

Intellectual Property Strategic Program 2020

—An Intellectual Property Strategy for the Post-COVID-19 “New
Normal”—

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Intellectual Property Strategy Headquarters

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1. Introduction

The Intellectual Property Strategic Program 2019, which was approved in June 2019 by the Intellectual Property Strategy Headquarters with a view to realizing the “value design society” described in the Intellectual Property Strategy Vision (approved by the Intellectual Property Strategy Headquarters in June 2018), set out the following three pillars to serve as the medium- to long-term direction of future Intellectual Property Strategic Programs.

- Strengthening individual entities and encouraging them to take on challenges, inspired by the idea of “breaking free from normal/average.”
- Accelerating new connections through the fusion of dispersed and diverse personalities.
- Creating an environment where value can be easily attained through empathy.

Last autumn, the Intellectual Property Strategy Headquarters put in place a new system for considering measures aimed at bringing the value design society to fruition. The Verification, Evaluation and Planning Committee was reorganized and the Vision Committee was established to shape the medium- to long-term direction and specific measures, and consider the steps required to review and evaluate the implementation status of each measure and ensure their effectiveness.

At its first meeting, the Vision Committee looked at the main elements comprising the value design society—namely, breaking free from normal/average, fusion, and empathy—and the digital innovation required to achieve Society 5.0, and considered strategies for developing these elements, in the form of the Digital Intellectual Property Strategy, Usage of Local Resources and Intellectual Property Strategy, Content Strategy/Cool Japan (CJ) Strategy, and Social Implementation of Intellectual Property Strategy. To drill down into certain themes in more expert detail, the Local Value Working Group, Create Japan Working Group, and Content Working Group were established. As well as considering the aforementioned strategies from expert, multifaceted perspectives, the Vision Committee and these working groups also engaged in lively discussion of the impacts of the global spread of the novel coronavirus (COVID-19), which broke out during the course of their deliberations, and of the social changes that will be required to address the disease.

Based on these discussions, we have put together the Intellectual Property Strategic Program 2020, which sets out the policies required to achieve progress toward breaking free from normal/average, fusion, empathy, and digital innovation in the post-COVID-19 new normal. The section entitled “The ‘New Normal’ and Intellectual Property Strategy” serves as a general outline of the basic policy and is followed by sections setting out the measures to be taken in each field, under the headings “Promoting Strategic Intellectual Property Use in the Innovation Ecosystem,” “Implementing the CJ Strategy,” and “Building a Content Creation Ecosystem.”

2. The “New Normal” and Intellectual Property Strategy

(1) Basic understanding

The recent global spread of COVID-19 is causing a major and irreversible transformation in approaches to social and economic systems. Even after the pandemic has been brought under control and we come out of emergency mode, the world will likely not return to how things were before, but rather find that what was considered common sense in many aspects of our economy and society pre-COVID-19 has been replaced by a “new normal.” It is imperative that this awareness be widely shared, but while the world is moving toward the new normal, our nation’s public and private sectors should step up the efforts required to ensure that Japan is actually in the vanguard leading this transformation.

Before COVID-19, the concepts of “value design society”¹ and “Society 5.0”² were set out as visions for the society to which Japan should aspire, to guide deliberations concerning intellectual property (IP) strategy. In October 2019, the Vision Committee of the Intellectual Property Strategy Headquarters began considering IP strategy aimed at bringing these visions for society to fruition. The COVID-19 pandemic broke out before it had completed its deliberations. Under normal circumstances, the changes aimed at realizing the value design society and Society 5.0 would have been continuous, but COVID-19 has created dramatically higher acceptance of change, along with remote and online operations throughout society and modifications in people’s behavior. Accordingly, we have been presented with a golden opportunity for discontinuous social transformation that will bring the value design society and Society 5.0 to fruition at a stroke. Japan should aim for a new normal in the form of a nation that has achieved this social transformation and will require an IP strategy to do so.

The quality and speed of the responses aimed at getting to the new normal will have a direct bearing on Japan’s competitiveness in a post-COVID-19 world. Furthermore, amid a situation in which the world could easily lapse into turbulence or division, Japan will be expected not merely to ensure its own competitiveness, but also to play a key role in forming alliances that

¹ “A desirable society wherein diverse values beyond economic values are embraced and a wide range of new values are created and disseminated to receive empathy and respect from countries around the world by exercising the multifaceted abilities of diverse personalities and making good use of the ‘characteristics of Japan.’” The “value design society” was set out in the Intellectual Property Strategy Vision (approved on June 12, 2018 by the Intellectual Property Strategy Headquarters) as a vision for the society that Japan should aim to achieve in the medium- to long term.

² “A human-centered society in which systems created through the sophisticated integration of cyberspace with physical space (‘the real world’) make it possible both to achieve economic development and solve social issues.” It was advocated in the Fifth Science and Technology Basic Plan (approved by the Cabinet on January 22, 2016).

bind together a variety of viewpoints from across the globe. A large, diverse array of initiatives stemming from COVID-19 are already being implemented, as described below, including the implementation of technology in a variety of fields, rule changes, and multi-actor partnerships. In driving IP strategy forward, regarding each and every one of these initiatives as a field trial, assessing their outcomes, identifying meaningful suggestions, and using them to design new systems or implement projects will be of decisive importance. It is now or never and the entire government will need to work intensively on this as the top priority over the next two to three years. If we miss this opportunity, Japan will fall fatally behind the rest of the world in the post-COVID-19 new normal.

(2) Impacts and social change due to the spread of COVID-19

(i) Impacts and measures in the culture industry, etc.

The spread of COVID-19 triggered a chain reaction of responses in an effort to prevent further infection, including the cancellation and postponement of events, temporary closure of facilities, a marked decline in inbound and other tourism, and even the exercise of self-restraint by the public in refraining from nonessential, nonurgent outings and travel. The industry cluster that includes the events and entertainment industry, along with other content and culture-related industries, the tourism and leisure industry, the food service industry, and the fashion industry (hereinafter referred to collectively as the “culture industry cluster”) engages in business centered on various intangible assets and has a crucial part to play in Japan’s IP and CJ strategies. However, many business operators and others involved in this field are facing a perilous situation, having seen work decline significantly or disappear altogether as a result of the current crisis, and some have already gone bankrupt. Given the presence of so many small and medium-sized enterprises (SMEs), small businesses, and sole proprietors (including freelancers) in this field, there are fears that the number of businesses finding it impossible to continue trading will grow if this crisis becomes protracted.

In light of this situation, the government decided upon the “Emergency Economic Measures to Cope with the Novel Coronavirus (COVID-19): Thoroughly secure people’s lives and move toward economic revitalization” (approved by the Cabinet on April 20, 2020; hereinafter the “Emergency Economic Measures”). The Emergency Economic Measures have been devised on the basis of two phases: the Emergency Support Phase and the V-shaped Recovery Phase. The measures in the former are focused on protecting employment, business, and daily life, while those in the latter are aimed at promoting a turnaround to stimulate demand and achieve social transformation once the situation has been brought under control. The emergency support measures in the former phase cover many people, including businesses and individuals in the

culture industry cluster, with some measures taking into account the peculiarities of business categories such as culture and the arts. Measures in the latter phase, on the other hand, involve “stimulating demand in the severely affected areas such as tourism and transportation, food service and events.” The first thing that needs to be done is to ensure that business and employment can continue for the time being through the steady implementation of these measures.

At the same time, soon after COVID-19 began to spread, examples of successful business expansion appeared, such as the emergence of new platforms that sold electronic tickets and streamed live concerts without an audience, making it possible to earn money from more viewers than would have been expected if the event had taken place in front of a live audience at a venue. Other moves to find ways to survive have also been seen, such as restaurants offering delivery or takeout, or making their recipes available online. Thus, initiatives aimed at quickly adapting to the new normal and creating new value through digital and online means are also being seen in the culture industry cluster. On the other hand, it has been hard to find a means of survival through online distribution in some fields. For example, in the case of such large-scale performing arts settings as orchestra performances, musicals, and plays, the 3C’s (closed spaces, crowded places, and close-contact settings) are inevitable, including for the performers.

The COVID-19 pandemic is also having an immense impact on the business environment for startup companies. The business of many startups is centered on intangible assets or intellectual property. Not only are they already experiencing major barriers to customer development and financing, but they are also expected to see a substantial decline in the supply of private sector funding, so an appropriate response is required.

Leading medium-sized businesses form the bulk of the leading companies in the culture industry cluster and those which serve as regional hubs, but even these are facing grave consequences as a result of the current economic downturn and the halting of cultural and tourism activities. It is therefore necessary to ensure that these leading medium-sized businesses receive support of a different scale and nature from the emergency response measures tailored to SMEs.

(ii) The rapid shift to remote and digital operations and greater data use

COVID-19 has triggered rapid progress throughout society in the shift to remote and digital operations, along with greater use of data.

With companies introducing teleworking and web conferencing, and schools moving lessons online, needs in this area are burgeoning. Support for increased take-up and expansion of remote education was provided by bringing forward the entry into force of the amended Copyright Act, which includes a system permitting copyrighted material to be electronically transmitted to

students for online classes without permission from copyright holders, in principle, if monetary compensation is paid, and also by waiving the need to pay compensation during the current academic year only.

The spread of COVID-19 has also placed medical care providers in crisis mode and various steps have been taken to enhance the provision of online and telephone-based medical care, including enabling initial consultations to be conducted this way for a limited duration.

At the same time, Japan still does not have adequately developed online environments of the kind required to meet such rapidly expanding needs for remote operations and the current situation has revealed that this is impeding the growth of various initiatives.

Furthermore, initiatives that contribute to prevent the spread of disease by tapping into data via digital technology are becoming more prevalent, including analysis of the effects of requests for the public to refrain from going out that makes use of not only health data, but also statistical data on location information held by cellphone carriers. In one such example, Apple and Google announced that they were to partner in developing technology that would notify people of the possibility that they had come into contact with an infected person.

(iii) Developments in collaboration, co-creation, and mutual assistance

While awareness of the significance of open innovation has become widespread in Japan in recent years, there are limitations on what a single entity can achieve working alone, so when it comes to a crisis like COVID-19, there is a particularly high need for a large number of entities to work together and undertake co-creation in response.

For example, Tokyo Metropolitan Government's COVID-19 countermeasures website was published as open source and became the basis for similar sites rolled out across the country. An initiative aimed at facilitating the launch and running of new websites by standardizing the data formats and data items in this open data from local governments is also being implemented, leading to the formation of knowledge platforms. In Taiwan, the government's tech team GovTech, the National Health Insurance (NHI) Administration, the private sector civic tech community g0v, and numerous pharmacies and convenience stores worked in partnership to ensure a fair allocation of masks through online visualization of inventories across the country.

Global corporations and universities within Japan and overseas are increasingly moving to release royalty-free patents for use in combating COVID-19. The release of open-source software and royalty-free patents for public interest purposes, such as combating COVID-19, is a move intended to encourage the use of IP, as the rights holders will refrain from exercising their exclusive rights.

Along with collaboration and co-creation, the open innovation described above is a core technique for achieving fusion, which is one of the pillars supporting the value design society.

For some time now, it has been pointed out that Japan has been lagging behind global trends in such initiatives, but it is hoped that COVID-19 countermeasures will be the catalyst for progress in their social implementation.

Furthermore, stores, theaters, and other entities facing a sharp decline in demand due to the COVID-19 outbreak are increasingly turning to crowdfunding and other forms of mutual assistance.

(iv) Modifications in people's behavior

Throughout society, we are seeing a shift in people's behavior from the real world to online as a result of the current situation. In addition to the growth of online shopping and online food delivery, new forms of interaction have begun to take root, such as online visits to elderly people and people in hospital, online job interviews, online drinking parties, and online visits home for the holidays. However, a major blow has been dealt to business models predicated on real-world interaction.

Even in the real world, it is necessary to ensure social distancing and steer clear of large gatherings, to avoid the 3C's (closed spaces, crowded places, and close-contact settings).

Before COVID-19, attention was focusing on the fusion of digital and the real world as a potent approach to creating new value, but with even this now constrained, the question will be how to solve problems and create value through a digital-only approach.

The transition from crisis to normal life will not necessarily proceed smoothly. Some aspects of crisis mode might continue or there might be repeated changes of mode, with a return to crisis mode some time after it has been lifted. There are also risks that the situation might be repeated with a second wave of COVID-19 or the outbreak and spread of an entirely new virus. Not all of people's behavioral patterns and living and working environments will return to their "before corona" states even once crisis mode has been lifted and it is envisaged that "with corona" patterns and environments will remain in many parts of society. Furthermore, if we assume that the existing underlying VUCA³ will continue, the "after corona" era will likely be one of even more unstable, dynamic modes than before. Amid this situation, even greater flexibility and ability to respond to change will be required, along with tolerance for the unusual.

The impacts of COVID-19 in Western countries are far more immense than even in Japan. Given these circumstances, when considering Japan's future initiatives, including its CJ strategy and inbound strategy, it is necessary to bear in mind the possibility that the consumption, tourism, entertainment, and other behavioral patterns of people around the world might change, as might perceptions of Japan overseas and the aspects of our nation that appeal to them. The

³ Volatility, Uncertainty, Complexity, Ambiguity.

sensible conduct of Japanese people, our national unity, our risk perception, and level of knowledge and technology are among the aspects that might be reappraised.

(3) Approaches to an IP strategy for the new normal

As stated above, the post-COVID-19 era is expected to be unpredictable, with even greater volatility than before. Precisely because of the times in which we find ourselves, each and every one of us will need to confront the fundamental question of what is best overall, in terms of approaches to social systems and their real goals and priorities.

The digital transformation (DX) of society described below will have both positives and negatives, so we will need to consider strategies from the broader perspective. In the new normal, the haves will be at an advantage and there is a strong possibility that social inequality could grow further if the situation is left unaddressed, including when it comes to the problem of the digital divide, which would leave some people unable to cope with the shift to digital or online operations. The whole of society must think about how to deal with this.

(i) Acceleration of DX throughout society

The Emergency Economic Measures state, “In order to accelerate the realization of Society 5.0, the Government must turn this crisis to an opportunity to speed up social transformation at all once by focusing on digital new deals under the idea of wise-spending.” We should regard this as a good opportunity to sprint ahead with DX in all fields of society, including medical care, education, government, finance, transport and logistics, and maintenance and security. In addition, we should prioritize efforts to create a cashless society and smart cities. Expanding use of the Social Security and Tax Numbers system and improving social literacy will also be essential.

The IP that will hold the key in the data-driven society is data and the importance of real data in particular as a source of competitiveness is likely to grow in the future. While Japan was later than other countries in moving into the field of virtual data, its strength lies in the abundant high-quality real data that it holds. To tap into this strength, it is imperative to design appropriate rules and regulations in order to accelerate the use of real data and other valuable data throughout society.

For example, the UK has introduced a mechanism that enables diagnostic information and health data held by National Health Service bodies to be used while taking the protection of personal information into account, thereby lowering barriers to its use, particularly in an emergency. In contrast, as there is no centralized digital management of personal health records (PHRs) in Japan, there are cases in which a patient’s medical and drug history cannot be readily

used unless that patient gives their consent. Thus, there are many areas of data governance in Japan that should be rethought and comprehensive, accelerated initiatives are required to address them.

The aforementioned shift to digital and online operations that resulted from the impact of COVID-19 (→2 (2)(ii)) had been identified as a task even before the pandemic, but as progress in Japan had not been adequate, the recent moves have been accelerated by necessity. Whereas the hurdles to implementing reforms with an emphasis on partial optimization in individual fields were previously high, this unprecedented crisis has seen reforms progress amid powerful calls for total optimization. Thus, it would be fair to say that we have reached a critical moment when we should make rapid progress in rethinking related regulations and putting systems in place, as the public's need for and acceptance of the shift to remote and digital operations has increased.

On the other hand, we must not forget the risks of transitioning to digital and online operations. The need for cybersecurity and fraud prevention will be greater than ever and it will be necessary to consider appropriate protection for privacy and IP when forming rules to encourage data use. We must also bear in mind the possibility that the risk of unconsciously infringing IP rights, such as those relating to online content, will rise once digital and online operations become prevalent throughout society. Moreover, whereas comparatively free speech has been possible in offline meetings and dialogue, for example, one cannot deny the possibility that people might be inhibited from speaking up in online situations, due to the ease of preserving and distributing their remarks and also because of political and social considerations. There are cases overseas in which increased monitoring by state authorities as part of the recent emergency response appears to have yielded positive effects. The question of how Japan should strike a balance between the requirements of officialdom and the interests of the individual when using the latest digital technology to deal with an infectious disease or other crisis is not an easy one to answer. There are aspects that cannot be addressed through the legal system alone and it ultimately raises questions about ethics.

The strategic use of standards is also important when seeking to establish and expand initiatives aimed at using digital technology to solve social problems as a sustainable business through collaboration and co-creation by multiple actors.

Japan's regional economies have been battered by the slump in such mainstay sectors as tourism and food service. Once COVID-19 has been brought under control, initiatives aimed at revitalizing Japan's provincial regions will likely be implemented, but the new normal could, in some ways, have advantages for these regions, as the shift to remote and digital operations throughout society will make it easier to transcend geographical distance in communication and collaboration. What advantages this will have for regional Japan will come down to a question

of whether over-centralization in Tokyo can be remedied and the regions revitalized.

For the time being, companies that have played a core role in their regions will require financial and other measures to help them overcome this crisis, but it is hoped that they will drive the creation of new value in the regions under the new normal, so the question of how to support them will be a crucial challenge for consideration.

As described above, startup companies are in a predicament, but it is hoped that they will make a contribution in the areas of DX and infection control technologies. Accordingly, appropriate policy support will be required to prevent a chilling effect on entrepreneurial ambitions.

(ii) Approaches to national government support for the culture industry

Culture, the arts, and entertainment give people a zest for life and are a source of comfort in times of trouble. They are exactly what people need during a crisis such as this one and the recovery phase that follows. We must keep the flame of arts and culture alight.

In the vision for the value design society drawn up for our already-mature economy, industries that create value centered on intangible assets are expected to become the key industries of the future. The culture industry cluster, which includes industries related to content and food culture, is a typical example and is expected to become a core element of new CJ and inbound strategies as a wellspring of Japan's appeal under the new normal, as well.

However, the culture industry cluster—a mental lifeline and source of people's zest for living, as well as a potential key industry—is facing a crisis. While delays in responding to the digital age and outdated industry structures are among the background factors, the biggest problem exposed by the current situation is the lack of safety nets for Japan's culture industry cluster. Unanticipated business disruption risks similar to this one, such as infectious diseases and natural disasters, will continue to exist in the future.

It would therefore seem necessary to take this opportunity to reconsider approaches to support for the culture industry cluster. While there are likely to be issues that should be addressed within the industry, such as the creation of mutual aid mechanisms, questions are being raised about approaches to support by the country as a whole, including the government, local governments, and major corporations. There are various conceivable measures that the culture industry cluster could take to make greater use of digital and online options in order to adapt to the new normal. In addition, it would appear necessary to consider measures for bolstering capital and insurance mechanisms to provide stable, long-term cover for the risks peculiar to the industry that have been exposed by this crisis, such as the risk that the cancellation of events will lead directly to job losses and business closures.

(iii) Striking a balance between IP protection and use, and the public interest and private rights

For some time after the 2003 enactment of the Intellectual Property Basic Act, Japan pursued an IP strategy focused on the protection of IP, but in recent years, there has been a growing shift in emphasis away from protecting IP through exclusive rights toward striking a balance between IP protection and use. This direction would seem consistent with the COVID-19 crisis and the transition to the new normal that will follow.

For example, there have reportedly been moves in other countries to make it easier to use patents on vaccines and therapeutic drugs to combat COVID-19 by restricting the rights of patent holders by such means as compulsory licensing. On the other hand, many in developed countries have negative views on the launch of compulsory licensing, due to concerns about securing incentives to conduct research and development. Amid this situation, the Director General of the World Intellectual Property Organization (WIPO) said in a statement that IP is a central part of incentives to the development of vaccines and treatments,⁴ and there is an international initiative aimed at the construction of a patent pool to encourage use once treatments and vaccines for COVID-19 have been developed. Furthermore, it is likely that moves such as the aforementioned voluntary royalty-free release of patents by rights holders will continue on a fully private sector basis both within Japan and overseas going forward. In light of such changes in the situation stemming from COVID-19, it is imperative to scrutinize anew approaches to balancing IP protection and use, and to reflect these appropriately in Japan's IP strategy.

There are many other issues involving consideration of the balance between the public interest and private rights, such as the trade-off between improving emergency response capabilities and the privacy of the individual due to increased state intervention, as described above. In addition, there is information to suggest that attacks by patent trolls targeting companies that already have their hands full dealing with COVID-19 are occurring overseas. Combating this kind of onslaught is another tricky issue.

While cases in which sophisticated data use by companies is contributing to the public interest by preventing the spread of disease are emerging, some commentators have noted that this raises questions about not only the protection of individual privacy, but also the extent to which we should tolerate private companies controlling critical data that has become a social asset. Furthermore, some have pointed out that data relating to educational effects and student responses, which can now be acquired due to the shift to digital and online operations in the field of education, should be treated as social assets. Discussion of the public utility of such

⁴ Statement by WIPO Director General Francis Gurry (April 24)
(https://www.wipo.int/about-wipo/en/dgo/news/2020/news_0025.html)

data and its handling is therefore required.

(iv) Expanding the practice of value design

In the new normal, quite a few companies will likely be forced to radically rethink the value that they have provided until now and redefine the value that they should aim to provide. One useful value design methodology is the value design management advocated in the Management Design Sheet, which involves reviewing a company's characteristic values and raison d'être, shaping the value it wants to bring to fruition in the future and clarifying it through co-creation with stakeholders, and formulating a strategy for achieving this. As described above, the new normal is likely to be a period of fluctuating mode shifts, but it is hoped that popularizing such value design approaches and methodologies and expanding their practice will ensure that forward-looking corporate management steadily becomes prevalent in Japan, thereby ensuring that our nation is not at the mercy of volatile times.

