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# **Outline of the Intellectual Property Strategic Program 2022**

**~ Transformation to an economic society where motivated individuals and players  
can fully utilize society's IP and intangible assets ~**

**June, 2022**

# Basic recognition in the Intellectual Property Strategic Program 2022

- In advancing strategies for economic recovery through the growth of the digital and green fields in the post-COVID, **companies' utilization of IP and intangible assets is a key to the recovery**
- As the source of corporate value has been shifting to intangible assets in the U.S., **such assets contribute less to corporate value in Japan**
- Raising the markup rate through differentiation by IP and intangible assets is important for a virtuous cycle of growth and distribution

## Changes in the global competitive environment

- Toward **"innovation speed competition"** for how to implement technology in society on a global scale in agile and speedy
  - Diversification of innovation players (individuals and startups) is urgently needed because conventional players cannot respond alone

- Shifting the technological paradigm **in the digital space**
  - The arrival of the Web 3.0 age. Opportunities to expand the digital economic sphere by leveraging Japan's rich content
  - An urgent need of study how to protect IP rights in digital spaces of the metaverse, etc.

- Fierce **technological hegemony, international cooperative competition, and economic security**
  - Standard strategies becomes vitally important for gaining international market and achieving economic security

- Growing interest in **governance of data as new IP**
  - The battle for leadership over the formation of rules for data utilization

## Declining of Japan's competitiveness in innovation

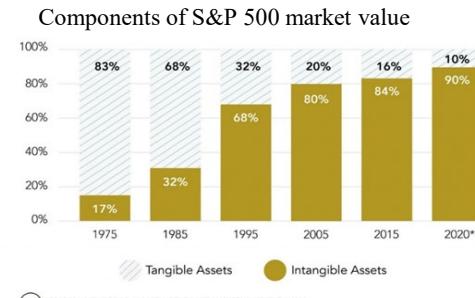
**Japan ranks 13<sup>th</sup> in innovation, lower than major countries**

WIPO "Global Innovation Index 2021"

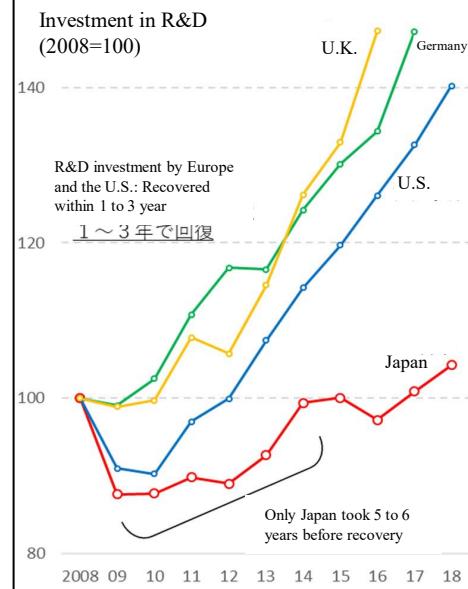
\* Japan was ranked 4th in 2007

The U.S.: 3rd, the U.K.: 4th, South Korea: 5th, Germany: 10th, France: 11th and China: 12th

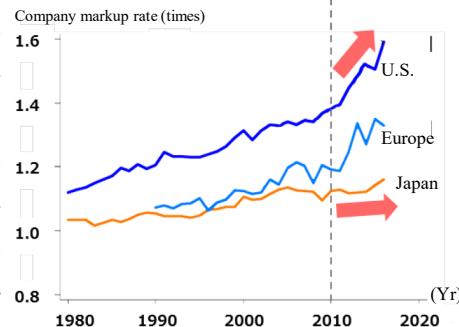
## Percentage of intangible asset value in a company's market value



