and Technology)
- Continue discussion on specific issues based on the results of research on an extended collective licensing system conducted to date, from the perspective of accommodating utilization of copyright works. (Short-term, Medium-term) (Ministry of Education, Culture, Sports, Science and Technology)
- Promote public-private collaboration in each field to develop an aggregated database of rights information for creative content, etc., in order to make the rights clearance process smoother, thereby promoting the utilization of creative content. In addition, conduct a trial project aimed at developing a database that integrates information about rights to content in the field of music and creating a rights clearance platform that utilizes that database. (Short-term, Medium-term) (Ministry of Education, Culture, Sports, Science and Technology; Ministry of Economy, Trade and Industry)
- Undertake deliberations aimed at building mechanisms for managing copyright works and distributing the profits generated from them by means of blockchain and other technologies, to encourage the exploitation of content. (Short-term, Medium-term) (Ministry of Economy, Trade and Industry; Ministry of Education, Culture, Sports, Science and Technology) [Described above]
- Discuss at the Council for Cultural Affairs for revising the Copyright Levy Framework for private audio/audiovisual recordings while introducing a new structure to replace the existing system so as to ensure content reproduction with appropriate compensation for content creators, and implement necessary measures based on the conclusions of such

council meetings. (Short-term, Medium-term) (Ministry of Education, Culture, Sports, Science and Technology; Ministry of Economy, Trade and Industry)

- To facilitate use of copyright works for ICT education and the like, consider measures to promote smoother shared use of study materials for educational purposes among teacher and educational institutions and otherwise facilitate the use of copyright works in schools, etc. (Short-term, Medium-term) (Ministry of Education, Culture, Sports, Science and Technology)
- Discuss and take necessary measures for the issue of the promotion of training and dissemination activities relating to copyright laws at educational institutions and the issue of the development and improvement of licensing environment. (Short-term, Medium-term) (Ministry of Education, Culture, Sports, Science and Technology)

(v) Sustainable Strengthening of the Cool Japan Strategy

(Current Situation and Challenges)

With interest in Japan growing, as demonstrated by the rapid increase in foreign visitors to Japan, the Cool Japan Strategy should be regarded as part of Japan's growth strategy for generating value into the future. Accordingly, it is necessary to gain an accurate perception of which facets, attitudes, and cultural aspects of Japan appeal to foreign nationals, what kind of foreign nationals find them attractive, and why, in order to generate added value from the Japan that appeals to foreign nationals. More specifically, the following activities should be undertaken from a market-in (devised on the basis of customer needs), rather than product-out perspective:

- Creating, identifying, and curating Cool Japan resources based on the essence of Japanese attractions that appeal to foreign nationals (for example, precision, attention to detail, mastery of skills and accomplishments)
- Effective communication in creating and presenting stories and contexts that appeal to foreign nationals
- Strategic development based not only on the characteristics of national and regional markets, but also on preferences associated with social attributes, such as income and religion.

It will then be important to aim to ensure that more foreign nationals consume higher-added-value aspects of Japan.

(Direction of Measures)

- Identify specific effective methods for deploying stories and contexts, such as relating

them in terms of local culture or historical background, or in the context of aspects unique to Japan. Leverage the activities of the Cool Japan Public-Private Partnership Platform, among others, to increase Cool Japan's added value. For example, the Guidelines for Narrating Japanese Culture commissioned and published by the Intellectual Property Strategy Promotion Bureau will serve as a point of reference. (Short-term, Medium-term) (Cabinet Office; relevant ministries and agencies)

- Analyze differences in preferences and marketability of Cool Japan fields by country and attribute. For example, refer to the Country-by-Country Survey for Overseas Expansion of Cool Japan and the Survey of Foreign Awareness for Reproducing Cool Japan commissioned by the Intellectual Property Strategy Promotion Bureau, while engaging in more in-depth analysis and encouraging its use by both the public and private sectors. (Short-term, Medium-term) (Cabinet Office; relevant ministries and agencies)

(vi) Improvements to Filming Location Environments

(Current Situation and Challenges)

Based on the Intellectual Property Strategic Program 2017, the Coordination Committee on Improving Filming Location Environments was established in FY2017 to increase the appeal of video content featuring Japan by improving filming environments within the country. As well as sharing information about procedures for obtaining permits and approvals closely linked to location filming, the committee collated excellent examples of advanced initiatives based on interviews with film commissions and conducted surveys of relevant systems for attracting major productions from overseas and the economic effects thereof. With respect to facilitating the acquisition of permits and approvals, it is becoming clear that the issues include promoting widespread understanding of the processes involved in obtaining them, compliance with the details of filming permits, and encouraging the whole of each area to get involved in contributions to the area, such as location maps. Some have pointed out the importance of initiatives focused on providing a centralized source of information about laws and regulations (such as a one-stop helpline or a website summarizing all the information) to create this kind of positive spiral. In FY2018, approaches to public and private sector support for locations, including such initiatives, will be considered and some conclusions will be reached.