(4) Relationship between COVID-19 countermeasures and the Strategic Program

While the Strategic Program set out below does mention approaches to emergency response measures in relation to the use of technology and data that can meet social needs such as preventing the spread of COVID-19, and support for the culture industry cluster and other sectors immensely impacted by the pandemic, it does not, in principle, describe Emergency Economic Measures and other such specific measures to be taken by the government, as these are considered and decided upon by forums other than the Intellectual Property Strategy Headquarters.

On the other hand, the new normal triggered by the COVID-19 outbreak will be pivotal in future consideration of approaches to Japan's economic and social systems in all the sectors highlighted in the Strategic Program. Accordingly, the direction of measures set out in each section should be fleshed out and implemented with appropriate revisions in response to the new normal, rather than simply being an extension of approaches to date.

3. Promoting Strategic Intellectual Property Use in the Innovation Ecosystem

COVID-19 has spread across the globe, inflicting major impacts on economies. The effects in Japan include stagnant consumer spending, a substantial drop in inbound tourism, and shrinking exports, in some cases endangering the survival of leading medium-sized businesses, SMEs, and startups, particularly those that are in less robust financial health.

At the same time, to maintain economic and educational activities while minimizing contact between people, various initiatives and measures that leverage IT and other digital technologies are being implemented. For example, companies have been introducing teleworking and online meetings, and there have been rapid advances in understanding of the usage of data as a resource for solving social issues, such as visualizing the spread of infection, which is something that the Vision Committee has discussed. Moves to put in place relevant legal systems and procedures to accommodate online lessons and the like have also been advancing at fever pitch. In the area of measures to combat the disease, private sector companies and universities have been at the heart of initiatives focused on enabling the patent rights they hold to be used royalty-free, in principle, for a certain period.⁵

Incidentally, the Intellectual Property Strategic Program 2019, which was formulated in June 2019, stated that the three pillars of breaking free from normal/average, fusion, and empathy were required to realize the value design society. This value design society is the society for which we should aim both with corona and after corona. It is expected that the effective functioning of the aforementioned three pillars will result in the construction of an innovation ecosystem in the with corona and after corona phases, and that this will become the foundations on which the society we aim to achieve is built.

How will IP be positioned in this ecosystem and what role will it play? In discussions by the Vision Committee's Local Value Working Group (described below), the IP in the local value ecosystem was regarded as being the material from which the value created in the regions is made, as well as being the created value itself. As human resources and money circulate in the ecosystem, not only conventional IP, but also a new type of IP in the form of data will have an extremely large role to play, so the strategic use of IP and standards in co-creation forums will be required in the innovation ecosystem.

The development of legal systems and procedures to govern rules in the ecosystem will also be crucial to ensuring that the aforementioned three pillars function effectively. This point was taken up for discussion by the Vision Committee under the heading Social Implementation of

⁵ For example, these initiatives include the Open COVID-19 Declaration (<https://www.gckyoito.com/covid19>) and "Tokyo Tech releases 131 royalty-free patents to support COVID-19 efforts and rebooting of society" (<https://www.titech.ac.jp/news/2020/046883.html>).

Intellectual Property Strategy. With the situation relating to the ecosystem changing constantly, the committee decided that the legal systems and procedures put in place to deal with it must be fast and flexible. In the new normal resulting from COVID-19, fast, flexible legal systems and procedures will be key infrastructure supporting the innovation ecosystem.

With social transformation moving into top gear due to the spread of COVID-19, it will be necessary to make swift and steady progress with the measures described in this chapter and in the work schedule, based on an awareness of what all the entities of which the innovation ecosystem is composed should do about social issues, as we work toward the value design society, Society 5.0, and the new normal.

(1) Cultivating creativity and ensuring an active role for outstanding talent

(Current Situation and Challenges)

During the state of emergency resulting from COVID-19, online lessons have been introduced in the educational field, but some students and their parents/guardians have voiced anxiety about being compelled to deal with this new educational environment. While the new normal is likely to be a period of instability, it is necessary to respond to the times by making rapid progress with DX in the educational field, while giving consideration to ensuring that everyone can adapt to the new educational environment.

Having a good balance of abilities and being cooperative with others are qualities that have conventionally been deemed important in Japan. Our national character and values are sometimes highlighted negatively as putting Japan at a disadvantage in international competition, but there are some who have cited them as one reason why our nation has avoided an explosive surge in COVID-19 cases.

At the same time, in aiming to bring the value design society and Society 5.0 to fruition, a certain number of outstandingly talented individuals will be required, but Japan could not be said to have an adequate number of such personnel as yet. Accordingly, it is important to provide places where the potential of individual entities can unfold, allowing their talents to blossom, in a way that does not blunt their edge.

For example, various initiatives are being undertaken in schools and during extracurricular activities (for example, initiatives by Super Science High Schools and National Colleges of Technology⁶). As well as making steady efforts to ensure that such initiatives become widespread, it is necessary to ascertain the extent of such initiatives nationwide, to consolidate

⁶ In addition, the private sector is undertaking its own initiatives, such as education that incorporates elements of Jenaplan, the ROCKET Project for Talented Children, and invention clubs for schoolchildren.

and supply information, and to create a mechanism that enables those seeking such forums to access them easily.

Environments attuned to and accepting of outstandingly talented individuals are essential in order to enable their talents to flourish and allow them to take on challenges more readily. Educational settings that cultivate people with abundant creativity will be crucial to creating such environments. The curriculum guidelines for elementary, junior and senior high schools announced in response to a December 2016 report by the Central Council for Education stipulated that education would be enhanced with the aim of fostering creativity. Amid this situation, the Intellectual Property Creation Education Consortium established in March 2017 has been working to promote IP creation education, which aims to foster understanding of the creation of new things and respect for things created by others through enjoyable educational activities. So far, the consortium has developed an organized approach to IP creation education and collected and prepared educational programs. Regions are now starting to take the initiative in establishing the regional consortiums that will form the basis for regions to come together to promote IP creation education, while forging effective partnerships between educational institutions and local communities. The consortium is now in the phase of further promoting the dissemination and practice of IP creation education. Due to the impact of the spread of COVID-19, it will need to consider responses to new educational environments, such as speeding up efforts to ensure that each and every student has their own device, so that they can undertake substantial study at home. It is anticipated that the students nurtured through IP creation education will become “future-proofed personnel,” who will be able to play a leading role in society following the digital shift.

To achieve major progress in DX throughout society, including industry and the aforementioned educational environments, it will be necessary to intensively cultivate personnel equipped for the digital shift within a short period. It is hoped that universities and other educational institutions, along with companies, will proactively strive to nurture and produce such individuals.⁷

(Direction of Measures)

- Collect and prepare educational programs relating to IP creation education and consider

⁷ The Vision Committee discussed the worldwide shortage of future-proofed personnel under the theme of Social Implementation of Intellectual Property Strategy. Enhancing the skills of existing employees (through reskilling and upskilling) could provide a solution to the need to secure future-proofed personnel. As such, the committee’s view was that companies will need to provide existing and new employees with reskilling opportunities to enable them to switch career to jobs where new skills are required, while cultivating human resources with the flexibility to continue upskilling themselves, without clinging to a single skill.

effective means of spreading the word about these educational programs to encourage their use.

(Short-term, Medium-term) (Cabinet Office; Ministry of Economy, Trade and Industry; Ministry of Education, Culture, Sports, Science and Technology)

- Promote IP creation education by implementing trial lessons nationwide and consider mechanisms to support teachers providing IP creation education and schools serving as centers for popularizing such education in each region.

(Short-term, Medium-term) (Cabinet Office; Ministry of Education, Culture, Sports, Science and Technology)

- Put in place a nationwide system for ongoing promotion of IP creation education by regional entities (regional consortiums) and follow up with the regional consortiums established.

(Short-term, Medium-term) (Cabinet Office)

- Promote widespread awareness of and thorough adherence to the overall purpose of the new curriculum guidelines, to ensure that education concerning IP tailored to students' levels 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)

- Undertake deliberations aimed at introducing IP creation education to the curriculum for students on undergraduate education programs who aspire to become teachers, in order to ensure that they understand such education and can provide it in practice.

(Short-term, Medium-term) (Cabinet Office)

- Generate value creation on a global scale in the ICT field by supporting extraordinarily ambitious technological ideas with great possibilities and, through the INNO-vention Network of organizations sympathetic to the aforementioned goal, identify people of unusual and outstanding talent from all parts of the country, and use owned media and other means to spread the word about outstanding talent on a global scale.

(Short-term, Medium-term) (Ministry of Internal Affairs and Communications)

- Use mechanisms including the MITOU Program, Global Science Campus, and the EDGE-NEXT (Exploration and Development of Global Entrepreneurship for NEXT generation; a next-generation entrepreneurship initiative) to identify and cultivate individuals with outstanding talent. In addition, gather information about forums for such activities and consider mechanisms for making them easier to access.

(Short-term, Medium-term) (Cabinet Office; Ministry of Economy, Trade and Industry; Ministry of Education, Culture, Sports, Science and Technology)

- In the Mirai no Manabi future learning development package, centered on the GIGA (Global and Innovation Gateway for All) School Program implementation package for developing school ICT infrastructure through use of the cloud, provision of a high-speed, high-capacity communications environment, and ensuring that each student has one device for study, provide support that cuts across ministerial lines for efforts to put in place the future learning environment that will, based on the new curriculum guidelines, realize equitable and individually optimized learning, thereby cultivating the ability to create the society of the future.

(Short-term, Medium-term) (Cabinet Secretariat; Ministry of Education, Culture, Sports, Science and Technology; Ministry of Economy, Trade and Industry; Ministry of Internal Affairs and Communications)
- Encourage online education to enable diverse learning needs to be addressed, particularly by facilitating the urgent operation of the system permitting copyrighted material to be transmitted to students via the internet during classes provided for in the amended Copyright Act (system of compensation payments for public distribution for teaching purposes) on an exceptional basis for the current academic year. In addition, consider the necessary support for reducing the burden of compensation payments, as well as working with the relevant parties to promote widespread awareness of the copyright system among those working in educational settings to ensure that they have a correct understanding of it ahead of the new system's full-scale implementation during the coming academic year.

(Short-term, Medium-term) (Ministry of Education, Culture, Sports, Science and Technology)
- Summarize IP relevant to the handling of business information and deliverables to facilitate the provision of information about company issues and data as part of AI Quest (Problem Solving AI Human Resources Development), which seeks to cultivate personnel with practical AI skills, in accordance with the AI Strategy 2019, real-life issues and data from companies are being compiled into teaching materials. In addition, consider working in partnership with the Inter-University Consortium for Mathematics & Data Science.

(Short-term, Medium-term) (Ministry of Economy, Trade and Industry)
- Through collaboration between universities, companies, and high schools, among others, as part of the Doctoral program for Data-Related Innovation Expert (D-DRIVE), develop and implement training programs to teach data science and other skills to doctoral candidates in various fields. In addition, work on building a nationwide network for promoting institutional partnerships and expanding the program to other institutions, and seek to encourage the cultivation of personnel with advanced data skills, as well as enabling them to play an active role in various forums in society.

(Short-term, Medium-term) (Ministry of Education, Culture, Sports, Science and Technology)

(2) Promoting academic-industrial collaboration and enhancing IP strategy in universities

(Current Situation and Challenges)

Having organizations where outstanding individuals can play an active role is crucial to making good use of those individuals. When talking about the innovation ecosystem, universities are an indispensable presence in this respect. As well as being places for nurturing outstandingly talented individuals, as described above, universities also function as research institutes, so they attract people with outstanding talents and make use of those talents. In addition, as IP in the form of university research output resulting from academic-industrial collaboration and other initiatives is built into the ecosystem, it is hoped that they will serve as an agent for inducing the circulation of IP. At the same time, while the number of university patent licenses and resultant income is on the rise, research emerging from universities still could not be said to be adequately leveraged in business, compared with other countries. In addition, except for at a handful of universities, license income at universities is low and there are challenges in IP management, which involves tapping into IP to generate income. To resolve these challenges, rather than making the acquisition of rights to IP associated with research output a goal, universities and TLOs must enhance and promote IP management at universities, so that initiatives that also take business development and the market into account can be implemented from the research and rights acquisition stages. Some have commented that industry does not fully appreciate university IP. As there is a particularly high need for multi-actor open innovation to address COVID-19 and achieve the major social transformation that will follow, it will be necessary for universities and companies to build mutually beneficial relationships while consistently generating innovation. In addition, with the growing shift to remote and digital operations, new approaches to academic-industrial collaboration are likely to emerge, such as joint creation of online educational content.

(Direction of Measures)

- With a view to facilitating academic-industrial collaboration, which is a source of innovation, increase awareness and the priority level of academic-industrial collaboration among both universities and companies. In addition, consider approaches to IP management that ensure the appropriate appreciation and use of inventions and the like created at universities and other educational institutions, such as enhancing the functions of organizations for academic-industrial collaboration and maximizing their usage, and

rethinking university IP strategy in response to the shift in values taking place in the digital age.

(Short-term, Medium-term) (Cabinet Office; Ministry of Education, Culture, Sports, Science and Technology; Ministry of Economy, Trade and Industry)

- Undertake consultations with relevant ministries and agencies and private-sector organizations concerning the establishment of a platform for collaboration between industry, academia and government to consider necessary matters of IP practice relating to gene therapies, cell therapies, regenerative medicine, digital health, and biological products. (Short-term, Medium-term) (Cabinet Office; Ministry of Education, Culture, Sports, Science and Technology; Ministry of Economy, Trade and Industry)
- Promote projects aimed at building innovation management hubs, in order to strengthen networks involving universities, industry, and TLOs involved in the practical aspects of effective technology licensing of university research output. (Short-term) (Ministry of Education, Culture, Sports, Science and Technology)
- Engage with relevant organizations in considering how to build an accreditation system focused on the practical skills of the research administrators tasked with promoting and managing research, as a means of quality assurance. (Short-term, Medium-term) (Ministry of Education, Culture, Sports, Science and Technology)
- Promote the development of systems at universities for maximizing open innovation by such means as joint research involving multiple companies in pre-competitive fields (Program on Open Innovation Platform with Enterprises, Research Institute and Academia (OPERA)) and the establishment of centralized management structures for large joint research projects closely related to corporate business strategy (open innovation institutes). (Short-term, Medium-term) (Ministry of Education, Culture, Sports, Science and Technology)
- Improve the effectiveness of the Guideline for Enhancing Industry-Academia-Government Collaboration Activities (November 2016), which is aimed at facilitating not merely collaboration between researchers at the individual level, but full-scale organization-to-organization partnerships between universities and companies. To this end, produce and distribute an expanded edition with enhanced sections aimed at industry and prescriptions for resolving bottlenecks at universities and the like. (Short-term, Medium-term) (Ministry of Economy, Trade and Industry; Ministry of Education, Culture, Sports, Science and Technology)

(3) Strengthening regional ecosystems and the IP strategies of SMEs, startup companies, and the agricultural sector

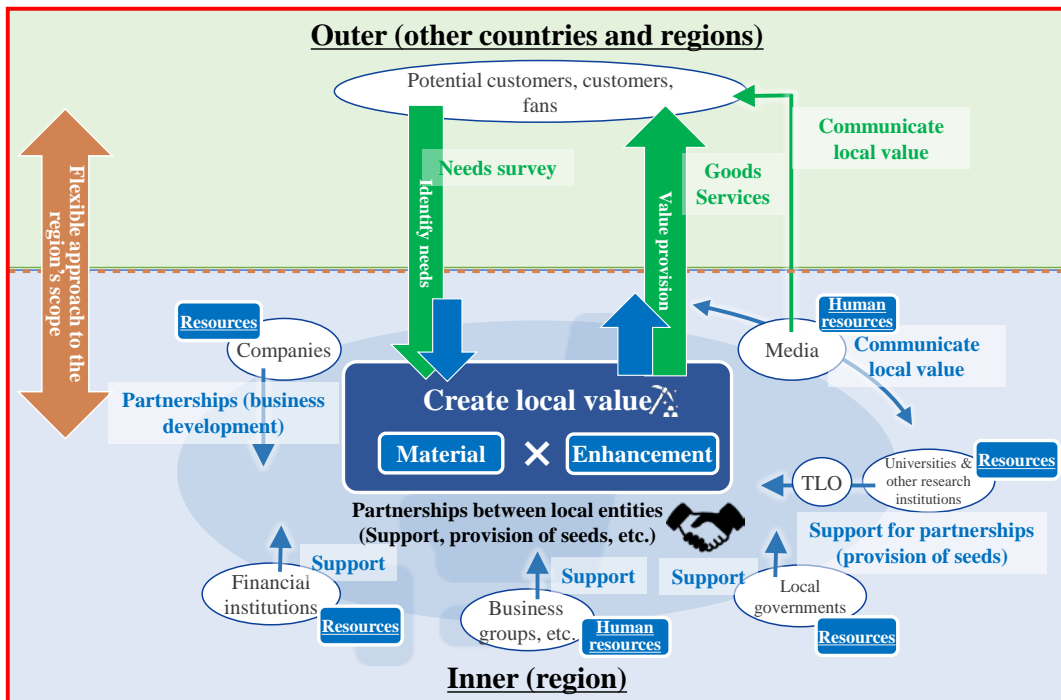
(Current Situation and Challenges)

There are hopes that, by promoting a rapid shift to digital operations, thereby enabling people to work from provincial regions, the spread of COVID-19 will alleviate over-centralization in Tokyo and create an environment that makes it easier for high-caliber personnel to move to the regions and continue to play an active role, thereby serving as a fillip to those regions. To ensure adequate access to information in the regions amid this situation, it is necessary to develop an environment that ensures that both metropolitan areas and provincial regions alike all enjoy the benefits of DX, by such means as initiatives that use local universities as hubs for regional revitalization, for example.

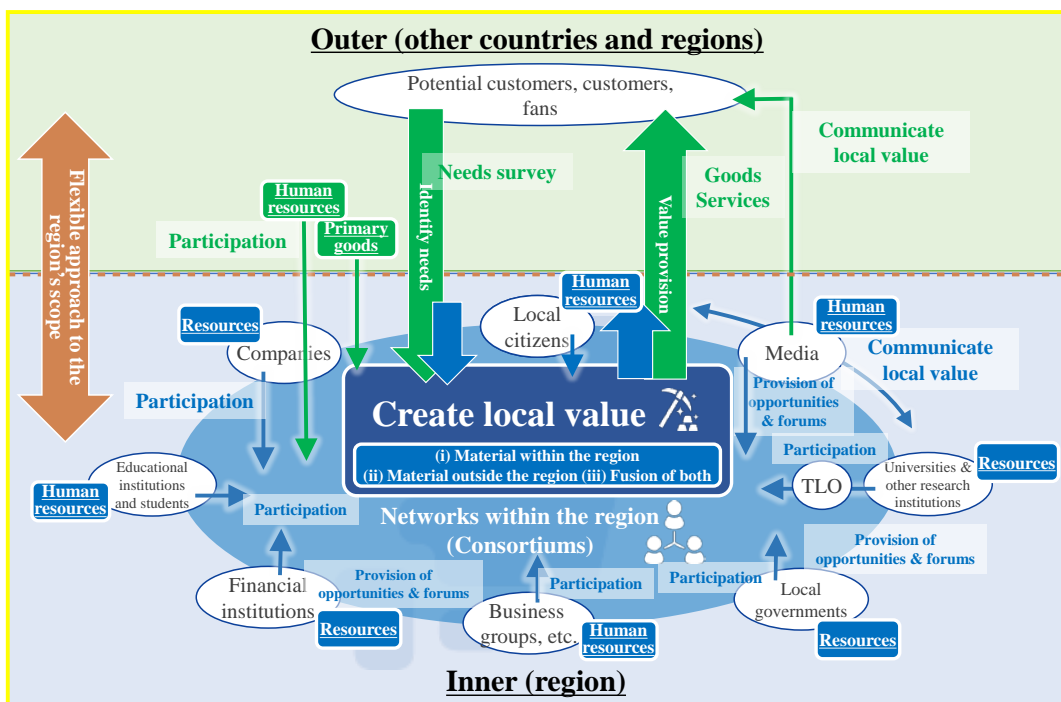
Building ecosystems for bringing the value design society to fruition in the regions will also be crucial from the perspective of regional revitalization. Accordingly, the Local Value Working Group of the Intellectual Property Strategy Headquarters' Vision Committee considered measures for ensuring that each region takes the lead and leverages its own distinctive features while forming local value ecosystems that will attract people (human resources) and money from outside the region and ensure their circulation in a way that leads to sustainable value creation.

The working group recommended the following three models for local value ecosystems.