## Amount of companies' investment in R&D

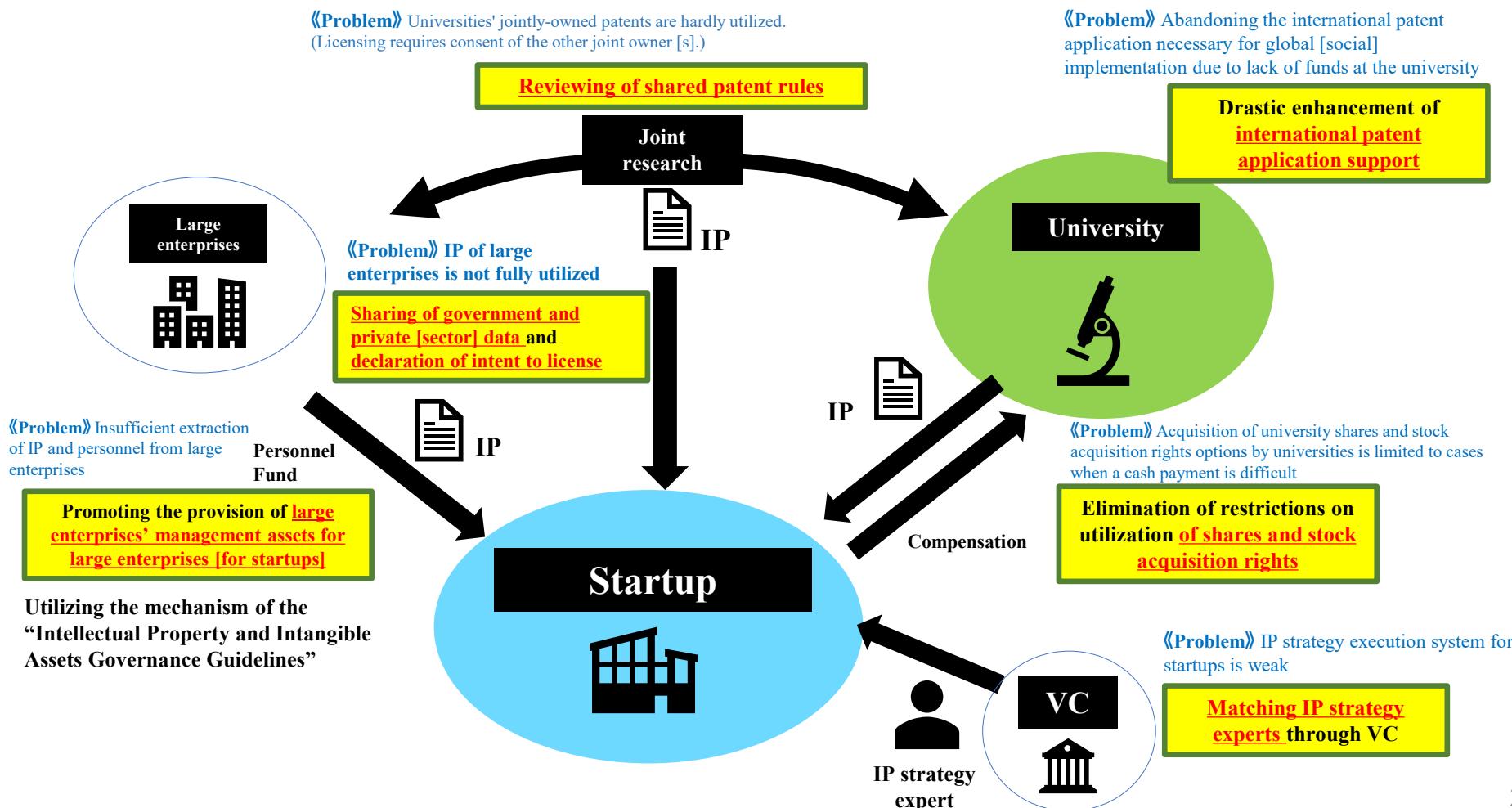


## Trends in markup rates for companies in developed countries



# Enhancing the IP ecosystem of startups and universities (1)

- Implement measures such as elimination of restrictions on utilization of shares and stock acquisition rights as IP compensations, reviewing of shared patent rules, and drastic enhancement of support for international patent applications as IP compensations in order to improve environments that startups can fully utilize the IP owned by universities and large enterprises for commercialization
- Formulation of “**University Intellectual Property Governance Guidelines (tentative name)**” for percolating startup-friendly IP that facilitates acquiring strong rights and licensing [them] toward commercialization of university IP



# Enhancing the IP ecosystem of startups and universities (2)

## Promoting the utilization of joint research output at universities

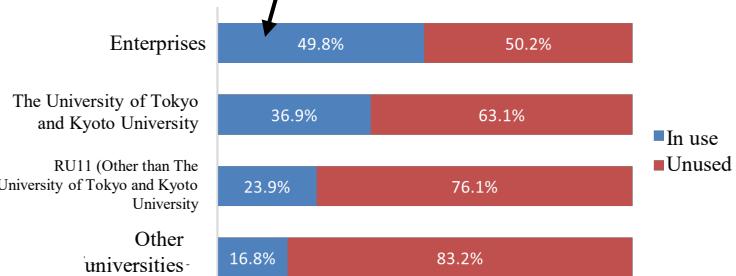
When universities license the jointly-owned patents to the third parties as startups, the permission/consent by the enterprise (i.e., the research collaborator) is required [by law] and therefore those patents has not been fully utilized