(Direction of Measures)

- Hold meetings of the Coordination Committee on Improving Filming Location Environments to share the latest information about permits and approvals closely

associated with location filming, and to summarize examples of excellence and share know-how in the area of obtaining permits and approvals. Based on discussions to date, reach some conclusions about approaches to public and private support for locations before the end of FY2018. (Short-term) (Cabinet Office; National Police Agency; Ministry of Land, Infrastructure, Transport and Tourism; Ministry of Internal Affairs and Communications; Ministry of Economy, Trade and Industry; Ministry of Foreign Affairs; Agency for Cultural Affairs)

- Based on the results of surveys carried out in various countries in FY2017 concerning efforts to attract major productions from overseas, consider measures to bolster efforts to attract foreign productions likely to appeal to foreign nationals by incorporating many Japanese elements, thereby promoting Cool Japan and attracting inbound tourism. (Short-term, Medium-term) (Cabinet Office; relevant ministries and agencies)

(vii) Creating a Digital Archive Society

(Current Situation and Challenges)

Creating an environment that enables various data to be supplied under conditions that facilitate its routine utilization, so that it can be freely used by anyone in a variety of settings to produce new content will enable digital archives to be used on a daily basis to create a society that supports a diverse array of social, academic, cultural, and economic activities.

In the area of developing and utilizing digital archives, the Guidelines on the Development, Sharing and Utilization of Digital Archives (April 2017) have been formulated. Moreover, the Intellectual Property Strategy Headquarters established the Digital Archive Japan Promotion Committee in September 2017 in response to the Intellectual Property Strategic Program 2017 to decide on the work schedule for initiatives to develop digital archives in a variety of fields, and also set up a Practitioners' Council to address practical issues associated with the promotion of digital archives. The Practitioners' Council summarized the state of initiatives such as measures set out in reports by the previous consultative body, the Coordination Committee of Digital Archive-related Ministries and Agencies and the Practitioners' Council, and discussed response measures to tackle issues associated with the development and utilization of digital archives, including the utilization of content in situations where the relationship of rights is unclear.

As well as moving forward with the development of the national, integrated and cross-sectoral portal website Japan Search (tentative name), which the government aims to set up by 2020, it will be necessary for relevant ministries and agencies to continue to make steady progress with initiatives in accordance with the work schedule to move forward with

deliberations on the development of digital archives and new measures focused on their utilization. In addition, the worlds of industry, academia, and government will need to work together on initiatives throughout society.

(Direction of Measures)

- To ensure that efforts to promote the dissemination and use of Japan Search (tentative name) are effective, release a trial version before the end of the fiscal year and build momentum around the time of release by having the National Diet Library.¹⁴ and relevant ministries and agencies work together to hold a forum to publicize and explain the website. (Short-term, Medium-term) (Cabinet Office; National Diet Library; relevant ministries and agencies)
- In partnership with relevant ministries and agencies, examine models for the utilization of digital archives, clarify the role of coordinators in various fields and regions, and consider approaches to providing coordinators with national support. (Short-term, Medium-term) (Cabinet Office; National Diet Library; relevant ministries and agencies)
- Consider approaches to metadata in each field, based on the common metadata format used in Japan Search (tentative name). In addition, consider measures to encourage the indication of metadata and secondary utilization conditions for digital content, and move forward with its sharing. (Short-term, Medium-term) (Cabinet Office; National Diet Library; relevant ministries and agencies)
- Develop information hubs for media art such as manga, anime, and video games and use them as venues for disseminating content, in conjunction with the Digital Archive Japan. (Short-term, Medium-term) (Ministry of Education, Culture, Sports, Science and Technology; relevant ministries and agencies)

¹⁴ Although the National Diet Library belongs to the legislature, it is listed among the ministries and agencies in charge under the Intellectual Property Strategic Program 2018, since archive-related measures are to be addressed by the whole government and the institution in question plays an important role in this.