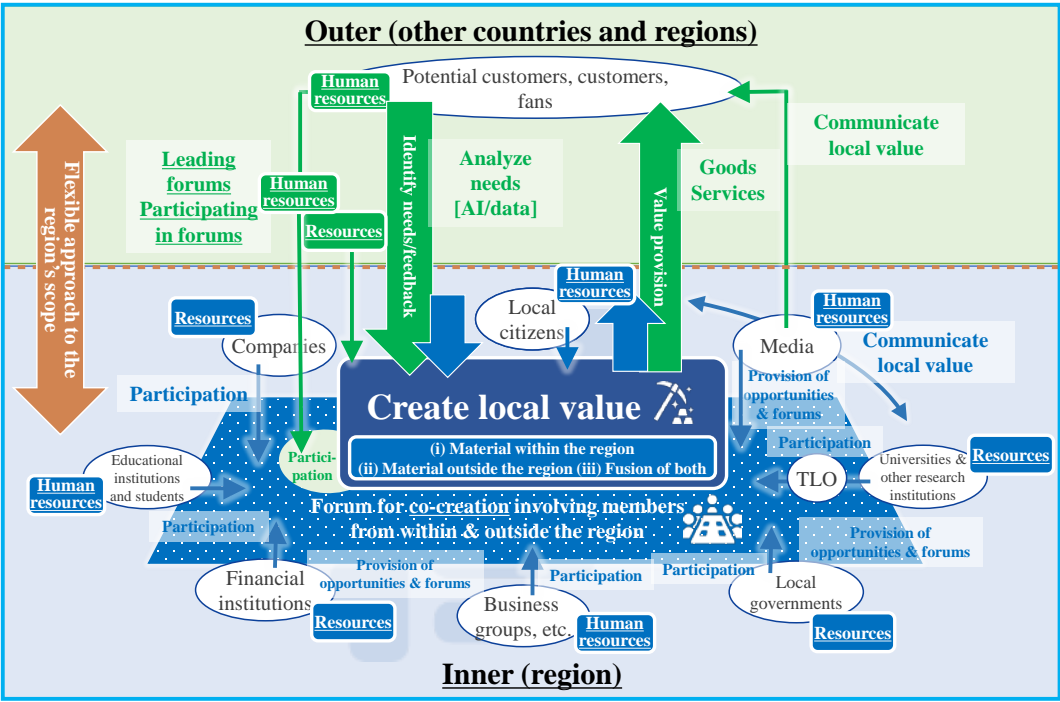
- i. <Model 1 (The breaking free from normal/average model)> This model creates local value by enhancing outstanding material in the region that break free from normal/average or hone local elements based on the concept of breaking free from normal/average, based on collaboration between local entities and taking into account the needs of customers, etc.



- ii. <Model 2 (The fusion model)> This model creates value throughout the region by building consortiums and other networks of entities within the region, while also leveraging material and human resources from outside the region.



iii. <Model 3 (The co-creation model)> In this model (the ideal image of a local value ecosystem), a forum for co-creation of local value involving members from both within the region and outside it has been formed to consistently create new value, based on empathy in the form of feedback from customers, etc. (those who have received the value).



While Model 3 is the ideal image of a local value ecosystem, Model 1 and Model 2 both bring about the circulation of people and money, so in this regard, they too could be said to constitute local value ecosystems. Some regions might look like Model 1 or Model 2 before reaching Model 3, while others could conceivably reach the state shown in Model 3 without going through the Model 1 or Model 2 situations. The diagrams illustrating the three models are just an example and the entities that actually make each model function will differ according to each region’s distinctive features. The working group recommended future initiatives for bringing the local value ecosystem to fruition, including such measures as drawing up a checklist for building local value ecosystems, dispatching experts to verify the support provided for building local ecosystems, and human resource development among local producers.

Startup companies play a substantial role in breathing life into the innovation ecosystem. However, while Japan has high-caliber personnel, outstanding research and development capabilities, large corporations with substantial technical capabilities, and abundant money, one cannot say that an ecosystem that enables startups to tap into these has been fully established here, unlike in other countries. Amid this situation, support has already begun to be provided for the formation of a startup ecosystem by local governments, universities, and private sector

organizations in cities that demonstrate potential and have a certain number of startups already, under the “Beyond Limits. Unlock Our Potential. —Strategies for creation of startup ecosystem to compete with the world top ecosystems—” initiative, which aims to form and expand hubs for a Japanese-style startup ecosystem that taps into our nation’s strengths. While some startup companies are responding swiftly to social needs amid the spread of COVID-19, many others are contending with an arduous business environment and therefore require appropriate policy support (see (6) below for matters relating to ensuring fair trade in partnerships between large corporations and startup companies).

It is absolutely vital for the leading medium-sized businesses and SMEs that are the mainstays of local economies to engage in value design management and play a leading role in local value ecosystems, as they will serve as the driving force in efforts to restore the dynamism of their regions and creating new value. Finely tuned support measures tailored to each stage, from the acquisition and use of IP through to its protection, have already been formulated in accordance with the Regional Intellectual Property Revitalization Action Plan (Japan Patent Office, 2016), which was drawn up to promote innovation by regional SMEs through IP activities. Work is now progressing on revisions to the plan, with support due to be enhanced through the use of experts and IP Comprehensive Helpdesks. Not only SMEs, but also leading medium-sized businesses are suffering grave consequences as a result of the COVID-19 crisis, so appropriate support tailored to this situation is required.

IP strategy is also being promoted in the agricultural sector, which is a mainstay of regional economies. Based on the Ministry of Agriculture, Forestry and Fisheries’ Intellectual Property Strategy 2020 (formulated in May 2015 by the Ministry of Agriculture, Forestry and Fisheries), efforts have been progressing to address such matters as measures to combat infringements of geographical indications (GI) and geographical names used as brands, as well as strengthening the competitiveness of the seed and seedling industry, and measures to protect livestock genetic resources. As this strategy’s implementation period ends in 2020, a new IP strategy for the agriculture, forestry, and fisheries sector will need to be formulated. In March 2020, Cabinet approved the Bill for Partial Revision of the Plant Variety Protection and Seed Act, to enable steps to be taken to prevent the outflow to other countries of registered varieties, in accordance with the intention of the holder of the breeder's right, and to make it easier to utilize breeder's rights. It is hoped that such improvements to the environment will encourage the establishment of production area (regional) brands based on registered varieties. The Guideline on Data Contract in Agriculture formulated in December 2018 set out rules for contracts that give farmers peace of mind when providing data for the purpose of improving productivity or quality, thereby preventing the outflow of know-how and encouraging data use in the agricultural sector. In March 2020, new guidelines were added concerning contracts relating to the use of AI and

other ICT in the agricultural sector at the research and development and usage stages, and the new integrated guidelines were published as the Contract Guidelines on AI and Data in Agriculture. Furthermore, with regard to livestock genetic resources in the form of Wagyu beef semen and fertilized eggs, mechanisms have been created to prevent the unauthorized outflow of Wagyu beef genetic resources to other countries have been introduced through the April 2020 enactment of the Act for Partial Revision of the Act on Improvement and Increased Production of Livestock and the Act on Prevention of Unfair Competition Pertaining to Livestock Genetic Resources. In order to achieve strong agricultural management that taps into the know-how, etc. passed down through the generations within a region, the measures required to prevent the outflow of such know-how and to develop an environment in which it can be leveraged effectively within the region will be considered and efforts made to further strengthen initiatives focused on the protection and use of IP in the agricultural sector.

At the same time, Japan's provincial regions have been battered by the effects of COVID-19. Initiatives that tap into the aforementioned local value ecosystem models will be required when seeking to revitalize the regions once COVID-19 has been brought under control. These initiatives should incorporate various support measures formulated in accordance with the Emergency Economic Measures approved by Cabinet on April 20, 2020.

(Direction of Measures)

- Based on “Beyond Limits. Unlock Our Potential. —Strategies for creation of startup ecosystem to compete with the world top ecosystems—,” promote the formation of startup ecosystem hubs to enable entrepreneurs to go beyond existing limits and unlock Japan's potential, by such means as fundamentally strengthening entrepreneur education and accelerator functions with the involvements of cities and universities. In addition, by summer 2020, use NEDO's Japan Open Innovation Council (JOIC) to build a cooperative framework for funding agencies to share information and partner on individual measures, in order to provide efficient, effective support for R&D startups.
(Short-term, Medium-term) (Cabinet Office; Ministry of Education, Culture, Sports, Science and Technology; Ministry of Economy, Trade and Industry)
- Provide early-stage startup companies with further support through the development of an appropriate IP strategy tailored to their business, by such means as extending the support period in the support program under which a team of IP professionals and experts with experience in supporting startups is dispatched to provide mentoring for a certain period.
(Short-term, Medium-term) (Ministry of Economy, Trade and Industry)
- Support international business expansion by startup companies aiming to leverage IP in expanding overseas by supporting them to exhibit at trade fairs in other countries and other

forms of overseas business matching.

(Short-term, Medium-term) (Ministry of Economy, Trade and Industry)

- Enhance comprehensive support for SMEs, etc. covering everything from the acquisition of IP rights to their strategic use and also promote widespread awareness and use of such support by revising the Regional Intellectual Property Revitalization Action Plan (due to be published in the first half of FY2020) and providing fresh hands-on support for formulating an IP strategy that will lead to business growth by regional SMEs.

(Short-term, Medium-term) (Ministry of Economy, Trade and Industry)

- Support regional access to IP professionals by enhancing systems based on partnerships involving relevant organizations that enable entities in the regions to request assistance from professionals well-versed in resolving IP disputes.

(Short-term, Medium-term) (Ministry of Justice)

- Have regional financial institutions support the preparation of IP Business Proposals that suggest solutions for leveraging IP to address the business challenges faced by SMEs, in order to promote the use of IP by SMEs through feasibility assessments from an IP perspective. In addition, implement comprehensive initiatives to encourage IP finance, such as holding IP finance symposiums in partnership with the Financial Services Agency.

(Short-term, Medium-term) (Ministry of Economy, Trade and Industry; Financial Services Agency)

- With the involvement of industry and other stakeholders, consider the formulation of model contracts and reference guidelines, and other environmental enhancements to ensure appropriate IP transactions between SMEs and large corporations, and reach a conclusion on such measures.

(Short-term, Medium-term) (Ministry of Economy, Trade and Industry)

- Compile, publish, and ensure widespread use of a guide summarizing points to bear in mind concerning contracts and standard model contracts, to encourage innovation involving startups and large corporations.

(Short-term, Medium-term) (Ministry of Economy, Trade and Industry)

- Start gathering knowledge from experts and considering the formulation of a new IP strategy for the agriculture, forestry, and fisheries sector, as the Ministry of Agriculture, Forestry and Fisheries Intellectual Property Strategy 2020 covers a five-year period ending in 2020, but further efforts will be required to protect and use IP.

(Short-term, Medium-term) (Ministry of Agriculture, Forestry and Fisheries)

- Distribute information leaflets to stakeholders such as farmers, agricultural machinery manufacturers, and ICT vendors to ensure widespread awareness of the Contract Guidelines on AI and Data in Agriculture, which have been drawn up to encourage the use of

agricultural data, while preventing the outflow of data and know-how, etc. in the agriculture sector against farmers' wishes. In conjunction with this, promote widespread use of INPIT's IP Comprehensive Helpdesks by stakeholders to provide consultation services to farmers, etc. and provide training for helpdesk staff.

(Short-term, Medium-term) (Ministry of Agriculture, Forestry and Fisheries)

- As the amendment of the Plant Variety Protection and Seed Act is due to make it possible to prevent the outflow of outstanding varieties overseas and to limit the regions of Japan where they are cultivated, conduct a study of breeder's rights licensing techniques and promote the provision of information to holders of breeder's rights and producer groups in each prefecture, to facilitate the establishment of production areas utilizing new varieties in each region. In addition, disseminate information about simple means of authorizing the use of registered varieties and levying royalties, including information about examples overseas, and also consider steps to increase the effectiveness of measures to combat infringements.

(Short-term, Medium-term) (Ministry of Agriculture, Forestry and Fisheries)

- Enhance the examinations of the expressions of the characteristics of a variety carried out by the Center for Seeds and Seedlings, National Agriculture and Food Research Organization (NARO) (NCSS), as part of the process of examining varieties for registration in accordance with the Plant Variety Protection and Seed Act, to ensure that they can also be used to establish the holder of the breeder's right. In addition, move forward with efforts to harmonize Japan's variety registration examination standards with international standards and aim to achieve more sophisticated variety registration examination, in order to promote the acquisition of breeder's rights overseas for varieties cultivated in Japan by encouraging the use of Japanese examination results in examinations by variety registration authorities overseas.

(Short-term, Medium-term) (Ministry of Agriculture, Forestry and Fisheries)

- Promote thorough adherence to managing the distribution of Wagyu beef genetic resources, the added value of which has increased through many years of efforts to improve them by stakeholders in the livestock field, via the Act for Partial Revision of the Act on Improvement and Increased Production of Livestock and the Act on Prevention of Unfair Competition Pertaining to Livestock Genetic Resources, which were enacted in April 2020. In addition, promote the enhancement of initiatives aimed at protecting their value as IP and foster an awareness that business operators themselves need to safeguard these precious assets belonging to our nation, and prevent the unauthorized outflow of Wagyu beef genetic resources overseas through such initiatives.

(Short-term, Medium-term) (Ministry of Agriculture, Forestry and Fisheries)

(4) Accelerating DX and promoting AI and data use

(Current Situation and Challenges)

- **Radical change through DX**

As stated at the beginning of this chapter, AI and data have an important role to play in generating innovation, such as through the aforementioned use of AI and data in the agricultural sector and in human resource development accompanying digital transformation. Behind this is the radical change through DX that is underway in our society. Business models in all sectors are shifting from manufacturing goods to creating services. As moves to create businesses through swiftly formed scrums based on partnerships between multiple players in differing fields of industry are on the rise, open and agile new business creation involving partnerships with others are becoming important. Moreover, mechanisms for increasing the value of products and services are switching to an update model, in which, rather than launching completed products, companies expand experience value by improving them in partnership with users. Amid these changes in the business environment, the use of AI and data is a source of value for a company's products and services, and consequently the wellspring of corporate value itself.

- **COVID-19 and DX**

While COVID-19 is having an immense impact on all aspects of society and the economy, a steady stream of digital solutions are implemented or proposed, including teleworking and web conferencing, online classes, and the use of health data, statistical data on location information, and open-source software, along with open data held by local governments. In some cases, reforms of systems have been undertaken at a rapid pitch, including reforms relating to the handling of copyright for online classes and the deregulation of telemedicine. Initiatives to prevent the spread of infection include one based on the analysis of statistical data on location information and big data on internet search and purchase history in an effort to optimize and increase the efficiency of COVID-19 countermeasures implemented by relevant ministries and agencies. Another uses statistical data on location information held by cellphone carriers to analyze the effects of requests to the public to refrain from going out. Overseas, meanwhile, technology has been developed that notifies people of the possibility of their having come into contact with an infected person. All of these are predicated on the assumption that customers' privacy is adequately protected, with some companies going so far as to seek advice from panels of experts in various fields, in order to gain a third-party viewpoint. Initiatives are also being planned that will assist people's actions in the event of a future second wave by using real-time big data based on medical knowledge and forecasts of economic activity, while striking a

balance between preventing the spread of infection and maintaining socioeconomic activity.

Thus, as described above, various activities aimed at using digital means to overcome a difficult situation are spreading. It would be fair to say that we have a golden opportunity to make rapid progress in rethinking related regulations and putting systems in place, as the public's acceptance of the shift to remote and digital operations has increased. Drawing up regulatory reforms and support measures to provide backing for the business models proposed by companies using AI and data is a matter of urgency, in order to revitalize startup companies and many other businesses experiencing difficulties due to the impact of COVID-19.

On the other hand, some are calling for a "data diet" to reduce traffic, as pressure on communications networks due to the use of video and other factors associated with the rapid progress of DX is threatening to affect people's daily lives. Others have expressed the view that it is the wealthy who are best placed to turn this crisis into an opportunity, or that disparities could arise due to people left out of these initiatives not receiving information. Furthermore, some commentators have said that adequate consideration for people with visual or hearing disabilities has been forgotten in the rush to prioritize digital operations. With respect to this digital divide, some have pointed out the need to consider approaches to the use of digital technology in two separate categories: active use, where increasing use by users leads to a growing disparity with those who do not use the technology, and passive use, where the technology comes to be used without a conscious decision, for example, where seniors receive medical care via robots. Those who have highlighted this issue say that greater attention should be paid to the latter. It is vital to enhance the environment based on consideration of these points, so that all citizens can enjoy the benefits of DX.

- **Case analysis of DX in companies**

The Vision Committee used the Management Design Sheet for visualization purposes, to analyze examples of DX in companies from a value design perspective. The factors contributing to success identified as a result were (1) management determined to achieve DX; (2) enhanced user experience (UX) achieved by leveraging data; (3) a business model that improves UX using data; and (4) data and personnel (engineers and legal team) as resources. On the other hand, the issues identified were reliability and fairness of data, acceptance among those supplying data, and standardization of data formats. The committee plans to examine specific fields and examples of data use, with a view to applying the results of its deliberations in similar areas.

- **Development of rules to promote real data use**

As the world progresses toward being a data-driven society, the source of competitiveness is

likely to shift from virtual data⁸ to real data.⁹ Strategically using real data gained from business and activity in the real world to provide innovative services and products that meet hitherto-unidentified potential needs will lead to new competitive advantages. While there is an undeniable sense that Japan was well behind such giants of the international scene as Google, Apple, Facebook, and Amazon (GAFA) in moving into the field of virtual data, our nation does have a strength in that it has abundant high-quality real data. The development of appropriate rules to accelerate efforts to promote the use of this real data is becoming a matter of urgency.

Japan has set out the Contract Guidelines on Utilization of AI and Data concerning the handling of data between business operators and certain rules have been formed via contracts based on these. However, the current situation is that the only legally binding rules relating to data in general¹⁰ in respect of the handling of data by multiple entities are rules concerning limited provided data prescribed in the Unfair Competition Prevention Act.¹¹ On the other hand, in Europe, moves aimed at legislation are being seen: among the key measures on which the EU should focus cited in the new EU Digital Strategy published on February 19, 2020, are proposals for a legislative framework for data governance (Q4 2020) and a possible Data Act (2021).

While chairing last year's G20 Osaka summit, Japan, presented the concept of Data Free Flow with Trust (DFFT). As constraints on the activities of Japanese companies could possibly arise as such rules are developed in Europe and other countries, it is important to speed up the creation of international rules aligned with the DFFT concept. In doing so, Japan must seek to lead international discussions not only by striving to ensure that the aforementioned contract guidelines become prevalent internationally, but also by further deepening rule-making efforts—including those focused on the domestic legal system—based on the perspective of flexibly adapting to dramatic social transformation and technological change surrounding the use of real data, and seeking to roll out the results overseas.

- **Cross-cutting issues relating to AI and data**

Issues relating to AI and data include debate around approaches to data that contributes to

⁸ Data generated from activities in online spaces such as web searches and social media.

⁹ Health information, driving data, operational statuses of products, and data obtained from sensors and the like concerning the activities of individuals and companies in the real world.

¹⁰ If consideration is limited to personal data, there is the Act on Protection of Personal Information, but there is nothing covering data in general that includes industrial data.

¹¹ The Unfair Competition Prevention Act (amended May 2018 and entered into force July 2019) defines “technical or business information accumulated or managed in significant volume by electromagnetic means as information provided to certain persons as a business (other than information managed as a secret” as “limited provided data” (Article 2 (7)). It positions acts including acquiring, using, and disclosing limited provided data by wrongful means as “unfair competition” (Article 2 (1) (xi)-(xvi)) and prescribes the right to claim for injunctions and damages for such acts.

corporate value (particularly from the perspectives of compiling financial statements, increasing corporate value, and creating markets),¹² deliberations concerning various aspects from the standpoint of those supplying data (specifically, convenience and peace of mind, management based on consent, and ownership, among others),¹³ various forms of data-related standardization (in particular, data reliability and fairness, and the standardization of data formats),¹⁴ and the need to have not only the ability to use data, but also creation and design capabilities. The relevant ministries and agencies will work together to implement the necessary initiative to address these issues.

- **Multi-sectoral partnerships**

At the sixth meeting of the Integrated Innovation Strategy Promotion Council (January 21, 2020), the Taskforce on Building a Digital Society was established under the Integrated Innovation Strategy Promotion Council to speed up innovation throughout society through digitalization. The formulation of a comprehensive data strategy has been highlighted as a theme that cuts across all fields and certain common rules that stakeholders in all fields should bear in mind concerning data formats and functions, and data handling have been summarized, so it is recommended that stakeholders refer to these.

On the other hand, when linking up various platforms to each other, cross-platform linkage technologies focused on the controllability of personal information in particular are crucial, so it would be desirable to ensure that such technologies are not merely standardized within Japan, but rather internationally standardized, so that they can be used worldwide.

In generating innovation from collective intelligence while working with multiple actors, including those from other industries, open source software (OSS) is essential in order to ensure that the software that is the source of value creation is developed speedily and openly, using cutting-edge technology. The Study of IP Risks Relating to Open Source Software in the Age of Digitalization and the IoT¹⁵ has set out the necessity, value, and risks of OSS at the

¹² For example, the Committee on AI and the Economy's Specialist Subcommittee on Data, which was established under the auspices of the Ministry of Internal Affairs and Communications' Conference toward AI Network Society, is examining the functions and roles of data as a new asset, along with ways of measuring its effects and value.

¹³ For example, the Ministry of Economy, Trade and Industry has formulated the Contract Guidelines on Utilization of AI and Data ver. 1.1, with amendments including content that addresses limited provided data, along with issues and use cases identified through interviews with business operators who use the guidelines.

¹⁴ For example, the Ministry of Economy, Trade and Industry is promoting standardization activities aimed at proposing international standards concerning the AI life-cycle and quality assurance. In addition, the New Energy and Industrial Technology Development Organization (NEDO) has commissioned the National Institute of Advanced Industrial Science and Technology (AIST) to undertake a research and development project focused on AI quality assurance and quality assessment techniques.

¹⁵ FY2019 Japan Patent Office Project for Research into Comparisons of International Industrial Property

managerial level and will seek to promote widespread awareness and take-up of OSS.