→ Creating rules that allows universities to license to third parties when the joint owner (enterprise) has not been implementing for a certain period of time without justifiable reason

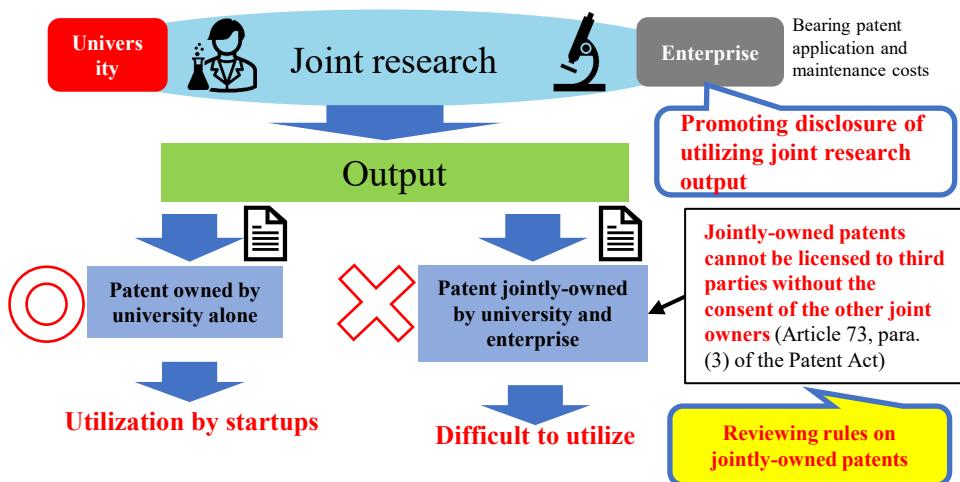
Enhancing IP related financial resources to increase the bargaining power of universities

### Status the use of university-owned patent rights

The number of licenses granted to other enterprises accounted for 12.6%



\* "In use" at universities is the percentage of [number of licenses granted] to other enterprises

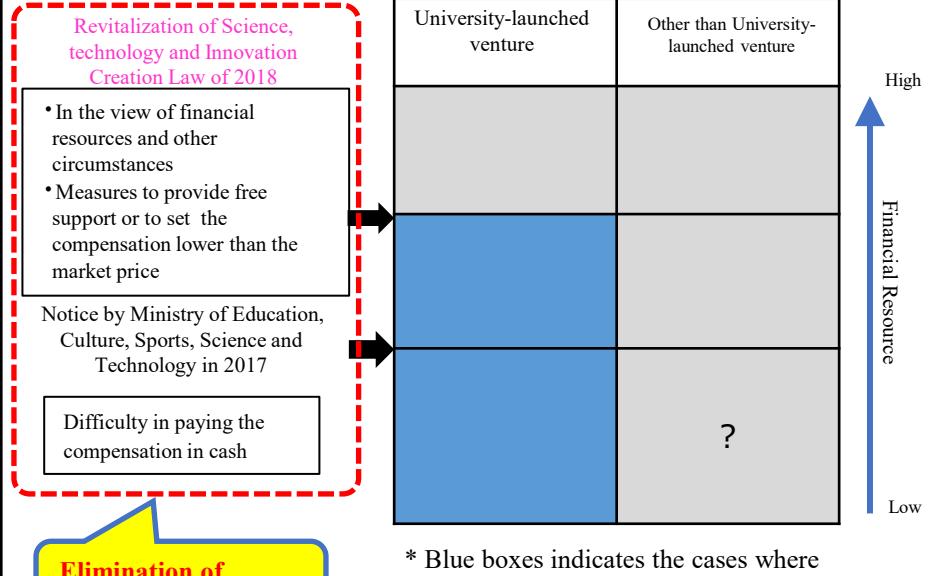


## Improving an environment that facilitates startups' utilization of shares and stock acquisition

Regarding the acquisition of shares and stock acquisition rights by national universities, there are restrictions such as the startups' financial need requirement

→ Elimination of various restrictions such as the financial needs for enhancing an environment that is easy to facilitate acquisition of startup's shares and stock acquisition rights as compensation of IP transfer by national universities