- **Issues in each field**

The use of AI and data is growing in a diverse array of fields, including manufacturing industry, agriculture, electric power, transport, medical care, finance, and government, but there are associated issues specific to each field. For example, in the agricultural sector, efforts are underway to promote the construction of smart food chains that enable data to be linked from the cultivation of agricultural produce through to processing, distribution, sale, consumption, and export. The standardization of crop names and agricultural task names is required to facilitate interoperability and portability between different IT systems. To ensure that the use of ICT and data in the fields of healthcare, medical care, and long-term nursing care leads to the extension of healthy life expectancy and the delivery of more effective, efficient provision of medical and nursing care services, the Ministry of Health, Labour and Welfare has established the Headquarters for Data-based Health Management. This body undertakes wide-ranging deliberations that cut across departmental lines and, at its sixth meeting (September 9, 2019), set out a work schedule through to FY2025.¹⁶ In the electric power sector, the emergence of smart meters has made it easier to gather more accurate data, giving rise to hopes regarding its use, but as electricity usage and other such data relating to electricity constitutes personal information, it is necessary to put in place a system that will allow such data to be used appropriately, while maintaining the underlying principle of protecting personal information. The use of data in public administration is being promoted by such means as the Digital Government Execution Plan.¹⁷

- **Development of human resources aligned with the needs of the AI era**

At the same time, looking at human resources, the AI Strategy 2019 AI for Everyone: People, Industries, Regions and Governments¹⁸ cites the development of human resources aligned with the needs of the AI era as its very first strategic objective. Right now, there is a need for personnel capable of creating and using AI, designing products and services appropriate to new approaches to society or new societies, and producing new value.

Rights Systems.

¹⁶ Identified the following tasks for the future and drew up a work schedule for achieving them: promoting genomic medicine and the use of AI; promoting PHRs(*) to ensure that each person's data improves their daily life; promoting the use of information in medical and nursing care settings; and promoting the effective use of databases. *Personal health record

¹⁷ Digital Government Execution Plan (revised December 20, 2019 (approved by the Cabinet)).

¹⁸ Approved by the Integrated Innovation Strategy Promotion Council on June 11, 2019.

- **Approaches to the patent system suitable for the age of AI and IoT technology**

Thus, advances in AI and the IoT are being accompanied by the emergence of various business models, bringing about major change in business environments across the globe and giving rise to growing needs for new ways to resolve disputes and protect rights. In light of this situation, we must consider approaches to the patent system suitable for the age of AI and IoT technology, including strengthening dispute resolution functions, while maintaining a high-level overview of approaches to the protection and use of industrial property rights in general, and then take the necessary measures.

(Direction of Measures)

- Clarify structures including control tower functions for promoting the use of real data and other data, then ensure that relevant ministries and agencies consider approaches to the development of data governance rules and reach a conclusion.

(Short-term, Medium-term) (Cabinet Secretariat; Cabinet Office; Ministry of Internal Affairs and Communications; Ministry of Economy, Trade and Industry; relevant ministries and agencies)

- To move forward with the social implementation of the common rules put together by the Task Force on Building a Digital Society, support close partnerships between stakeholders and relevant groups using forums involving such stakeholders and groups in each field, and promote efforts to further flesh out the common rules for application in each field.

(Short-term, Medium-term) (Cabinet Secretariat)

- With the aim of linking up diverse technologies and services through the interconnection of various platforms to which IoT devices are connected, thereby creating new value, ensure that cross-platform linkage technologies focused on the controllability of personal information in particular are reliable, and further promote initiatives aimed at international standardization.

(Short-term, Medium-term) (Ministry of Internal Affairs and Communications)

- Advances in AI and the IoT are being accompanied by the emergence of various business models, giving rise to growing needs for new ways to resolve disputes and protect rights. Furthermore, the role of startups is increasing as open innovation progresses. In light of this situation, consider approaches to the patent system suitable for the age of AI and IoT technology, including strengthening dispute resolution functions, and then take the necessary measures.

(Short-term, Medium-term) (Ministry of Economy, Trade and Industry)

- To promote understanding of the importance of OSS in management (value and risks) and raise awareness of the use of OSS, encourage greater awareness of the results of the Study

of IP Risks Relating to Open Source Software in the Age of Digitalization and the IoT (April 2020, Japan Patent Office).

(Short-term, Medium-term) (Cabinet Office; Ministry of Economy, Trade and Industry)

- Summarize IP relevant to the handling of business information and deliverables to facilitate the provision of information about company issues and data as part of AI Quest (Problem Solving AI Human Resources Development), which seeks to cultivate personnel with practical AI skills, in accordance with the AI Strategy 2019, real-life issues and data from companies are being compiled into teaching materials. In addition, consider working in partnership with the Inter-University Consortium for Mathematics & Data Science.

(Short-term, Medium-term) (Ministry of Economy, Trade and Industry)

- Strengthen and expand the functions of the Agricultural Data Collaboration Platform and build smart food chains that allow data to be linked from the cultivation of agricultural produce through to processing, distribution, sale, consumption, and export. In addition, promote the standardization of crop names and agricultural task names to ensure the interoperability and portability of agricultural information through the standardization of data formats and terminology between different IT systems.

(Short-term, Medium-term) (Ministry of Agriculture, Forestry and Fisheries)

- Distribute information leaflets to stakeholders such as farmers, agricultural machinery manufacturers, and ICT vendors to ensure widespread awareness of the Contract Guidelines on AI and Data in Agriculture, which have been drawn up to encourage the use of agricultural data, while preventing the outflow of data and know-how, etc. in the agriculture sector against farmers' wishes. In conjunction with this, promote widespread use of INPIT's IP Comprehensive Helpdesks by stakeholders to provide consultation services to farmers, etc. and provide training for helpdesk staff.

(Short-term) (Ministry of Agriculture, Forestry and Fisheries) [Described above]

- To steadily promote data-based health management reforms, move forward with initiatives in accordance with the work schedule through to FY2025, aimed at the connection and use of big data on healthcare, medical care, and nursing care for the purpose of extend the populace's healthy life expectancy and at the promotion of genomic medicine and the use of AI.

(Short-term, Medium-term) (Ministry of Health, Labour and Welfare)

- Undertake detailed design of the institutional arrangements in accordance with the content of the Electricity Business Act amendment bill (submitted during the 2020 ordinary session of the Diet) and move forward with initiatives aimed at expanding the use of electric power data obtained from smart meters. In designing the institutional arrangements, take all possible steps to protect personal information and implement information security measures.

(Short-term, Medium-term) (Ministry of Economy, Trade and Industry)

(5) Strategic use of standards

(Current Situation and Challenges)

The environment surrounding standards is undergoing major changes. As consumer needs transition from objects to experiences and dynamic market environments are formed in the top layers, such as the emergence of platform operators, the focal axis of settings where standards need to be strategically used is shifting to cross-cutting themes in the form of systems, services, and the aforementioned data. Moreover, the speed at which new standards are required and existing standards are overwritten by new ones is increasing rapidly, as digital innovation shortens the time required for the social implementation of new technologies. U.S., European, and Chinese companies are moving to leverage standards optimized from a global viewpoint (for example, the adoption of advanced domestic and overseas technologies in procurement standards) and make strategic use of standards to neutralize the competitiveness of leading companies.

With COVID-19 having a huge impact on the domestic and international economy, the use of data will play an extremely important role in measures aimed at bringing the situation under control, and in maintaining society once this has been achieved, including from the perspectives of making supply chains more resilient and reducing the risk of disasters, not to mention its use in medical care. As the need for data to be linked across companies and industrial sectors is rising in today's increasingly advanced and complex social systems, the standards required to achieve this are growing in importance. The design of societies and businesses must be based on a full understanding of the role that standards play in solving social issues. In seeking to create a sustainable society/Society 5.0, making strategic use of standards to monetize Japanese technology and promote its social implementation is vital in order to enable Japan to seize the initiative.

The following issues have been pointed out as the main ones facing Japan. (i) There is a strong tendency for most Japanese companies to look at their own technology seeds as the starting point for deliberations concerning strategy; and (ii) research institutes and government ministries and agencies in each field consider their respective fields in isolation and therefore do not engage in adequate deliberations from a high-level, multifaceted perspective with the involvement of diverse stakeholders. As a result, individual trials are conducted without any vision relating to markets at which creative endeavors should be aimed. In addition, (iii) people are wary about the risks of failure or criticism, which increases anxiety when engaging in visionary actions whose prospects of success are unclear. As a result, the speed of responses to

innovative change is slower than in Western countries, where agile, ad hoc responses to situations in the course of taking action are the norm; and (iv) the competitive environment makes it hard for companies demonstrating leadership toward other companies in the same industry in terms of formulating standards to achieve prominence, which means that it takes time to build intra- and inter-industry consensus and also that flexibility in international negotiations is lost.

Based on this awareness, the perspectives and mindsets that will be essential to making strategic use of standards in the innovation ecosystem of the future will be envisaging the value to be provided to society (solving social issues) while designing the overall policy (architecture) and then, in implementing systems based on this architecture, considering what standards are required from a strategic perspective, including cross-cutting themes, and forming consortiums with other stakeholders while determining what techniques and forums related to standards should be used, including the question of swift standard formation (using de facto standards and agile initiatives).

Changing ways of thinking among the government and the private sector with the aim of facilitating the strategic use of standards in a digital society will be necessary to achieve this. Furthermore, the analysis of global trends and developments, design of architecture, and functions (platforms) to support the use of standards for total optimization will likely be needed, all based on organic partnerships between diverse stakeholders, including not only private sector companies, but also the relevant ministries, agencies, and institutions currently siloed along field-specific lines. In addition, we will aim to achieve the social implementation of Japanese technology worldwide by proposing standard-based solutions to ASEAN countries and linking standards with government procurement.

(Direction of Measures)

- The greater strategic use of standards is an important tool for the social implementation of technology. Establish a Standardization Promotion Center at AIST in the first half of FY2020 and strengthen initiatives, such as putting in place frameworks for external consultations and coordinating themes that cut across fields. Undertake deliberations involving experts in standards and other relevant professionals in new NEDO projects starting in the current fiscal year and undertake activities with the strategic use of standards in mind. Also in relation to these activities, ensure that national research institutes share specific techniques and examples of standardization activities, working in partnership with relevant ministries and agencies. In the future, while also taking into account global trends, it would be desirable to ensure that the use of standards and IP is considered from an overall strategic viewpoint starting from the research and development project framing stage,

including government procurement for creating initial demand, and the revision and development of regulations and systems for enhancing the market environment for products. Accordingly, provide support for the strategic use of standards on a trial basis, identify good examples and issues in national government projects and the like, and then conduct trials of a technology use support platform. For example, in specific fields such as AI, Beyond 5G, and smart agriculture, this would include making use of relevant ministries and agencies, research and development agencies familiar with trends in standards relating to technologies in each field, and the comprehensive functions of the Digital Architecture Design Center to be founded within the IPA. In addition, taking into account international trends, consider the ideal shape of the overall structure from the high-level perspective in the form of the vision, concept, and architecture, and build control tower functions and systems that will put together the measures for bringing this to fruition. Draw up the policy on initiatives to achieve this before the end of FY2020.

(Short-term, Medium-term) (Cabinet Office; Ministry of Economy, Trade and Industry; Ministry of Internal Affairs and Communications; Ministry of Agriculture, Forestry and Fisheries; relevant ministries and agencies)

- The application and growing prevalence of smart agriculture and other industrial technologies in the agriculture, forestry, fisheries, and food sectors has been accompanied by technology development in fields that blend agriculture with industry. In addition, initiatives aimed at expanding exports are being implemented on the basis of the government's strategy for expanding agriculture, forestry, fisheries, and food exports. Strategic standardization is imperative in order to ensure that Japan's outstanding technologies and quality are properly appreciated, so the strengthening of standardization initiatives in the agriculture, forestry, fisheries, and food sectors is growing in importance. As such, the Ministry of Agriculture, Forestry and Fisheries and Ministry of Economy, Trade and Industry will cooperate with each other and work with relevant incorporated administrative agencies to provide powerful impetus for strategic standardization initiatives in the agriculture, forestry, fisheries, and food sectors. Initiatives tailored to the specific attributes of each region are crucial in the agriculture, forestry, fisheries, and food sectors. Accordingly, to ensure that standardization needs in each region lead to appropriate standardization, facilitate communication, the sharing of information, and the building of consultation systems in the context of both horizontal links between relevant organizations at the regional level and vertical links within organizations, such as the headquarters and branches of relevant incorporated administrative agencies.

(Short-term, Medium-term) (Ministry of Economy, Trade and Industry; Ministry of Agriculture, Forestry and Fisheries)

- With the aim of linking up diverse technologies and services through the interconnection of various platforms to which IoT devices are connected, thereby creating new value, ensure that cross-platform linkage technologies focused on the controllability of personal information in particular are reliable, and further promote initiatives aimed at international standardization.
(Short-term, Medium-term) (Ministry of Internal Affairs and Communications) [Described above]
- With regard to standardization activities undertaken independently by leading medium-sized businesses and SMEs, without the involvement of industry groups, begin providing standardization support with an enhanced focus on business strategy from FY2020, to boost the business expansion effect through the establishment of standards.
(Short-term, Medium-term) (Ministry of Economy, Trade and Industry)

(6) Promoting IP management aimed at open innovation

(Current Situation and Challenges)

Open innovation is an effective means of maximizing the use of resources, in the form of outstanding personnel and organizations, strategic standards, and AI and data. The need for this is growing and related activities are on the rise, against the backdrop of increasingly diverse social issues and customer needs, as well as the very swift pace at which the times are changing. Moreover, when crises that cannot be dealt with by a single entity alone strike—particularly something like the COVID-19 outbreak—activities that bring the whole of society together to solve the problem are required.

When people with diverse values engage in such activities, the most important thing is that each of them is intrinsically motivated and that they share a clear overarching goal. Then, based on this, they bring together resources, devise a mechanism for converting those resources into value (business model), and transform society through the creation and provision of innovative value that will garner the empathy of society. IP is the core element in all three of these aspects: resources, devising a business model, and empathy.

Research and development is one process that effects social transformation; here, too, efforts should be made to tap into the diversity of individual entities and go beyond the existing boundaries between realms to undertake agile research and development that blends issues together and taps into a wide range of needs. To this end, not only internal, but also external resources should be used in a flexible manner. In particular, as universities and research and development agencies face issues in promoting collaboration between industry, academia and government, it is important to make use of external organizations funded by such bodies to

encourage ambitious, voluntary initiatives. Accordingly, in order to provide clarification that the businesses in which research and development agencies invest can undertake joint research, the government submitted a bill to amend the Act on Activation of the Science and Technology and Innovation Creation to the 201st session of the Diet. The government also plans to address matters relating to national university corporations through a cabinet order amendment.

The value created by open innovation goes beyond economic value. We need to serve as a role model, using the Japanese science, technology and innovation (STI) required to realize Society 5.0 to achieve the 17 SDGs by 2030 and then continuing these efforts with further initiatives thereafter. To this end, deliberations concerning the creation of an STI for SDGs Platform that matches Japanese technology seeds and other IP with needs at home and abroad are being conducted, along with trials of a prototype.

To further accelerate social transformation, it will also be necessary to develop mechanisms and environments that ensure that social issues and customer needs are accurately identified, that there is widespread public awareness of entities engaged in innovation management to maximize the use of research and development output to this end, that they are appreciated in capital markets, and that they can consequently attract management resources from other entities across the boundaries between organizations and fields. Enabling Japanese private sector companies to drive efforts to build a sustainable international society for 2030 and beyond through independent international contributions using STI is another measure that will lead to social empathy and value creation, so efforts to promote this will continue to be required.

At the same time, as a growing number of large corporations and global companies are working with SMEs and startups on open innovation, securing an environment in which SMEs and startups can compete freely and fairly is vital.¹⁹ According to a report²⁰ on a fact-finding survey of SMEs (including startups) in the manufacturing industry that was published by the Japan Fair Trade Commission in June last year, cases reported include (i) a case in which an SME was made to disclose know-how without receiving compensation, to the extent that another party was able to replicate what they were manufacturing; (ii) a case involving a contract in which all the IP was attributed to the business partner, irrespective of their level of contribution to joint research; and (iii) a case in which an SME was forced to file a joint patent application with their business partner, even though the SME had developed the technology independently. Solving problems of this kind will likely require the development and widespread use of guidelines setting out such matters as the appropriate handling of IP, which

¹⁹ <http://www.kantei.go.jp/jp/singi/keizaisaisei/miraitoshikaigi/dai37/siryous3.pdf>

²⁰ Report on a Fact-Finding Survey Concerning Abuse of a Superior Bargaining Position Targeting a Manufacturer's Know-How and Intellectual Property Rights
(https://www.jftc.go.jp/houdou/pressrelease/2019/jun/190614_files/houkokusyo.pdf)

the parties concerned should respect, and approaches to contracts relating to this.

Amid this situation, we will strengthen existing measures and take on the challenge of formulating new ones, to ensure that open innovation leading to higher-quality outcomes (social transformation) can be carried out smoothly.

(Direction of Measures)

- Establish interdisciplinary research centers/labs as organizational structures for promoting partnerships and fusion in research in a way that cuts across organizations. Embark on research and development, positioning energy and environmental constraints, the aging population and declining birthrate, and national resilience and disaster risk reduction as priority social issues.

(Short-term, Medium-term) (Ministry of Economy, Trade and Industry)

- Making effective use of the concept of “open innovation begins with me,” consider establishing a corporation to serve as a hub providing an environment in which individuals design value unique to them based on their intrinsic motivation and tap into the management resources of business companies, with the result that both business companies and startups create innovative businesses and continue to grow through ongoing self-innovation.

(Short-term, Medium-term) (Ministry of Economy, Trade and Industry; Financial Services Agency; Cabinet Office)

- Conduct research and analysis aimed at the full-scale establishment and refinement of the STI for SDGs Platform, with a view to its being independently run by the private sector in the future, and continue to engage in consultations with domestic and overseas stakeholders.

(Short-term, Medium-term) (Cabinet Office)

- Promote partnerships and cooperation with a diverse array of stakeholders both within Japan and overseas, and encourage the development of innovation aimed at achieving the SDGs, making use of this platform as one means of doing so.

(Short-term, Medium-term) (Cabinet Office; Ministry of Foreign Affairs; Ministry of Education, Culture, Sports, Science and Technology; Ministry of Economy, Trade and Industry; Ministry of the Environment)

- With the involvement of industry and other stakeholders, consider the formulation of model contracts and reference guidelines, and other environmental enhancements to ensure appropriate IP transactions between SMEs and large corporations, and reach a conclusion on such measures.

(Short-term, Medium-term) (Ministry of Economy, Trade and Industry) [Described above]

- Compile, publish, and ensure widespread use of a guide summarizing points to bear in mind concerning contracts and standard model contracts, to encourage innovation involving

startups and large corporations.

(Short-term, Medium-term) (Ministry of Economy, Trade and Industry) [Described above]

(7) Promoting the widespread adoption and practice of the value design management approach

(Current Situation and Challenges)

The Management Design Sheet published in May 2018 by the Intellectual Property Strategy Headquarters is a tool intended as an aid to thinking when companies devise mechanisms for creating value capable of appealing to needs and wants with a view to the future. As use of the Management Design Sheet becomes more widespread, there are signs that companies are shifting from a focus on seeds (product-out approach) to an emphasis on needs (market-in approach).

However, just as an excessively product-out focus based on the supplier's standpoint makes it hard to empathize with the customer's values, an overly market-in approach has a tendency to encourage short-termism in management, due to striving to adapt to current customer values, leaving the company vulnerable to changes in the market environment brought about by innovation by other companies or social phenomena. As a result, it becomes difficult to gain the empathy of future customers and stakeholders and therefore risks undermining the company's long-term survival.

Companies need to continue innovating to ensure ongoing growth, but rather than seeking hints from existing needs, it is vital for them to put the value design management into practice in its true sense by gaining an integrated understanding of their own and others' past, present and future values. This means ascertaining their own specific values and *raison d'être*, clarifying the values that they want to realize in society and their future vision of themselves and others in co-creating and sharing these values, and formulating a strategy for the present by comparing how the company is now with the vision for what it will look like in the future.

Open innovation (see the previous section for details), which transcends the product-out/market-in dichotomy and is achieved through co-creation of value with customers and society, will be crucial in bringing value design to fruition. The fusion of people who empathize with each other will create new value, which will in turn flow back in the form of profits and further empathy. This kind of ecosystem that creates, connects, and expands values in the form of value will make individual companies and industrial society as a whole more resilient and rich in dynamism and flexibility, thereby serving as a major impetus driving the realization of the value design society.

To practice this kind of management based on the value design approach, it is necessary to

promote the cultivation of individuals capable of demonstrating personal intuition and values based on intrinsic motivation to take on the challenge of creating new value, based on the “open innovation begins with me” concept published in 2019, and also to encourage the formation of organizations centered on individuals. It is also necessary to build value networks to serve as a system for formulating and circulating corporate strategy focused on co-creating value with diverse stakeholders, using the Management Design Sheet to backcast from the company’s own principles and vision for the future. In doing so, it is vital to use local benchmarks and the Management Design Sheet to gain an in-depth understanding of the current state of the organization and ascertain its management status from both the financial and non-financial perspectives.

As well as encouraging more widespread adoption of this approach by both individuals and organizations, measures are required to develop forums where individuals can come into contact with diverse values, to promote the spontaneous generation of empathy and value creation. With use of the Management Design Sheet becoming increasingly prevalent in industry, as stated at the beginning, there have been moves to customize it for large corporations and deliberations concerning the formation of an organization to promote it (a corporation aimed at its popularization). At the same time, as a result of the Management Design Sheet having come to be used by diverse entities, its underlying concept of “designing management” has become more ambiguous, so basic guidelines concerning its use need to be developed and published.

In the new normal arising from COVID-19, efforts will be required to ensure the widespread awareness and understanding of the concept of value design and the Management Design Sheet, in order to transform Japan’s industrial structure and provide it with the resilience that will ensure sustainable growth into the future.

Moreover, in a society based on teleworking, in which COVID-19 has been the trigger for a shift to remote and digital operations, discussions will be required concerning new ways of working that differ from the discretionary work undertaken hitherto by personnel who practice value design.

(Direction of Measures)

- To further disseminate the value design management approach, promote more widespread use of the Management Design Sheet and organize leaders to serve as ambassadors for it. In addition, to encourage initiatives aimed at its popularization among both the public and private sectors, develop and publish before the end of FY2020 basic guidelines for disseminating the concept of designing management.

(Short-term, Medium-term) (Cabinet Office)

- Tapping into the concept of “open innovation begins with me,” consider establishing a corporation to serve as a hub providing an environment in which both business companies and startups can create innovative businesses and continue to grow through ongoing self-innovation, while individuals design value unique to them based on their intrinsic motivation and leverage the management resources of business companies.
(Short-term, Medium-term) (Ministry of Economy, Trade and Industry; Cabinet Office)
[Described above]
- Encourage companies and other organizations to develop the ability to grasp both the financial and non-financial management status of their organization, gain an in-depth understanding of the current state of their organization, and formulate strategies that look toward the future, by further disseminating the value design management approach, the Management Design Sheet, and local benchmarks.
(Short-term, Medium-term) (Ministry of Economy, Trade and Industry)

(8) Developing an environment conducive to the strategic use of IP and its social implementation

(Current Situation and Challenges)

In the area of measures to combat COVID-19, moves aimed at encouraging the use of IP are emerging, such as the voluntary royalty-free release of patents by rights holders and initiatives aimed at building patent pools. While companies have hitherto sought to use standards to capture new markets and secure their own competitive edge (what is called an open-close strategy), more strategic use of IP and patents as a tool for socially implementing and monetizing technology is deemed necessary in order to overcome the COVID-19 crisis at the earliest possible opportunity.

At the same time, the Liaison Conference of the Relevant Ministries and Agencies for Reform of the Civil Justice System²¹ was formed to promote reform of the civil justice system. The panel discussed such points as the strengthening of dispute resolution functions in the field of IP law and the revitalization of international arbitration, and put together a report entitled Promoting the Reform of the Civil Justice System. The report states, “In the field of IP, where international disputes are particularly prone to occur and where the civil justice system itself is highly exposed to international competition in relation to the choice of location for dispute resolution, it is necessary to seek to further enhance means of dispute resolution and to enhance

²¹ Members include the Cabinet Office Intellectual Property Strategy Promotion Bureau, the Agency for Cultural Affairs, and the Japan Patent Office.
(<https://www.cas.go.jp/jp/seisaku/minjikaikaku/pdf/konkyo.pdf>)

dispute resolution functions, in order to ensure that the settlement of international disputes in Japan leads to appropriate protection for IP and furthers Japan's status as an IP-based nation." With regard to the strengthening of dispute resolution functions, it states that deliberations are required concerning measures including the introduction of a two-stage litigation system and the review of compensation for damages (punitive damages and the right to demand the return of profits).

(Direction of Measures)

- The greater strategic use of standards is an important tool for the social implementation of technology. Establish a Standardization Promotion Center at AIST in the first half of FY2020 and strengthen initiatives, such as putting in place frameworks for external consultations and coordinating themes that cut across fields. Undertake deliberations involving experts in standards and other relevant professionals in new NEDO projects starting in the current fiscal year and undertake activities with the strategic use of standards in mind. Also in relation to these activities, ensure that national research institutes share specific techniques and examples of standardization activities, working in partnership with relevant ministries and agencies. In the future, while also taking into account global trends, it would be desirable to ensure that the use of standards and IP is considered from an overall strategic viewpoint starting from the research and development project framing stage, including government procurement for creating initial demand, and the revision and development of regulations and systems for enhancing the market environment for products. Accordingly, provide support for the strategic use of standards on a trial basis, identify good examples and issues in national government projects and the like, and then conduct trials of a technology use support platform. For example, in specific fields such as AI, Beyond 5G, and smart agriculture, this would include making use of relevant ministries and agencies, research and development agencies familiar with trends in standards relating to technologies in each field, and the comprehensive functions of the Digital Architecture Design Center to be founded within the IPA. In addition, taking into account international trends, consider the ideal shape of the overall structure from the high-level perspective in the form of the vision, concept, and architecture, and build control tower functions and systems that will put together the measures for bringing this to fruition. Draw up the policy on initiatives to achieve this before the end of FY2020.

(Short-term, Medium-term) (Cabinet Office; Ministry of Economy, Trade and Industry; Ministry of Internal Affairs and Communications; Ministry of Agriculture, Forestry and Fisheries; relevant ministries and agencies) [Described above]

- Advances in AI and the IoT are being accompanied by the emergence of various business

models, giving rise to growing needs for new ways to resolve disputes and protect rights. Furthermore, the role of startups is increasing as open innovation progresses. In light of this situation, consider approaches to the patent system suitable for the age of AI and IoT technology, including strengthening dispute resolution functions, and then take the necessary measures.

(Short-term, Medium-term) (Ministry of Economy, Trade and Industry) [Described above]

- Seek to improve dispute resolution abilities throughout Asia by holding an international conference and follow-up seminars on the theme of IP-related disputes, with the involvement of judicial officials from Asia, including China, South Korea, and ASEAN member states. In addition, hold an international conference on the theme of IP-related disputes with the involvement of Western judicial officials, promote international collaboration in IP dispute resolution, and provide information about settling IP-related disputes to members of the legal profession in Japan and private sector companies expanding their businesses overseas.

(Short-term, Medium-term) (Ministry of Justice; Ministry of Economy, Trade and Industry)

- With a view to revitalizing international arbitration, including IP-related cases, continue to implement a comprehensive package of measures, such as human resource development, public relations and awareness-raising activities targeting companies, and the development of facilities, in respect of the commissioned research projects launched in FY2019 and other initiatives by relevant ministries and agencies.

(Short-term, Medium-term) (Ministry of Justice; relevant ministries and agencies)

- To ensure that parties to IP disputes can easily and with peace of mind choose and use dispute resolution procedures suitable for reaching a settlement, promote further enhancement and revitalization of ADR by properly handling the screening of applications for ADR certification and moving forward with initiatives aimed at publicizing and promoting widespread awareness of information concerning certified ADR (known informally as Kaiketsu Support), as well as initiatives to facilitate partnerships between certified ADR providers and relevant organizations.

(Short-term, Medium-term) (Ministry of Justice)

- Support regional access to IP professionals by enhancing systems based on partnerships involving relevant organizations that enable entities in the regions to request assistance from professionals well-versed in resolving IP disputes.

(Short-term, Medium-term) (Ministry of Justice) [Described above]

- Continue efforts to enhance the dissemination of information to other countries regarding major IP-related judicial precedents, the IP conciliation system that was launched in October

2019, and other information concerning the settlement of IP disputes in Japan.

- To enhance the business environment to facilitate the use of IP as a weapon in international business development by Japanese companies, enhance the provision of high-quality English translations of laws and regulations and relevant information (such as outlines of legal amendments) in areas of the law with a high need for this, such as matters concerning IP in Japan. To this end, promote the development of a system for swift translation soon after laws are amended (including conducting a survey and deliberations aimed at the use of machine translation) and the creation of a highly convenient usage environment, and disseminate information overseas more effectively and proactively.
(Short-term, Medium-term) (Ministry of Justice)
- To facilitate the resolution of international disputes involving IP faced by Japanese companies, seek to expand and enhance the scope of international arbitration and international mediation agent services offered by foreign lawyers and take steps to enable them to act as agents throughout such procedures without delay.
(Short-term, Medium-term) (Ministry of Justice)
- Support the development and operation of legal systems for exercising IP rights in the fast-growing ASEAN region and other emerging economies. In addition, support the cultivation of IP judicial officers by such means as conducting training for judicial officers from emerging economies, in order to establish effective judicial procedures.
(Short-term, Medium-term) (Ministry of Justice; Ministry of Foreign Affairs)

4. Implementing the CJ Strategy

With daily life throughout society substantially impacted by the spread of COVID-19, CJ initiatives are facing a major crisis. Restrictions on the movement and gathering of people have dealt a huge economic blow to food service, tourism, culture and the arts, events and entertainment, and other sectors that are crucial from the CJ perspective, as well as to regions where much of Japan's appeal is concentrated. In some cases, the very survival of these places is threatened. Ensuring the survival of these CJ-related fields that have suffered such immense damage and securing the employment of the people who work in them is of paramount importance to ensure that we keep the flame of Japanese arts and culture alight. As such, the Emergency Economic Measures approved on April 20 this year must be implemented swiftly and steadily.

The urgent proposals put forward by the Vision Committee's Create Japan Working Group demonstrate a sense of crisis and an awareness of the problems faced by CJ-related fields.

(Reference) Urgent Proposals by the Create Japan WG (excerpt)

With its society facing unprecedented population decline, Japan positioned its inbound strategy as a key pillar of its growth strategy and has achieved remarkable market expansion over the last few years. Cool Japan activities based on public-private cooperation have also played a major role by spreading the word about Japanese culture and cultivating creative industries.

COVID-19 struck without warning on the eve of Tokyo 2020, which should have been a catalyst for additional inbound tourism, and has run rampant across the globe, dealing a lethal blow to economies.

The food service, entertainment, and hotel sectors are in a particularly parlous state due to the COVID-19 crisis. Political and social demands for the public to exercise self-restraint in going out have forced the suspension, shutdown, and downsizing of entertainment events and food service, causing sales and cash flow to be lost. The situation is similar in the tourism and hotel industry, where flows of people have ceased.

At the core of both the inbound strategy and Cool Japan, these three sectors will be key industries in the Japan of the future. They will support agriculture, traditional crafts, and other forms of manufacturing in Japan's provincial regions and will be the decisive factor in achieving regional revitalization. Even if the Olympics and Paralympics can be postponed for a year, the associated cultural and tourism infrastructure will collapse in a matter of

months unless we act now. If that were to happen, what on earth would we show to the people visiting Japan next year? And what industries will support Japan after the Olympics and Paralympics?

Culture is our nation's most vital resource and tourism is its more promising growth industry. We must protect the personnel who undertake creative activities in these sectors and their intellectual capital from adversity, and ensure that our cultural and tourism infrastructure survives into the post-COVID-19 era.

These artistic and cultural fields in which Japan leads the world play a major role in the CJ initiatives underpinning our nation's soft power. The revitalization of CJ-related fields is imperative in order to provide foreign visitors coming to Japan after COVID-19 has been brought under control—including those visiting for the 2020 Tokyo Olympic and Paralympic Games (hereinafter the “Tokyo 2020 Games”) that have been postponed until 2021—with high-quality meals, accommodation, and content, so that they become Japan fans.

Leading medium-sized businesses, SMEs, sole proprietors, and freelancers play a major role in CJ-related fields. It is vital to ensure the survival of CJ-related fields and secure the employment of the people who work in them, including by putting in place safety nets for freelancers such as creators, engineers, and producers, as well as those who support leading medium-sized businesses.

In parallel with this, it will also be important to make preparations for the recovery drive that should follow once COVID-19 has been brought under control. As such, although forums such as the CJ Strategy Committee and the CJ Strategy Committee Executive Board have already discussed measures in specific fields, it will be crucial to implement more effective measures during the coming recovery drive by ensuring that relevant ministries, agencies, and organizations work together, while assessing the impact of COVID-19.

The spread of COVID-19 is revealing vulnerabilities and problems in CJ-related fields that stem from business practices and industry structures that have failed to adapt to the digital age and from the lack of adequate safety nets. The modalities of inbound travel, events, and other businesses predicated on the movement of people will likely be called into question in the age of the new normal. Bold measures will need to be taken and the resilience of CJ-related fields improved in order to weather the COVID-19 outbreak and ensure that CJ-related fields do not suffer a devastating blow when society undergoes a radical transformation stemming from the pandemic, among other factors.

(1) General approach: Ensuring the survival of CJ-related fields

a) Impact of COVID-19

(Current Situation and Challenges)

The spread of COVID-19 has had a major impact on daily life throughout society. Daily life has become increasingly digitalized as countries worldwide have imposed restrictions on movement and people have sought to avoid crowded places, with Japan seeing a growing move toward teleworking. The use of digital delivery is one of the new initiatives that has emerged in the events and entertainment field. In the food sector, too, many restaurants are using the internet, offering online delivery services and publishing recipes. Some of these initiatives create new value through online communication, such as chefs freely sharing their knowledge through videos showcasing their skills and how they make their dishes, as well as using feedback from viewers to inspire fresh ideas. If society becomes even more digitalized in the age of the new normal and goes beyond the fusion of digital and real to the extent that the digital becomes separated from the real, businesses based on the real world could potentially face even more radical transformation.

In addition to changes in activities throughout society resulting from further advances in digitalization, changes to people's mentality, thinking, or behavior brought about by fears or wariness about the pandemic will also be a crucial element in promoting CJ initiatives. For example, changes in people's attitudes to long-distance travel and changes in the positioning of safety and peace of mind regarding hygiene when choosing places to visit as a tourist or locations to which to migrate could have a substantial impact on efforts to attract inbound travelers and the strategy for promoting visits to Japan. Greater leveraging of culture will be crucial to revitalizing inbound travel. For example, with travel restricted due to the impact of COVID-19, it will likely be important to use online means to distribute high-quality multilingual cultural content to maintain people's interest in Japan and cultivate potential Japan fans. As it is envisaged that travel dynamics will change, some have suggested that consideration needs to be given, for example, to initiatives that tap into cultural resources to target the wealthy, with a view to revitalizing inbound travel after COVID-19 is brought under control.

If the tendency toward avoiding crowds continues, events and exhibitions could undergo major changes. There are moves toward using digital technology and epidemiological approaches to gain more in-depth knowledge of the extent of COVID-19 infection. This knowledge could, in future, become a significant aid to holding events and exhibitions appropriately, while preventing the spread of infection.

Furthermore, the COVID-19 outbreak and the way in which it is brought under control could alter Japan's brand image. Until now, people worldwide have mostly expressed positive views

regarding Japan's social systems and the words and deeds of Japanese people, who typically behave calmly in the event of a disaster. Some foreign media have suggested that reasons for Japan's success in preventing the spread of infection in the initial phase of the COVID-19 outbreak include Japan's medical and public health insurance systems and the health consciousness of Japanese people under normal circumstances. It is necessary to fully analyze changes in Japan's brand image, including its social systems, and to rethink strategies for promoting Japan based on the findings.

(Direction of Measures)

- Steadily implement the Emergency Economic Measures to Cope with the Novel Coronavirus (COVID-19) and provide support for holding events and any other support required ahead of the recovery drive, in order to ensure the survival of the CJ-related fields that have suffered immense damage and secure the employment of the people who work in them. In addition, devise ways of spreading the word about the content of economic measures and procedures for accessing them in a manner that is easy to understand, so that the requisite support measures can be provided for the people who need them.
(Short-term, Medium-term) (Cabinet Office; relevant ministries and agencies)
- Fully canvass needs concerning the measures required to conduct an appropriate and efficient recovery drive after COVID-19 is brought under control and consider them in light of the attributes of each sector, in order to ensure the survival of CJ-related fields.
(Short-term, Medium-term) (Cabinet Office; relevant ministries and agencies)
- Investigate and analyze the impacts of COVID-19 on the world from a wide range of perspectives, including digitalization and other social changes, changes in people's thinking and behavior, and changes in Japan's brand image among the rest of the world, while bearing in mind differences between countries and regions, and then use the insights to plan and implement CJ-related measures.
(Short-term, Medium-term) (Cabinet Office; relevant ministries and agencies)

b) Key priorities

Naturally, ensuring the survival of CJ-related fields is the top priority for the CJ policy at present. At the same time, given the important role that CJ initiatives will play in the Japanese economy and regional revitalization once COVID-19 has been brought under control, CJ-related ministries, agencies, and organizations will need to move forward with preparations for the forthcoming recovery drive, based on a full understanding of the extent of the spread of the virus, the state of efforts to bring it under control, and its impacts.

Discussions aimed at strengthening collaboration between relevant ministries, agencies, and organizations have already taken place at meetings of the CJ Strategy Committee and other bodies, with a view to promoting CJ initiatives. In addition to initiatives in individual fields, initiatives designed with partnerships between different fields and regions have made considerable progress, which is something that can be praised as a significant positive outcome of the last ten years or so. Going forward, it will be necessary to make further progress with collaboration between relevant ministries, agencies, and organizations by maintaining greater awareness of new partnerships between fields and between ministries and agencies. As the environment surrounding CJ changes due to the spread of COVID-19, the following points will be particularly crucial in order to achieve further progress with CJ initiatives.

(i) Ensuring flexibility

CJ-related ministries, agencies, and organizations offer a diverse array of CJ-related measures across a wide range of fields and have a budget amounting to some ¥55 billion (FY2020 initial budget). The pace and scale of change in the environment surrounding CJ due to COVID-19 is unprecedented, and, as conventional assumptions collapse, it will be necessary to appropriately implement these CJ-related measures. For example, measures focused on inbound travel and most of the measures relating to events and the like are premised on the free movement of people, but this basic assumption is changing significantly as COVID-19 places restrictions on the movement and gathering of people. Effective promotional efforts that tap into virtual reality (VR) and other technologies will be required, as will greater use of digital technology for online events and the like. In addition, it will be more important than ever to devise ways of securing profits through digital-only methods not predicated on the real world. Cashless payment systems could hold the key to enabling more restaurants to earn profits by offering online delivery. Using digital simulations of the extent of COVID-19 infection and other digital technology could help to ensure the appropriate implementation of events and exhibitions.

While initiatives based on digital technology will become more important, issues relating to IP could potentially emerge, such as in the handling of precise data, for example. Moreover, existing business practices and systems could become a barrier to the revitalization of the Japanese economy if they fail to keep up with the pace of social change.

With CJ initiatives themselves facing a major crisis due to COVID-19, CJ-related measures implemented during the current fiscal year will be absolutely crucial to building a future for CJ. As well as joining forces to ensure the survival of CJ-related fields, relevant ministries, agencies, and organizations must move forward with CJ initiatives befitting of a post-COVID-19 society by fully analyzing the impact of COVID-19, while considering the necessary steps—including

rethinking business practices and systems—and seeking to improve the soundness and international competitiveness of CJ-related fields. It will be more important than ever for relevant ministries and agencies—by collaborating fully in the CJ Strategy Committee and other frameworks—to implement bold CJ-related measures with flexibility and a refusal to be bound by precedent, in order to lay the foundations for future CJ amid uncertainty about what lies ahead.

(Direction of Measures)

- Use the CJ Strategy Committee and other frameworks to ensure the flexibility of CJ-related measures in order to appropriately implement CJ initiatives in a situation where the environment surrounding CJ is undergoing major change due to the impact of COVID-19. (Short-term, Medium-term) (Cabinet Office; relevant ministries and agencies)

(ii) The global perspective

(Current Situation and Challenges)

The viewpoints and knowledge of people from across the globe will be essential in order to appropriately implement CJ initiatives as society undergoes significant change. Many of the measures devised by CJ-related ministries, agencies, and organizations involve the participation of foreign nationals and Japanese citizens with a knowledge of other countries as members of expert committees and contest judging panels. The viewpoints and knowledge of these foreign experts, etc. are a valuable asset for CJ initiatives, so the involvement of as many foreign experts as possible should continue to be encouraged, while taking care to avoid excessive reliance on the perspectives of specific individuals in specific fields to the exclusion of others.

As the thinking and behavior of foreign nationals is expected to change significantly due to the impact of COVID-19, it is important to gather data about the hobbies and preferences of people overseas and their interest in Japan, and to analyze macro-level changes in global perspectives and trends, and in Japan’s brand image in the wake of COVID-19. Furthermore, it is vital to explore measures for effectively disseminating accurate information in foreign media about Japan’s appeal and Japan itself, taking into account changes in Japan’s brand image.

(Direction of Measures)

- Encourage as wide a range of foreign experts as possible to participate in CJ-related measures, in order to incorporate global perspectives into such measures. In partnership with relevant ministries, agencies, and organizations, the Cabinet Office will put together information about foreign experts in various fields and share this information with relevant ministries, agencies, and organizations.

(Short-term, Medium-term) (Cabinet Office; Ministry of Foreign Affairs; relevant ministries and agencies)

- Gather data about changes in global perspectives and trends via questionnaires and other surveys at events targeted at foreign nationals so that relevant ministries and agencies can analyze it together and share the results.

(Short-term, Medium-term) (Relevant ministries and agencies)

(iii) Ensuring sustainability

(Current Situation and Challenges)

As CJ is an initiative covering a wide range of fields and regions, CJ-related measures will need to be implemented appropriately to ensure that they lead to the revitalization of the CJ-related fields and regional economies severely impacted by COVID-19. Accordingly, it is necessary to develop an environment in which CJ initiatives are implemented in a continuous way by ensuring that they take root among a wide range of private sector business operators and become self-sustaining.

The first thing that needs to be done to ensure the sustainability of CJ is to encourage private sector business operators and the like to engage more proactively in business aimed at foreign nationals. As CJ is an initiative targeting foreign nationals, there are many factors that could become a source of stress for private sector business operators, including differences in language and customs. If private sector business operators taking on the challenge of CJ initiatives experience too much stress and develop negative feelings toward business aimed at foreign nationals, it will become difficult to ensure the sustainability of CJ. Accordingly, it is vital to give consideration to ensuring that private sector business operators can comfortably engage in CJ initiatives. Many of the CJ-related measures involve using grants or holding events. To ensure sustainability, it is necessary to be aware of the need to help CJ initiatives take root in the regions by encouraging involvement by a wide range of stakeholders, including private sector business operators, local governments, and local citizens.

(Direction of Measures)

- Establish online and other forums for sharing information and disseminate examples of success, making use of the CJ Public-Private Partnership Platform, in order to encourage more proactive participation in CJ initiatives by private sector business operators.

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

- When implementing CJ-related measures, encourage participation by as wide a range of stakeholders as possible and give consideration to ensuring sustainability, by such means as checking the structure of the implementing organization and its future plans.

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

(iv) Enhancing publicity

(Current Situation and Challenges)

With travel restricted across the globe and online activities taking on a greater importance in people's lives, enhancing publicity potential is becoming crucial. It is particularly important to create high-quality digital content and disseminate it appropriately, in order to increase foreign nationals' interest in Japan, thereby cultivating new Japan fans and revitalizing inbound tourism.

To enhance publicity potential for Japan as a nation, it is first of all necessary to make private sector content holders more conscious of proactively disseminating their content in other languages. For example, global search engines and travel sites are effective tools for enhancing the potential for publicizing Japan in other countries, so it is crucial to ensure that content holders become more communication conscious by promoting widespread awareness of the usefulness of these tools and of how to use them.

In addition, with social media becoming a major means of communication worldwide, it is necessary to maximize the tremendous publicity potential offered by foreign visitors to Japan and foreign media. Creating video content designed with visual appeal in mind, enhancing the Wi-Fi environment, and other such preparations for enhancing the nation's publicity potential will be vital in order to spread the word about Japan's attractions to foreign visitors once inbound tourism has been revitalized.

(Direction of Measures)

- Use forums such as the Public-Private Partnership Platform to encourage independent, proactive dissemination activities by private sector business operators by providing examples of best practice in the dissemination of information. In addition, work with private sector services to raise awareness of how to use these methods.

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

- Use forums such as the Public-Private Partnership Platform to promote widespread awareness of global communication trends and approaches to the appropriate dissemination of information in light of these.

(Short-term, Medium-term) (Cabinet Office)

(2) Individual fields: Flexible use of existing measures ahead of the recovery drive

Once the survival of CJ-related fields has been ensured, relevant ministries, agencies, and organizations need to work together and mobilize all their measures and assets, while flexibly

implementing CJ-related measures, in order to undertake a recovery drive aimed at the revitalization of Japanese society and regional Japan.

So far, frameworks such as the CJ Strategy Committee have been used to undertake discussions focused on specific individual fields, based on an awareness of the strengthening of partnerships among relevant ministries, agencies, and organizations, with a view to creating examples of success through collaboration between a wide range of fields and regions. These individual fields were selected with the purpose of fostering wide-ranging partnerships among relevant ministries, agencies, and organizations, and creating examples of success, so they do not necessarily fully reflect social change brought about by the impact of COVID-19. At the same time, these specific fields could become the foundations for revitalizing the Japanese economy and regional economies through CJ initiatives. Accordingly, it is vital for relevant ministries, agencies, and organizations to work together to promote the following initiatives, while ensuring the flexibility required to respond to changes in circumstances resulting from COVID-19.

Food

(Current Situation and Challenges)

Food is an area of culture where Japan leads the world and is one of the most important fields from a CJ perspective. Japanese cuisine is often cited by foreign nationals across the globe as one of their favorite foods and the number of Japanese restaurants overseas has been growing steadily in recent years. In addition, a Japan Tourism Agency survey found that almost 70% of foreign visitors to Japan cited food as one of the things that they planned to enjoy in Japan and food plays a major role as the gateway that leads to people from other countries developing an interest in Japan. Furthermore, Japanese food demonstrates great diversity, reflecting the history and other distinctive features of its regions, and therefore holds tremendous possibilities for regional revitalization. The great appeal and potential of food makes it an essential element in efforts to promote the revitalization of the Japanese economy and regional Japan through CJ initiatives.

COVID-19 has dealt a huge blow to the food sector, with renowned restaurants in regional Japan going out of business and chefs losing their jobs. The government needs to take all possible measures to ensure that this crucial element of Japanese culture and the creative people who work in the food sector are not lost. Among the ideas that have emerged in the crisis-hit food sector are delivery service initiatives and efforts to match chefs with long-established restaurants in the regions. Food is also a key sector from the CJ perspective, so relevant ministries, agencies, and organizations must cooperate to ensure its survival and encourage

further development.

Food will be crucial to the recovery drive, too. The Ministry of Agriculture, Forestry and Fisheries—which plays a central role in the food sector—has been implementing the Eat! Meet! Japan project since FY2019, with the aim of spreading the word about Japanese culinary culture and expanding exports. The project aims to generate profits for a wide range of fields through the high appeal of food, by combining food-themed experiences with a variety of fields, including tourism, accommodation, performing arts, and sport. It is therefore an initiative that dovetails with what the CJ Strategy aims to achieve. The Eat! Meet! Japan project has already demonstrated a strong awareness of the need for collaboration with relevant ministries, agencies, and organizations, but going forward, it will need to set its sights on partnerships with new fields and other ministries and agencies, to ensure that spreading the word about Japanese food culture leads to growth in exports of goods and inbound consumption.

Broadening the base of Japanese food enthusiasts by increasing opportunities for foreign nationals to come into contact with Japanese food will be vital in order to further promote overseas business expansion in this realm. Accordingly, it is hoped that expanding opportunities for people in other countries to come into contact with Japanese cuisine and ingredients produced in Japan on their home turf, and providing recipes for Japanese dishes using such ingredients will foster greater empathy and interest in Japanese food among a wider range of people.

(Direction of Measures)

- To tap into the high appeal of food and make food a catalyst for foreign visitors to Japan developing an interest in various aspects of Japan, thereby sustainably generating profits for a wide range of fields and regions, implement initiatives aimed at strengthening partnerships between the food sector and other industries and regions, while remaining conscious of the need to maintain sustainability.

(Short-term, Medium-term) (Ministry of Agriculture, Forestry and Fisheries)

- Food is diverse, reflecting the history and other distinctive features of Japan's regions, and therefore holds tremendous potential to lead to regional revitalization. Accordingly, support initiatives that further refine the appeal of food, promote interest in food culture, and, in a manner befitting the digital age, effectively spread the word to other countries in the form of a Japan Brand that unites both food and food culture.

(Short-term, Medium-term) (Ministry of Agriculture, Forestry and Fisheries; Ministry of Education, Culture, Sports, Science and Technology)

- To increase the number of overseas hubs for spreading the word about Japanese food and food culture and to further expand exports of Japanese-produced agriculture, forestry, and

fisheries produce and ingredients, support business operators working to increase and enhance Japanese Food and Ingredient Supporter Stores Overseas, where foreign nationals who are interested in Japan or have previously visited the country can experience Japanese food. In addition, implement comprehensive overseas publicity initiatives, including a searchable list of Japanese Food and Ingredient Supporter Stores Overseas and information about Japanese chefs and recipes.

(Short-term, Medium-term) (Ministry of Agriculture, Forestry and Fisheries)

Japanese alcoholic beverages

(Current Situation and Challenges)

Japanese alcoholic beverages form part of our nation's food culture and exports of such beverages have been on the rise, driven by business operators' efforts to cultivate overseas markets and also by a Japanese cuisine boom in other countries. In particular, there have been efforts to increase worldwide awareness of Japanese saké and to enhance its appeal by creating new value through such products as sparkling saké and vintage (aged) saké. Due also in part to government support, exports of saké have been growing.

The Japanese alcoholic beverage sector is another field that has been dealt a blow by COVID-19, so it is necessary to move forward with further initiatives aimed at expanding exports, by such means as a brand strategy focused on developing the high-added-value aspects of the products and setting appropriate prices. This is also crucial from the perspective of maintaining Japanese culture.

Tourism focused on saké breweries is another initiative aimed at boosting exports by providing inbound tourists with an opportunity to come into contact with Japanese alcoholic beverages. As saké breweries are a key asset offering people the chance to experience a region's history, culture, and ambience, saké brewery tourism holds tremendous potential as a means of revitalizing inbound tourism after COVID-19 has been brought under control. It will be crucial to tap into tourism focused not only on saké breweries, but also breweries and distilleries of other Japanese alcoholic beverages, to revitalize Japan's regional economies after COVID-19 has been brought under control, by cultivating initiatives with deep roots in each region, maintaining an awareness of the benefits generated for the region as a whole through tie-ups and the like with other local content, including the best that the region has to offer in food, hot springs, and traditional *ryokan* inns.

(Direction of Measures)

- Promote the branding of Japanese alcoholic beverages and export growth by further encouraging tie-ups between such beverages and other industries, as well as by using geographical indications (GI).
(Short-term, Medium-term) (Ministry of Finance; relevant ministries and agencies)
- Promote export growth by through international promotional activities and support for the expansion of marketing channels for Japanese alcoholic beverages, as well as technical support for new product development. In addition, support business operators' own initiatives to establish brands.
(Short-term, Medium-term) (Ministry of Finance)
- Promote saké brewery tourism to encourage export growth via inbound tourists. In doing so, support saké brewery tourism initiatives undertaken by alcoholic beverage businesses, bearing in mind the cultural aspects of saké breweries and the wide-ranging benefits that they generate for the region as a whole. In conjunction with this, undertake deliberations aimed at increasing convenience for inbound travelers and enhancing publicity potential.
(Short-term, Medium-term) (Ministry of Finance; Ministry of Land, Infrastructure Transport and Tourism)

Events and entertainment

(Current Situation and Challenges)

The events and entertainment sector is one of the sectors that has been hardest hit by the impact of COVID-19. The sector essentially halted its operations in response to government requests for people to exercise self-restraint in respect of events and the like. As a result, it has made a tremendous contribution to stopping the spread of COVID-19 by preventing the movement of large numbers of people, while itself suffering immense economic damage. The events and entertainment sector involves many people, including not only the on-stage performers, but also lighting and sound technicians and stylists, some of whom are now reportedly experiencing poverty due to the shutdown.

The sector is part of Japan's world-class arts and culture industry and the people who work within it are key to sustaining it. We must not allow COVID-19 to extinguish the flame of arts and culture. Over the years, the events and entertainment sector has comforted and encouraged people during various times of adversity. Accordingly, it has an immense role to play in lifting the spirits of Japanese people facing the scourge of COVID-19 and also in helping to revitalize the Japanese economy in due course. The events and entertainment sector must be provided

with as much support as possible, in order both to pass on Japanese culture to future generations and to revitalize the Japanese economy going forward.

In response to the economic blow that COVID-19 has dealt to many fields, moves to support the events and entertainment sector and other CJ-related fields through crowdfunding and other forms of donation have emerged. Some in the industry have asked the government to apply tax incentives or establish a fund to further expand the scope of support provided through these donations. Donation-based support has the potential to serve as a safety net for the events and entertainment sector and make it more resilient going forward, so it is vital for the government to provide whatever backing it can.

Some have pointed out the importance of having guidelines for enabling events to be held while preventing the spread of COVID-19, in order to promote the revitalization of the events and entertainment sector. While guidelines for preventing the spread of infection have been formulated by relevant groups, with a view to the resumption of events, it would seem necessary for the government to provide as much support as possible for the formulation and dissemination of guidelines by the private sector, by such means as using digital technology to tap into knowledge concerning the spread of COVID-19. Consideration must also be given to the fact that the events and entertainment sector encompasses many different industries, each with its own customs and business models. For example, cooperation with local governments will be needed when holding events and exhibitions, as local governments own and manage many facilities that can provide a venue for them. Events such as fireworks displays and festivals occupy a major position in regional economies, serving as important local content, but they tend to be concentrated within a particular period and are unlikely to generate any income outside that period. The specific characteristics of each industry must be fully considered when formulating support measures for the events and entertainment sector.

Night-time content is important in order to ensure that foreign visitors to Japan can enjoy their visit even more and become Japan fans. Accordingly, preparations must be made to enhance and augment this aspect, including by identifying high-quality night-time content and spreading the word about it appropriately by means of digital technology.

(Direction of Measures)

- To capture growing overseas demand and expand the market for content originating in Japan, support localization (translation, etc.) and promotional activities aimed at overseas business expansion in the field of content, including the transmission of videos recorded at live music and theater performances.

(Short-term, Medium-term) (Ministry of Economy, Trade and Industry)

- Keeping a close eye on the status of efforts to bring the pandemic under control, implement a campaign that brings the public and private sectors together to stimulate demand in the events and entertainment sector, which has been dealt a huge blow by COVID-19.
(Short-term, Medium-term) (Cabinet Secretariat; Ministry of Economy, Trade and Industry; Ministry of Land, Infrastructure Transport and Tourism; Ministry of Agriculture, Forestry and Fisheries; Ministry of Education, Culture, Sports, Science and Technology)
- Support the facilitation of donation-based support initiatives and the continuation of creative activities, with a view to promoting the whole sector impacted by COVID-19 and increasing its resilience.
(Short-term, Medium-term) (Ministry of Education, Culture, Sports, Science and Technology; relevant ministries and agencies)
- Support the formulation and dissemination of guidelines for preventing the spread of infection, with a view to the resumption of events and live performances.
(Short-term, Medium-term) (Ministry of Education, Culture, Sports, Science and Technology; Ministry of Economy, Trade and Industry; Ministry of Health, Labour and Welfare; relevant ministries and agencies)
- Provide support in areas including monetization, with a view to creating and discovering high-quality night-time and early-morning content.
(Short-term, Medium-term) (Ministry of Land, Infrastructure Transport and Tourism)
- Undertake appropriate activities to promote night-time content, in collaboration with the JNTO website and private sector platform operators.
(Short-term, Medium-term) (Cabinet Office; Ministry of Land, Infrastructure Transport and Tourism)

***Shinise* businesses**

(Current Situation and Challenges)

One of Japan's distinctive features is the large number of what are referred to as *shinise* businesses. Japan has at least 30,000 *shinise*—businesses with a history dating back at least 100 years—which is said to be the highest number in the world by far. The existence of family businesses in which the same family has run the same business continually for generations is another feature of Japan without parallel across the globe. Among Japan's *shinise* businesses are many with a history spanning several hundred or even more than a thousand years, and they have played a significant role in the formation of each region's history, traditions, culture, and ambience. In Japan, being able to buy traditional, yet inexpensive Japanese sweets that have been made for a few hundred years is an everyday occurrence, but, as an aspect unique to Japan,

with its long history and tradition of carrying on the family business, it is something of tremendous value not found in other countries. A dearth of successors and artisans driven a growing number of *shinise* to close their doors in recent years. With the remainder facing tough economic conditions due to the impact of COVID-19, the number going out of business might well rise. The closure of *shinise* businesses represents a loss to Japanese culture, so their revitalization is also crucial from the perspective of passing on our nation's culture to future generations.

Thus, one could say that Japan's *shinise* businesses are a form of culture peculiar to our nation and are thus unique. As *shinise* businesses are an angle that only Japan can leverage, promoting them is likely to be significant both from the perspective of bolstering the promotion of Japan once COVID-19 is brought under control and from that of passing on Japanese culture to future generations.

Many *shinise* businesses are positioned at the heart of regional economies, so their revitalization is important from the perspective of regional revitalization, too. *Shinise* businesses can be found in a wide range of sectors. For example, they include many traditional Japanese sweet shops, sake breweries, manufacturers of traditional crafts, and traditional *ryokan* inns, and collaboration between relevant ministries and agencies will be essential to the promotion of *shinise* businesses.

Since 1968, companies in Kyoto Prefecture that have maintained their main business operations in the same category of industry in the prefecture for 100 years or more and which uphold family business values, continue traditional techniques and business methods, and are role models for other companies have been awarded the Kyo-no-Shinise (Long-Established Kyoto Company) commendation by the prefectural government. This initiative by Kyoto Prefecture seems to offer a point of reference for tapping into *shinise* businesses from a CJ perspective.

(Direction of Measures)

- With reference to initiatives such as Kyoto Prefecture's, define the *shinise* businesses that should be promoted from a CJ perspective and develop a database of them. In addition, consider how to approach their promotion, including the establishment of a commendation or award scheme, approaches to spreading the word about them overseas, and collaboration with local governments.

(Short-term, Medium-term) (Cabinet Office)

Architecture, design, art

(Current Situation and Challenges)

With people's lives across the globe increasingly shifting online due to the impact of COVID-19, it is necessary to maintain interest in Japan among people in other countries and to cultivate new Japan fans. Moreover, revitalizing the Japanese economy and regional economies once COVID-19 has been brought under control will require even greater efforts to leverage the appeal of a diverse array of fields. Japan reportedly has a good reputation overseas in fields such as architecture, design, and art, so they have tremendous potential from a CJ perspective.

For example, Japan is second only to the U.S.A. in terms of its number of winners of the Pritzker Architecture Prize, which is described as the Nobel Prize of the architecture world. In fact, wealthy people from the West reportedly visit Japan specifically to see our nation's architecture. As architecture is a form of content capable of attracting visitors to the places where notable buildings are found, it can assist in regional revitalization. In the design arena, the cities of Kobe, Nagoya, and Asahikawa have been accepted as members of the design section of the UNESCO Creative Cities Network. Collaborating with these local governments in using design as an angle to promote Japan is one conceivable possibility. Japan is also said to have a good reputation abroad in the field of art. For example, Japanese contemporary artists win plaudits on the international stage and some young Japanese artists have become highly popular in other countries. Some have pointed out the need not only to provide these creators with a place to pursue their activities, but also to provide support via diplomatic missions overseas, among others.

(Direction of Measures)

- Discuss support for young people in fields such as architecture, design, and art, and approaches to support for expanding activities overseas.
(Short-term, Medium-term) (Cabinet Office)
- For architectural design work and other operations requiring quality to be assessed appropriately in accordance with laws such as the Act on Promoting Quality Assurance in Public Works, ensure thorough adherence to the use of qualitative assessments in selecting designers. In addition, if needed, consider reviewing the public procurement system and the operation thereof in accordance with laws such as the Public Accounting Act and the Local Autonomy Act, including clarifying the intellectual and creative work that should be subject to quality assessment, taking into account the status of initiatives by the outsourcer, among others.
(Short-term, Medium-term) (Ministry of Internal Affairs and Communications; Ministry of Finance; Ministry of Land, Infrastructure Transport and Tourism)

Making effective use of content

(Current Situation and Challenges)

Content—manga, anime, movies, games, and the like—is one cultural field where Japan leads the world. The creativity of Japanese content is one of our nation’s assets, which stems in part from a distinctive feature of Japanese society: what has been described as the relative lack of taboos when compared with other countries. With people’s lifestyles becoming increasingly digitalized, the role of content appears to be growing, including from the perspective of enhancing publicity potential.

From a CJ perspective, thinking in terms of content’s publicity potential and influence, it is crucial to look not only at plowing the benefits back into the content sector, but also at passing them on to other industries as well. To promote partnerships between the content industry and other industries, applying examples of the use of content at home and abroad to other sectors and fostering a widespread understanding of its value will be vital, as will efforts to encourage matching between the content industry and other industries and promoting deeper mutual understanding between them.

Efforts to attract screen productions for location shooting (hereinafter “attract location shooting”) are a key initiative for tapping into the publicity potential of content. Many countries implement initiatives aimed attracting inbound tourists by leveraging the tremendous publicity potential of films, television programs, and other screen productions to showcase that country’s appeal overseas. As Hollywood movies and other major film productions have particularly high publicity potential, international competition to attract them is intensifying. Japan is a popular destination for foreign screen productions to shoot on location, but it has been pointed out that major opportunities are being missed. Accordingly, it is necessary to enhance the environment for location shooting and associated financial and other support systems (the next chapter deals with this in greater detail).

Some local governments have achieved success after devoting considerable effort to attracting location shooting: for example, Saga Prefecture saw an upsurge in tourists from Thailand and the Philippines after it was used as a location for movies and television dramas screened in those countries. However, it has been pointed out that the benefits of attracting location shooting are limited to the location itself and do not generate rewards for the wider region. Although film location tourism initiatives are also being implemented, it would be desirable to increase the effects of attracting location shooting and gain the understanding and cooperation of a wide range of stakeholders by strengthening partnerships to encompass not only tours of multiple film locations, but also such aspects as local specialties, dining out, and accommodation in the surrounding area.

The next chapter contains a detailed discussion of the creation ecosystem that will enable Japan's content industry to continue generating appealing content and of e-sports, which is increasingly attracting attention as a growth field.

(Direction of Measures)

- Promote a deeper understanding of the value of content by investigating examples of success within Japan and overseas, such as the effective use of content to increase brand value, and seek to apply these to other industries.
(Short-term, Medium-term) (Cabinet Office)
- Encourage partnerships between the content sector and other industries by supporting initiatives aimed at matching the content industry with other industries and by publicly recognizing and showcasing outstanding initiatives.
(Short-term, Medium-term) (Cabinet Office)
- Leverage efforts to attract location shooting to effectively promote travel to Japan, thereby increasing the effects of attracting location shooting. In doing so, be particularly conscious of the need to ensure that the effects of attracting location shooting extend to the wider area, through partnerships that tap into not only the filming location, but also the various attractions of the surrounding region.
(Short-term, Medium-term) (Cabinet Office; Ministry of Land, Infrastructure Transport and Tourism; Ministry of Foreign Affairs; Ministry of Economy, Trade and Industry)
- To encourage local government initiatives to attract location shooting, work with Saga Prefecture and other local governments with a record of success in attracting location shooting to create a list of examples of success and share it with a wide range of stakeholders. In doing so, be conscious of inter-industry and intra- and inter-regional partnerships, in order to maintain an awareness of the need to ensure that the rewards of attracting location shooting are widely enjoyed.
(Short-term, Medium-term) (Cabinet Office)

Making effective use of cultural assets

(Current Situation and Challenges)

Japan has a unique culture that has been nurtured over the course of its long history. Encompassing everything from the traditional to the trendy, the diversity of Japanese culture is one of its key features, making it an absolutely crucial asset for gaining global empathy in a world with a large, diverse array of values. With people's interests worldwide shifting from the consumption of objects to the consumption of experiences, making further use of Japanese

culture will become increasingly important, especially in efforts to step up the promotion of CJ once COVID-19 has been brought under control.

Japanese culture encompasses many Important Cultural Properties and other precious cultural assets, but such properties will be lost forever if they are damaged, so they need to be managed rigorously and protected against harmful temperatures, humidity, and light levels in order to prevent their damage or deterioration. Amid this situation, advances in digital technology are beginning to open up fresh possibilities for making use of cultural assets. For example, the National Center for the Promotion of Cultural Properties—part of the National Institutes for Cultural Heritage—works with companies and groups to produce replicas of cultural assets using advanced technologies and loans these out to museums, companies, and groups in regional Japan upon request. Such reproductions include the Funaki *Rakuchū Rakugai-zu* screen depicting scenes in and around Kyoto. Through such initiatives, it will be possible to provide viewers with more appealing opportunities to appreciate artworks, by enabling them to view the items at close quarters, take photographs, and even handle them. Yamanashi Prefectural Museum is, in partnership with a company, using digital technology to produce precise measurement data concerning the ukiyo-e pictures of Katsushika Hokusai. Data of this kind helps to enhance publicity potential. These fresh means of making effective use of cultural assets should be used as a major point of reference for future CJ initiatives, given that the impact of COVID-19 is driving significant social change, including increasing digitalization.

To use the promotion of culture as the starting point for creating a virtuous cycle that will promote tourism and revitalize regions, it is important to expand opportunities for promoting a deeper understanding of culture in the regions and to use this to encourage visits by both domestic and foreign tourists. It was with this perspective in mind that the new Cultural Tourism Promotion Act (Act on the Promotion of Cultural Tourism in the Regions Centered on Cultural Tourism Facilities) was enacted, aiming to use museums and other cultural facilities as bases for promoting culture-focused tourism in regional Japan. Cooperation by relevant ministries and agencies in making full use of the Cultural Tourism Promotion Act from a CJ perspective will be vital. In doing so, it will be crucial to think about museums, art museums, and other cultural facilities not in terms of individual cultural facilities, but rather from the perspective of collaboration with local tourism-related facilities and convenience for visitors, as well as taking into account the viewpoint of broadening the scope within which the rewards are passed on.

(Direction of Measures)

- Promote regional revitalization and attract visitors to the regions by taking advantage of the Tokyo 2020 Games as an opportunity to hold and publicize the Japan Cultural Expo and

other parts of the Cultural Program throughout Japan, and also by disseminating information about the Cultural Program and other events via the web portal.

(Short-term, Medium-term) (Ministry of Education, Culture, Sports, Science and Technology; relevant ministries and agencies)

- In accordance with the Cultural Tourism Promotion Act, enhance the cultural resources at cultural facilities, increase convenience through the provision of multilingual, Wi-Fi, and cashless environments, support initiatives aimed at securing curators and other professional personnel, improve the functions of cultural facilities, and promote cultural tourism with greater involvement by the local community. In doing so, encourage appropriate initiatives by each region and facility by applying initiatives and positive examples from national cultural facilities, including flexible opening hours.

(Short-term, Medium-term) (Ministry of Education, Culture, Sports, Science and Technology; Ministry of Land, Infrastructure Transport and Tourism; Cabinet Office)

- To foster new ways to use cultural assets, promote initiatives that use digital technology for precise data measurement to create sophisticated replicas, bolster publicity, and produce content.

(Short-term, Medium-term) (Ministry of Education, Culture, Sports, Science and Technology; Cabinet Office)

National parks

(Current Situation and Challenges)

Japan's natural environment and beautiful scenery are a form of content that is highly appealing to foreign nationals and renewed awareness of its attractions has the potential to increase Japan's popularity once COVID-19 has been brought under control. It is anticipated that foreign nationals unable to visit Japan as tourists due to COVID-19 will play a major role in spreading the word about Japan's appeal. Content that appeals to foreign nationals will need to be offered to revitalize inbound tourism once COVID-19 has been brought under control and national parks are one such form of content. Japan currently has 34 national parks, which are growing in popularity with foreign nationals. The number of foreign visitors to Japan who used national parks rose from 4.9 million per year in 2015 to 6.94 million in 2018.

The Ministry of the Environment is at the heart of the Project to Fully Enjoy National Parks, which is being implemented to create a distinctive, world-class Japanese National Park brand and thereby attract inbound visitors. While national parks have tremendous potential to attract inbound tourists, efforts must be made to ensure that they lead to benefits for the whole of the region by enhancing partnerships with nearby tourism resources, bearing in mind the need to

create a Regional Circular and Ecological Sphere (Regional CES).²² Examples of the use of national parks in the U.S.A. and other countries could provide a point of reference in doing so. In addition, rather than promoting all national parks in the same way, it is necessary to publicize them effectively, based on an awareness of what will appeal to national park users, by such means as focusing on what can be experienced at each national park, based on the distinctive features of each individual park.

Protecting the beautiful scenery and nature at national parks is also crucial and, when seeking to make use of them, efforts must be made to generate a virtuous cycle of protection and use, based on a full appreciation of the perspective of environmental conservation, which focuses on protecting nature and wildlife.

(Direction of Measures)

- Work with relevant local governments, ministries, and agencies and with private sector business operators to improve the visitor environment at national parks, including increasing the quality of facilities for use by visitors and enhancing content, as well as improving secondary transport and encouraging broader regional partnerships, the use of tours, and efforts to leverage local products, thereby boosting the benefits and effects for a variety of fields and the surrounding region with the national park at its heart. In addition, apply examples of success at the eight parks where initiatives are being promoted first to other areas in order to promote such initiatives nationwide.

(Short-term, Medium-term) (Ministry of the Environment)

- Use VR and other new digital technology to spread the word effectively about the appeal of national parks, taking into account the distinctive characteristics of each individual national park. In addition, as well as disseminating information overseas in collaboration with the JNTO website, enhance publicity potential by creating an environment in which foreign visitors to Japan and other national park users can spread the word about the parks themselves.

(Short-term, Medium-term) (Ministry of the Environment; Ministry of Land, Infrastructure Transport and Tourism)

²² The Basic Environment Plan (approved by Cabinet on April 17, 2018) positions the concept as a sphere “that produces new value chains, complements and supports regional resources by building broader networks, which is composed of natural connections (connections among forests, the countryside, rivers and the sea) and, economic connections (composed of human resources, funds, and others), while making full use of mountainous, agricultural and fishing villages, and cities. Each region will demonstrate its strengths by utilizing its unique characteristics, thereby building a self-reliant and decentralized society where different resources are circulated within each region, and symbiosis and exchange with neighboring regions according to unique characteristics of each region.”

Applying examples of success based on regional appeal to other regions

(Current Situation and Challenges)

Japan's regional economies have suffered a major blow due to COVID-19. Even more effective use must be made of each region's unique cultural appeal to revitalize regional economies. Accordingly, it is vital to revitalize regional economies through the rediscovery and promotion of attractions in each region by creating examples of success in leveraging regional attractions and applying these examples in various other regions.

One leading example of a regional attraction is *nishikigoi* brocaded carp, which are increasingly popular worldwide as ornamental fish. In 2019, exports of *nishikigoi* carp were valued at ¥3.96 billion and many foreign nationals visited Ojiya City in Niigata Prefecture and other areas famed for their production, just to see them. *Nishikigoi* are becoming even higher value-added items, with one prizewinning specimen having sold for ¥200 million.

It has been pointed out that, while *nishikigoi* bring many rewards to the areas where they are produced, tie-ups with other industries and regions are lacking and the benefits from *nishikigoi* tend not to be felt in the region outside the industry itself. Some have expressed the view that more flexible use of agricultural land should be permitted to increase the productivity of *nishikigoi*. Furthermore, with international competition intensifying as production of *nishikigoi* in other countries is stepped up, there are some who have pointed out IP-related issues, as mass exports of *nishikigoi* fry from Japan could have a harmful impact on prices of mature Japanese *nishikigoi*. As *nishikigoi* production technology and other knowledge has not been adequately analyzed, it could become impossible in the future to differentiate them from those of other countries and establish them as a brand.

(Direction of Measures)

- Make further efforts to attract inbound visitors by effectively promoting the appeal of *nishikigoi* carp. Remain conscious of the benefits brought to the wider region by *nishikigoi* by maintaining an awareness of the need to focus not only on the fish themselves, but also on other aspects of the appeal of the areas where they are produced and collaboration with neighboring regions.
(Short-term, Medium-term) (Cabinet Office; Ministry of Land, Infrastructure Transport and Tourism; Ministry of Foreign Affairs; relevant ministries and agencies)
- Consider more flexible use of agricultural land to increase the capacity to produce *nishikigoi*.
(Short-term, Medium-term) (Cabinet Office; Ministry of Agriculture, Forestry and Fisheries)

- To support the appropriate use of *nishikigoi* from the perspective of IP, analyze *nishikigoi* production and rearing technology, and identify the problems with approaches to their protection and use as IP.
(Short-term, Medium-term) (Cabinet Office; Ministry of Agriculture, Forestry and Fisheries)

Public-Private Partnership Platform

(Current Situation and Challenges)

With CJ-related fields facing a crisis due to COVID-19, it will be necessary to further strengthen the foundations for promoting CJ initiatives and to amass expertise in this area, in order to ensure the survival of these fields and drive their development in the future. Established in 2015, the Public-Private Partnership Platform is a pivotal entity for promoting CJ initiatives. The Public-Private Partnership Platform currently consists of three joint chairs, including the minister in charge of the CJ Strategy, and an advisory board with 21 private sector experts, while its membership includes about 150 relevant ministries, agencies, organizations, companies, and groups, 49 CJ Ambassadors, and 36 CJ Regional Producers. Revitalizing the platform will be crucial in order to strengthen CJ initiatives going forward. Accordingly, members will need to be recruited from a wider range of sectors, including online platform operators and representatives from the financial sector. In addition to holding regular events, it is necessary to encourage members to exchange views through online meetings, hone ideas, and promote efforts to identify and cultivate personnel. Members must also be encouraged to further increase their commitment to CJ initiatives and efforts should be made to link these into opportunities for matching aimed at new partnership by enhancing the sharing of information among Public-Private Partnership Platform members.

Making greater use of CJ Ambassadors and CJ Regional Producers is also important. After the CJ Strategy was formulated, efforts were made to enhance the publicity potential of CJ Ambassadors by appointing individuals from a diverse array of fields who are active on the international stage, including singers and voice actresses HIRANO Aya and MATSUMOTO Rika, ABE Kay, who has had a long career as a concierge, and Enako, who is said to be Japan's most famous cosplayer. The CJ Ambassadors have undertaken such activities as providing video messages for overseas events and serving as judges at various events. As well as enhancing the CJ Ambassadors and making effective use of their publicity potential, it will be necessary to further promote efforts in such areas as regional revitalization by leveraging the CJ Regional Producers.

The Public-Private Partnership Platform's functions as an administration bureau will be extremely important in its revitalization. While the CJ Strategy states that a core organization will be established to develop a wide-ranging network, there is a growing need for an organization to serve as the core of CJ initiatives in the private sector, given that the COVID-19 pandemic is expected to bring about a significant transformation in social modalities both within Japan and overseas. The most efficient approach would be to establish the Public-Private Partnership Platform as an administrative body to promote network expansion while making effective use of the platform, so deliberations aimed at setting up this kind of administrative organization need to be accelerated.

(Direction of Measures)

- Recruit Public-Private Partnership Platform members from a wide range of fields to expand the platform, and strengthen the foundations for CJ initiatives through efforts including the exchange of opinions among members.
(Short-term, Medium-term) (Cabinet Office)
- Enhance the flow of information among Public-Private Partnership Platform members and strengthen CJ initiatives by sharing information about CJ-related policies and approaches, and changes in global trends.
(Short-term, Medium-term) (Cabinet Office)
- Establish an organization that functions as an administration bureau for the Public-Private Partnership Platform, in order to revitalize the platform, including through the use of CJ Ambassadors and CJ Regional Producers.
(Short-term, Medium-term) (Cabinet Office)

Using overseas outposts belonging to relevant ministries, agencies, and organizations

(Current Situation and Challenges)

With the impact of COVID-19 driving a growing need to enhance the publicity potential of Japan as a whole, including through the use of digital technology, the many overseas outposts belonging to relevant ministries, agencies, and organizations have a major role to play. For example, the Ministry of Foreign Affairs has 227 overseas diplomatic establishments in 152 countries and Japan Houses in London, Los Angeles, and São Paulo, while the Japan Foundation (JF) has 25 offices in 24 countries. JETRO has 74 offices in 54 countries and regions, and the JNTO has 22 offices in 19 countries and regions. These overseas outposts are not just hubs for spreading the word about Japan overseas; the diverse array of information and knowledge that they have is an asset to Japan, so making even more effective use of it is vital.

In terms of publicity potential, the wide-ranging networks of diplomatic missions overseas and other such outposts are a valuable asset, particularly their networks of connections to people who are hard for high-ranking government officials and private sector business operators to access, not to mention their knowledge and experience on the linguistic front, among others. The Cabinet Office undertook an initiative with the cooperation of private sector companies that tapped into the publicity potential of diplomatic missions overseas by making a video showcasing Japan's appeal to spread the word about CJ, which was shown at receptions to mark the Emperor's birthday held at diplomatic establishments in each country in January and February this year. As the receptions held at diplomatic missions overseas are a good opportunity to promote Japan's appeal to foreign nationals who are important to Japan, it will be possible to enhance Japan's publicity potential by continuing to provide appealing video content that can be used at such establishments.

As well as offering publicity potential, overseas outposts have information and knowledge concerning the legal systems, business practices, and culture of the country or region in which they are located, which is a significant asset for Japanese business operators when expanding overseas. Diplomatic missions overseas and JETRO have been supporting overseas business expansion by Japanese companies for some years and it will be necessary to continue enhancing these initiatives going forward.

There are also many Japanese nationals who have lived overseas for many years and conduct business activities. The knowledge and networks of connections of these Japanese nationals resident overseas could provide valuable support for private sector business operators considering overseas expansion. As well as spotlighting initiatives by Japanese nationals active overseas, creating a network of them and sharing this with stakeholders could be one means of laying the foundations to support overseas business expansion.

(Direction of Measures)

- To enhance the publicity potential of diplomatic missions overseas and other such outposts, promote CJ using videos showcasing Japan's appeal at diplomatic establishments and the like, while also holding contests and working with Public-Private Partnership Platform members. In doing so, give consideration to the handling of copyright, to facilitate the flexible use of such videos at diplomatic missions overseas, etc.
(Short-term, Medium-term) (Cabinet Office; Ministry of Foreign Affairs)
- Seek to make more effective use of the publicity potential of the Japan Houses. In doing so, take into account not only the promotional side, but also the need to secure sales channels, so that promotional activities at the Japan Houses lead to business.
(Short-term, Medium-term) (Ministry of Foreign Affairs; Cabinet Office)

- Consider ways of supporting overseas expansion by Japanese private sector business operators by tapping into the networks and knowledge of Japanese nationals resident overseas who have been involved in business activities in other countries for many years. (Short-term, Medium-term) (Cabinet Office; relevant ministries and agencies)

Provision of finance by the Cool Japan Fund

(Current Situation and Challenges)

The Cool Japan Fund (hereinafter the “CJ Fund”) is a public-private fund established to promote overseas business expansion by private sector business operators in CJ-related areas by such means as the provision of risk capital. Since its establishment in 2013, the CJ Fund has played a major role in promoting CJ, investing in 41 projects. CJ-related fields have suffered great damage due to the impact of COVID-19 and the role that the CJ Fund is expected to play is growing to encompass the revitalization of these fields with the recovery drive in mind. It is hoped that the CJ Fund will fully carry out its expected role through not only new investment, but also initiatives aimed at enhancing the value of existing projects in which it has invested.

The government will contribute to increasing the effects of investment by the CJ Fund through not only the provision of information about global perspectives and trends, but also more proactive and direct support aimed at enhancing the value of existing investment projects, including cooperating with the CJ Fund’s support for the projects in which it invests by facilitating matching based on the introduction of excellent content, for example.

(Direction of Measures)

- Promote communication through the exchange of opinions with the CJ Fund concerning the overall direction of CJ policy and approaches to it, and also tap into sources such as the Public-Private Partnership Platform to provide the CJ Fund with information about global perspectives and new initiatives in order to support the CJ Fund’s investment decisions. (Short-term, Medium-term) (Cabinet Office; Ministry of Economy, Trade and Industry)
- Support efforts to enhance the value of existing CJ Fund investment projects by facilitating matching based on the introduction of excellent content, while collaborating with Public-Private Partnership Platform members and others. (Short-term, Medium-term) (Cabinet Office)

5. Building a Content Creation Ecosystem

The recent COVID-19 pandemic has had a severe impact on the content industry and related sectors. In particular, the cancellation of events in response to the government's request to refrain from holding large gatherings means that the live entertainment industry, which includes live music clubs and theaters, and operators of related businesses have been unable to earn any money at all ever since. Coupled with the fact that it is a sector with many freelancers and SMEs, the industry is facing a crisis in which some operators may go out of business. If numerous business operators continue to withdraw from content creation in this way,²³ it will become difficult to revive our nation's content and we could lose one of the foundations of our culture. The steady implementation of the government's Emergency Economic Measures and flexible initiatives will be required to achieve a breakthrough in this situation.

With the situation surrounding content in flux due to the use of digital technology and the progressive shift to online operations, it is vital not only to overcome this crisis, but also to gain an accurate perception of these changes and build a content strategy for a new age that will result in the creation of various businesses, as a matter of urgency. In doing so, it will be crucial to build a creation ecosystem that will maintain the content market by ensuring that high-quality content continues to be produced sustainably, that creators receive appropriate recognition and earnings in return for the use of their content, and that they then use this as the basis for new creative activities. Accordingly, it is necessary to set out the challenges and direction of measures based on this perspective.

(1) Content strategy for the digital age

(Current Situation and Challenges)

Business formats, transmission, distribution, profit structures, and consumer behavior have changed significantly in the digital age. To ensure that the creation ecosystem continues to be supported even amid major constraints on the delivery of live entertainment, measures that support the new content delivery models that have emerged in response to these changes are more important than ever. Fresh moves can already be seen, such as leveraging digital technology to launch live streaming using electronic tickets, for example, and the potential for businesses based on VR has been noted. In addition, demand for the use of digital content in education is growing as online classes rapidly become widespread. While remaining fully aware

²³ https://www5.cao.go.jp/keizai-shimon/kaigi/special/keizaieikyoku/05/shiryo_02.pdf (5th Intensive Hearing on the Impact of COVID-19 on the Real Economy, "Materials 2: Materials submitted by Yanai Hiroshi")

that extensively leveraging the latest digital technology is not the whole solution, we should expedite diverse content innovation in the digital age in a variety of fields, including business, education, and culture and the arts.

Securing and cultivating personnel capable of creating attractive content and disseminating it widely within Japan and overseas is also important, so ongoing implementation of efforts to enhance publicity potential and support the creative endeavors of young creators is necessary. Among the challenges in the content creation environment that have been noted is the lack of written contracts and orders.^{24, 25} Amid this situation, it is vital to promote productivity improvements for front-line creators and generate a virtuous cycle by introducing digital tools and ensuring that accurate production accounting becomes widespread, as well as improving and increasing the transparency of transactions and the employment environment, to ensure the return of appropriate remuneration to creators and encourage the influx and acquisition of new talent.

Furthermore, in addition to the economic effect of content in its own right, it is a source of empathy with Japan and therefore has great potential to contribute to inbound tourism and to the development of a diverse array of products and services. Even amid the difficulties posed by the COVID-19 crisis, it is important to move forward with a content development strategy focused on the global market, while leveraging electronic distribution models and the like. While Japan's domestic market for content remains flat, overseas markets are experiencing substantial growth,²⁶ primarily in the Asia-Pacific region. As Japan has a great deal of outstanding content in such areas as manga, anime, and games, the attention focused on our nation by fans worldwide presents us with a major opportunity. On the other hand, in fields where Japan has conventionally been dominant, such as anime and games, Chinese, South Korean, and Western companies are leveraging their abundant financial muscle and international networks of connections to become a growing presence in global markets. Due in part to the fact that the domestic market in Japan was a reasonable size, efforts to develop the industry have hitherto focused on the domestic market and the sector has continued to engage in various business practices. However, greater efforts to promote a content development strategy focused on the global market should be made going forward.

Technologies such as 5G and the IoT mean that a content strategy informed by consumer

²⁴ From the results of the Fact-finding Survey Targeting People Engaging in Film Production. See the link “Summary of the results of the survey concerning the responses offered by creators” at <https://www.meti.go.jp/press/2019/11/20191122004/20191122004.html>

²⁵ See the link “Guidelines on the Promotion of Appropriate Subcontracting Transactions in the Animation Production Industry (revised version)” at <https://www.meti.go.jp/press/2019/08/20190809004/20190809004.html>

²⁶ See the link “Overview of Global and Japanese Markets for Content” at https://www.meti.go.jp/policy/mono_info_service/contents/index.html

behavior analysis based on user data is now possible. Accordingly, it is necessary to formulate and promote localization and marketing strategies finely tuned to each country and region, taking into account differences in each country and region's needs and the level of market penetration. Content platforms must also be used to ensure the widespread expansion of content, taking into account partnerships and fusion involving a variety of fields, as well as derivative usage. With international content platforms growing in influence, it is necessary to provide multilingual support for the international electronic distribution of music and other content from Japan, as well as the production of the appealing content demanded by these platforms. Some commentators have pointed out that Japanese television dramas and anime achieved popularity in many countries in the past, so making even more effective use of such content is vital. Facilitating the management of various rights—including rights to such older copyrighted material—with a view to international expansion is important, especially when it comes to tapping into content that is not currently being monetized.

With the advance of digitalization, content is available via a variety of media, rather than being tied to a specific medium. In addition, an environment for the distribution of user-generated content (UGC), which enables anyone—including content users and amateur creators—to become a content creator, is being developed on the internet. Furthermore, the profit structure of content-related businesses is changing significantly, including the allocation of advertising revenue and tipping models. With new technologies such as blockchain technology and fingerprinting becoming available, deliberations about revitalizing the creation and distribution of such content have also encompassed such matters as the allocation of payments from users between the original content creator and the creators of derivative content. In addition, with electronic distribution models flourishing, the need to facilitate rights management and the distribution of profits is growing. In light of such changes and realities, efforts must be made to promote policies relating to copyright tailored to the digital age and associated policies, thereby broadening the base of the market for content originating in Japan.

E-sports have recently become the focus of expectations regarding further market growth and social significance in the content sector. Relevant ministries and agencies must work on developing the appropriate environments as needed to facilitate the sound, multifaceted development of e-sports, including the resolution of institutional issues. As e-sports are expected to contribute not only to the growth of the e-sports content market, but also to broadening the base of the market to encompass peripheral related industries and to assist in a multitude of other areas, including regional revitalization, it is vital to position e-sports appropriately in related policy fields as well.

(Direction of Measures)

- To capture growing overseas demand and expand the market for content originating in Japan, support localization (translation, etc.) and promotional activities aimed at overseas business expansion in the field of content, including the transmission of videos recorded at live music and theater performances.
(Short-term, Medium-term) (Ministry of Economy, Trade and Industry) [Described above]
- Encourage online education to enable diverse learning needs to be addressed, particularly by facilitating the urgent operation of the system permitting copyrighted material to be transmitted to students via the internet during classes provided for in the amended Copyright Act (system of compensation payments for public distribution for teaching purposes) on an exceptional basis for the current academic year. In addition, consider the necessary support for reducing the burden of compensation payments, as well as working with the relevant parties to promote widespread awareness of the copyright system among those working in educational settings to ensure that they have a correct understanding of it ahead of the new system's full-scale implementation during the coming academic year.
(Short-term, Medium-term) (Ministry of Education, Culture, Sports, Science and Technology) [Described above]
- To increase productivity throughout the content industry supply chain, support the development and introduction of digital tools in content production and distribution processes.
(Short-term, Medium-term) (Ministry of Economy, Trade and Industry)
- To promote the screen industry's transition to a sustainable industry structure, consider the construction of independent sectoral mechanisms in the film industry and the like, as well as revising the subcontracting guidelines for broadcast content and anime, as needed, and encouraging thorough awareness and compliance with them, with a view to ensuring appropriate production transactions and improving the employment environment.
(Short-term, Medium-term) (Ministry of Economy, Trade and Industry; Ministry of Internal Affairs and Communications; relevant ministries and agencies)
- For the purposes of human resource development in the animation field, conduct practical research concerning programs involving young and mid-ranking production staff aimed at passing on skills through the production of original animated works, as well as educational programs aimed at upskilling people already in employment and basic educational programs for aspiring entrants to the industry.
(Short-term, Medium-term) (Ministry of Education, Culture, Sports, Science and Technology)
- Promote the cultivation of young film-makers by providing them with opportunities to

acquire film production skills and knowledge through workshops and working on real film productions. In addition, support the provision of student internships to experience film production on the front line.

(Short-term, Medium-term) (Ministry of Education, Culture, Sports, Science and Technology)

- Drive regional revitalization by promoting increases in the number of inbound tourists who visit regional Japan and the expansion of marketing channels for local products. To this end, support initiatives in which the Broadcast Program Export Association of Japan (BEAJ), broadcasters, relevant ministries and agencies, local governments, and local industries work together to co-produce broadcast content that conveys the appeal of regional Japan in partnership with foreign broadcasters for broadcast or other transmission overseas. In addition, undertake initiatives that involve intensively publicizing the current situation in Japan and its attractions worldwide through internationally influential broadcast media, in partnership with foreign broadcasters.

(Short-term, Medium-term) (Ministry of Internal Affairs and Communications)

- Provide Japanese dramas, anime, documentaries, films, and other content free of charge to countries and regions where Japanese content is not broadcast on a commercial basis, in order to promote understanding of Japan, foster pro-Japanese sentiment, and lay the foundations for future commercial expansion into those countries and regions.

(Short-term, Medium-term) (Ministry of Foreign Affairs)

- Promote regional revitalization and attract visitors to the regions by taking advantage of the Tokyo 2020 Games as an opportunity to hold and publicize the Japan Cultural Expo and other parts of the Cultural Program throughout Japan, and also by disseminating information about the Cultural Program and other events via the web portal.

(Short-term, Medium-term) (Ministry of Education, Culture, Sports, Science and Technology; relevant ministries and agencies) [Described above]

- With the aim of encouraging the distribution and use of content in the digital age, consider relevant policy approaches including tailoring the copyright system to reality, particularly approaches to new business creation and the management of rights and distribution of profits in respect of copyrighted material, along with efforts to facilitate access to content not available in the market, while remaining fully aware of the views of stakeholders and the perspective of appropriately protecting the interests of rights holders. The panels established under the Intellectual Property Strategy Headquarters will, before the end of 2020, summarize the specific issues and direction of deliberations in respect of this matter. Thereafter, the relevant ministries and agencies will undertake deliberations without delay and will take the necessary measures.

(Short-term, Medium-term) (Cabinet Office; Ministry of Education, Culture, Sports, Science and Technology; Ministry of Economy, Trade and Industry)

- Giving full consideration to the views of stakeholders, steadily move forward with operational improvements to facilitate the rights management, including the revision of systems such as those relating to the handling of neighboring rights concerning simultaneous transmission. In addition, undertake specific deliberations concerning approaches to systems and, once a conclusion has been reached, progressively undertake the requisite revisions, including submitting a bill to the Diet before the end of the current fiscal year.

(Short-term, Medium-term) (Ministry of Internal Affairs and Communications; Ministry of Education, Culture, Sports, Science and Technology)

- To ensure that appropriate remuneration is fed back to creators, leading to further content production, move forward with consideration of new measures for feeding back remuneration in the digital age and measures to support and cultivate creators. In addition, as a transitional measure until new measures for feeding back remuneration is put in place and based on the assumption that relevant ministries and agencies agree, the Ministry of Education, Culture, Sports, Science and Technology will undertake deliberations concerning the system of compensation for private recording, with reference to the identification of specific equipment covered, in accordance with the reality of private recording, and will reach a conclusion and take the necessary measures as soon as possible before the end of FY2020.

(Short-term, Medium-term) (Ministry of Education, Culture, Sports, Science and Technology; Cabinet Office; Ministry of Internal Affairs and Communications; Ministry of Economy, Trade and Industry)

- Based on the outcomes of a pilot project for the development of a database aggregating information about rights, including in the independent music sector, and the establishment of a consolidated search site based on that database, conduct research concerning the aggregation of information about the rights of individual creators who have not entrusted copyright or other rights to a manager, and undertake deliberations aimed at further enhancing the rights management platform to encourage the use of content.

(Short-term, Medium-term) (Ministry of Education, Culture, Sports, Science and Technology)

- In light of the growing fusion of digital space and physical space, conduct digital trade fairs using VR and other advanced technologies and support the development and creation of digital content.

(Short-term, Medium-term) (Ministry of Economy, Trade and Industry)

- Support the creation of branded content designed with digital transmission in mind and aimed at generating empathy among customers, in order to encourage the use of video content as a corporate communication tool, for the purpose of promoting increases in the value of corporate brands through video and the like.
(Short-term, Medium-term) (Ministry of Economy, Trade and Industry)
- Promote the development of the environment required for sound, multifaceted development of the e-sports industry, including moving forward with deliberations by relevant ministries and agencies concerning the positioning of e-sports in relevant systems and policy fields.
(Short-term, Medium-term) (relevant ministries and agencies)

(2) Enhancing measures to combat counterfeit goods and piracy

(Current Situation and Challenges)

With COVID-19 having a major impact on live entertainment and other parts of the content industry, taking appropriate steps to combat pirated content will be a crucial element in building a creation ecosystem, as it will enable creators and others employed by the content industry to be remunerated through the consumption of authorized content. In addition, it is closely related to the CJ Strategy in that it will increase opportunities for authorized content to be consumed by overseas users, thereby helping to accelerate the offering of authorized content relating to Japan in overseas markets. Accordingly, it is necessary for the government to address this as a key issue both during the COVID-19 crisis and during the recovery drive once the pandemic has been brought under control. With people forced to spend long periods at home to avoid contact with others due to the spread of COVID-19, the usage of online content in the home is said to be increasing. Some content is being provided free of charge, as part of efforts to make a contribution to society. However, some commentators have suggested that, because it is free, people's consciousness of the IP value of content is dwindling. Greater awareness of copyright protection must be fostered by such means as the payment of appropriate remuneration, and there is a growing need to work on anti-piracy measures.

In October 2019, following deliberations by the Verification, Evaluation and Planning Committee and Vision Committee of the Intellectual Property Strategy Headquarters, relevant ministries and agencies published the Menu of Comprehensive Measures and Work Schedule to Combat Online Piracy. The menu details the phased, comprehensive measures that will be taken based on wide-ranging partnerships involving relevant ministries and agencies, and various stakeholders. Initiatives are steadily being implemented in respect of measures positioned as the first stage, starting with those that can be undertaken immediately, including conducting education and raising awareness about copyright, enhancing international

collaboration and enforcement, measures focused on search engines, and curtailing the placement of advertisements on piracy sites. Of the measures positioned as the second stage, “measures to combat leech sites” and “making the download of still images (books) that infringe copyright illegal” form part of the content of the bill to amend the Copyright Act that was submitted during the 201st ordinary session of the Diet (2020 ordinary session of the Diet). Blocking is positioned as a third stage measure and is to be considered while examining the effects of other initiatives and the extent of the damage still being done. During the current fiscal year, effective initiatives need to be strengthened, updating the comprehensive menu of measures and work schedule as required, while taking into account the status of measures in other countries.

In addition, taking into account the status of these initiatives, it will also be necessary during the current fiscal year to enhance government-wide deliberations on approaches to measures to combat counterfeiting and piracy, while supporting private sector initiatives, as well as continuing to enforce a strict crackdown.

(Direction of Measures)

- To prevent the damage caused by online piracy from escalating, implement the necessary initiatives in partnership with relevant ministries and agencies, based on the Menu of Comprehensive Measures and Work Schedule to Combat Online Piracy. In doing so, update the menu of comprehensive measures and work schedule in accordance with the progress of initiatives and state of deliberations, while reviewing the extent of the damage and the effects of the measures.

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

- To make it easier to identify those supplying pirated content via the internet and assist in pursuing their liability in civil law, consider reviewing the identification information of senders subject to disclosure under the Provider Liability Limitation Act.²⁷ In addition, undertake the requisite deliberations concerning measures for information disclosure and legal procedures aimed at the smooth disclosure of the identification information of senders, taking into account the current situation, including the service of complaints in the event that servers outside the country are being used.

(Short-term, Medium-term) (Ministry of Internal Affairs and Communications; Ministry of Justice)

²⁷ Act on the Limitation of Liability for Damages of Specified Telecommunications Service Providers and the Right to Demand Disclosure of Identification Information of the Senders.

- 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)
- 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, continue 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, in light 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)
- To further foster respect for other people’s creative endeavors from childhood and the knowledge and awareness required to protect copyright and the like, undertake effective awareness-raising activities, including developing online learning content that enables anyone to study via the internet and other teaching materials that contribute to copyright education, using web portals or other means to ensure widespread circulation of a variety of materials and information, and enhance training for teachers, while also taking into account the development status of the associated legal system.
(Short-term, Medium-term) (Ministry of Education, Culture, Sports, Science and Technology)

(3) Creating a digital archive society

(Current Situation and Challenges)

Social infrastructure has been utterly transformed by advances in digital technology and the development and operation of the IoT and other new technologies since 1990, when digital archive initiatives were set up. With social infrastructure itself becoming increasingly digitalized and networked, social issues are emerging that differ from those faced at the time, such as the possibility that population decline and a lack of labor due to the aging population and falling birthrate could make it difficult to maintain communities, and also natural disasters such as typhoons and fires, not to mention huge disasters like the Great East Japan Earthquake.

The utility and importance of digital archives in this kind of environment are self-evident. Digital archives have a foundational role in supporting intellectual activity both now and in the future by facilitating the efficient sharing of society's knowledge and cultural and historical resources, as well as enabling them to be passed on to future generations. In developing digital archives as social infrastructure, it is necessary to bear sustainability in mind and minimize the environmental burden as far as possible.

The need for teleworking has surged of late, due to the impact of COVID-19. Furthermore, some have pointed out that, with people spending longer at home, demand for broadcast content from the past and other digital archive resources is rising. DX is also progressing rapidly in the industrial sector. These social changes mean that building digital archives to serve as social infrastructure that enables various activities to be carried out, particularly remotely, and developing an environment in which content can be used by means of digital technology are of growing importance. It is necessary to strive to create a digital archive society in which open digital content is routinely used and becomes the bedrock sustaining creative activities in various fields.

Promoting the building, sharing, and use of digital archives in Japan is an initiative that will lay the foundations not only for preserving and developing culture and passing it on to future generations, but also for the secondary use of content and the dissemination of information both within Japan and overseas. While this initiative is still being enhanced, there are hopes that diverse digital content will be able to be used in education, academic research, tourism, regional revitalization, disaster prevention, health care, business, and a variety of other fields via the Japan Search integrated multi-sectoral web portal, which is an important part of the information infrastructure.

The Digital Archive Japan Promotion Committee's Practitioners' Committee has undertaken ongoing discussions concerning practical issues relating to the construction and use of digital archives in various fields. Having compiled the document *Desirable Approaches to Displaying Conditions for Secondary Use in Digital Archives* (2019 edition) last year, it plans to compile the *Guidelines for Long-Term Storage for Digital Archives* (2020 edition) this year. The official version of Japan Search will also be launched by this summer.

Going forward, it will be important to further enhance Japan's diverse digital content through the dissemination of these resources and promote their use more widely. It is also hoped that, in conjunction with the Tokyo 2020 Games, digital archives will be made available in multilingual formats to bolster the promotion of Japanese culture overseas and that tie-ups with digital archives of cultural and other resources in diverse fields and regions will be promoted.

(Direction of Measures)

- To promote the building, sharing, and use of digital archives, launch the official version of the Japan Search portal that will serve as the foundation for this and begin its full-scale operation. In addition, build a sustainable management and operational framework, while continuing to improve and overhaul the portal to increase usability.
(Short-term) (Cabinet Office; National Diet Library;²⁸ relevant ministries and agencies)
- To publicize Japan Search and encourage the use of digital archives, use the Industry-Academia-Government Forum and other means for information sharing and the exchange of views between users and those involved in building archives.
(Short-term) (Cabinet Office; National Diet Library; relevant ministries and agencies)
- Working with relevant ministries and agencies, consider the expansion of opportunities for use and associated issues, including the creation of usage models, the role of linking entities and support measures, tie-ups with regional archives, harmonization with legal restrictions, and multilingual provision.
(Short-term, Medium-term) (Cabinet Office; National Diet Library; relevant ministries and agencies)
- To enhance the promotion of Japanese culture overseas ahead of the Tokyo 2020 Games, promote initiatives that contribute to greater use, including collecting data on the cultural resources of which Japan's heritage is composed and regional cultural resources other than National Treasures and Important Cultural Properties, as well as efforts to increase multilingual provision and the proportion of images available online.
(Short-term) (Ministry of Education, Culture, Sports, Science and Technology; relevant ministries and agencies)
- Support the creation of information hubs by promoting the management and use of information about collections that serves as the infrastructure required for the preservation and use of media artworks, as well as promoting the archiving of media artworks by various research institutes.
(Short-term) (Ministry of Education, Culture, Sports, Science and Technology)
- Create information hubs for media art such as manga, anime, and video games and use them as forums for disseminating content, in conjunction with the Digital Archive Japan, and also promote mutual induction by users.
(Short-term, Medium-term) (Ministry of Education, Culture, Sports, Science and

²⁸ 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 2020, since measures concerning digital archives are to be addressed by the whole government and the institution in question plays an important role in this.

Technology; relevant ministries and agencies)

- Continue to collect data on the academic information in the arts held by universities and other research institutions nationwide and promote tie-ups with Japan Search as a linking entity for the arts.

(Short-term, Medium-term) (Ministry of Education, Culture, Sports, Science and Technology)

- To facilitate access to materials held by libraries that are hard to obtain due to being out of print or for other reasons, in conjunction with the creation of a flexible rights limitation for research purposes, move forward with deliberations about ensuring that the flexible rights limitation for libraries is tailored to digitalized and networked environments, while giving full consideration to protecting the interests of rights holders, and take the requisite measures once a conclusion has been reached.

(Short-term, Medium-term) (Ministry of Education, Culture, Sports, Science and Technology)

(4) Support for screen productions within Japan and overseas by improving the location shooting environment

(Current Situation and Challenges)

As composite arts that incorporate various elements, including the manga or novels on which they are based, as well as music and fine art, screen productions such as movies and broadcast programs hold the key to improving the quality of content and also play a major role in fostering deeper empathy toward Japanese history, culture, and society, and creating new value. It is important to improve the environment for the location shooting of such screen productions. Furthermore, attracting location shooting is expected to have a variety of effects, including showcasing the appeal of the country or region hosting the production to the rest of the world, revitalizing the local economy, promoting the screen industry, and boosting the number of tourists. Accordingly, international competition to attract location shooting is intensifying, with other countries developing systems to provide financial support and assistance in obtaining permits and approvals. However, it has been pointed out²⁹ that Japan is missing out on opportunities to attract location shooting, as our nation has not put in place the kind of support systems seen in other countries.

To improve the environment for location shooting of screen productions, the government has

²⁹ https://www.kantei.go.jp/jp/singi/titeki2/location_renrakukaigi/pdf/h3004_houkoku.pdf (Interim Report of the Public-Private Liaison Committee on Improving Location Shooting Environments (April 2018 Public-Private Liaison Committee on Improving Location Shooting Environments))

held meetings of the Public-Private Liaison Committee on Improving Location Shooting Environments and undertaken deliberations with relevant ministries and agencies, based on the direction of measures highlighted in the liaison committee's April 2018 interim report. However, the failure to address the matter of permits and approvals, and the lack of a film commission (FC) system and of financial support for attracting location shooting is still being pointed out today, so further progress needs to be made with initiatives aimed at improving the environment for location shooting.

Accordingly, deeper mutual understanding among stakeholders will be fostered to facilitate permits and approvals by formulating guidelines and ensuring their widespread dissemination. In addition, discussions about approaches to FCs will be undertaken with stakeholders and the necessary responses implemented, taking into account the updating of the nationwide location database, as well as the results of the trial establishment of area managers and the verification of the effects of this trial.

A survey will be conducted to examine the effects of support for major screen productions with a cultural and economic impact, and deliberations undertaken with a view to financial support measures as one measure to attract location shooting. In addition, the requisite initiatives will be implemented as one pillar in the recovery drive for our nation's economy, following the losses caused by COVID-19.

Through the aforementioned initiatives, the government will aim to create a process that generates a virtuous cycle in which greater awareness of the processes required to obtain permits and approvals leads to the clarification of the scope within which shooting is permitted and a shared awareness among stakeholders, and ensures thorough compliance with the conditions of the permit, etc., thereby ensuring widespread understanding of location shooting among local citizens, acceptance of location shooting throughout the region, the further enhancement of the FC system, and ultimately smoother acquisition of permits and approvals through the demonstration of the public utility of location shooting.

(Direction of Measures)

- To evoke interest in Japanese films and increase awareness of them in other countries, undertake international exchange projects via the Japan Foundation Asia Center's "WA Project: Toward Interactive Asia through Fusion and Harmony" and other initiatives, undertaking two-way cultural exchange with Asia and build networks by such means as screening Asian films at the Tokyo International Film Festival, introducing Japanese films in Asia via the Japanese Film Festival: Asia-Pacific Gateway Initiative, and inviting figures from the film industry to Japan.

(Short-term, Medium-term) (Ministry of Foreign Affairs)

- Seek to secure ongoing opportunities for the screening of Japanese films by such means as promoting international cultural exchange through film and holding Japanese film festivals in other countries, including China, Russia, and India. In addition, lay the foundations for encouraging international co-productions through greater use of the Film Co-production Agreement between Japan and China, as well as negotiations aimed at the conclusion of an international co-production agreement with Italy.

(Short-term, Medium-term) (Ministry of Foreign Affairs)
- To provide support to ensure that diverse Japanese films continue to be made and released, support outstanding Japanese film productions and enhance human resource development initiatives through exchanges involving Japanese films in production and foreign film industry figures.

(Short-term, Medium-term) (Ministry of Education, Culture, Sports, Science and Technology)
- To attract, facilitate, and encourage location shooting, formulate guidelines summarizing the matters with which FCs, those with the right to issue permits and approvals, and film-makers should deal, and promote their widespread circulation among stakeholders to promote mutual understanding. In addition, as well as gathering information about locations throughout Japan and introducing FCs in each area, further enhance efforts to share information about permit and approval procedures and publicize them both within Japan and overseas. Furthermore, promote partnerships between FCs on a regional bloc basis, centered around FCs with a demonstrable track record, so that know-how can be shared.

(Short-term, Medium-term) (Cabinet Office; National Police Agency; Ministry of Internal Affairs and Communications; Ministry of Education, Culture, Sports, Science and Technology; Ministry of Land, Infrastructure Transport and Tourism)
- Conduct a survey to verify the effects of location shooting as a demonstration of the effects of attracting location shooting by major screen productions with a cultural and economic impact, and move forward with deliberations with a view to formulating financial support measures for attracting location shooting. In addition, seek to further improve the location shooting environment and expand regional PR capabilities through the attraction of location shooting to Japan's regions by enhancing FC functions and promoting intra- and inter-regional partnerships.

(Short-term, Medium-term) (Cabinet Office; Ministry of Internal Affairs and Communications; Ministry of Education, Culture, Sports, Science and Technology; Ministry of Economy, Trade and Industry; Ministry of Land, Infrastructure Transport and Tourism)

6. Work Schedule

(1) Key Priorities of the Intellectual Property Strategic Program 2020

(2) Key Priorities of the Intellectual Property Strategic Program 2019