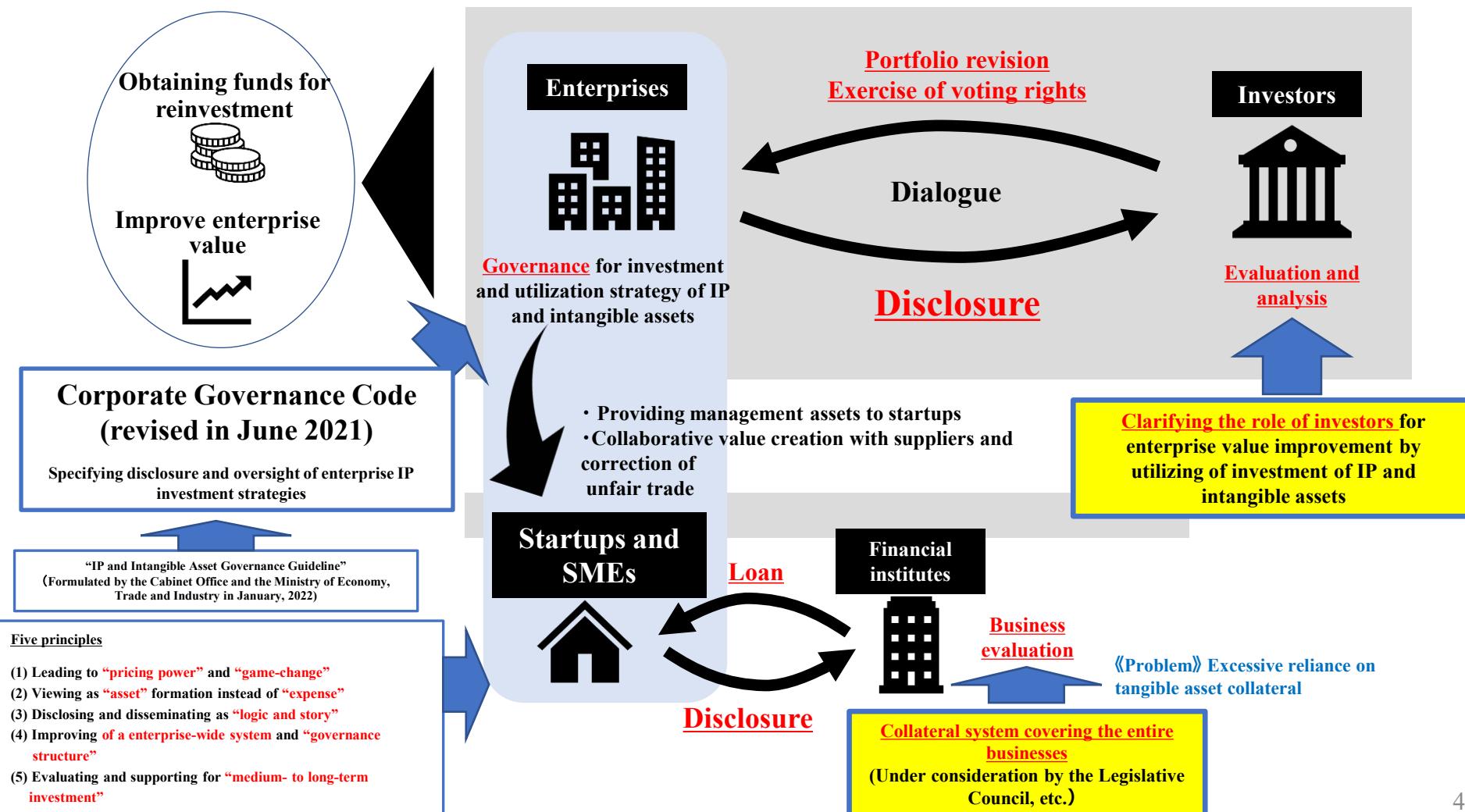
### When shares and stock acquisition rights can be acquired by national universities



\* Blue boxes indicates the cases where national universities, etc. can acquire the shares and stock acquisition rights/stock options

# Promoting the investment and utilization of IP and intangible assets

- Lack of investment in IP and intangible assets by Japanese enterprises. Promoting the investment and utilization of IP and intangible assets by clarifying the role of investors in addition to strengthening enterprise disclosure and governance by reviewing the Corporate Governance Code
- Consideration of establishing a collateral system covering the entire businesses for enabling SMEs to receive financing utilizing IP and intangible

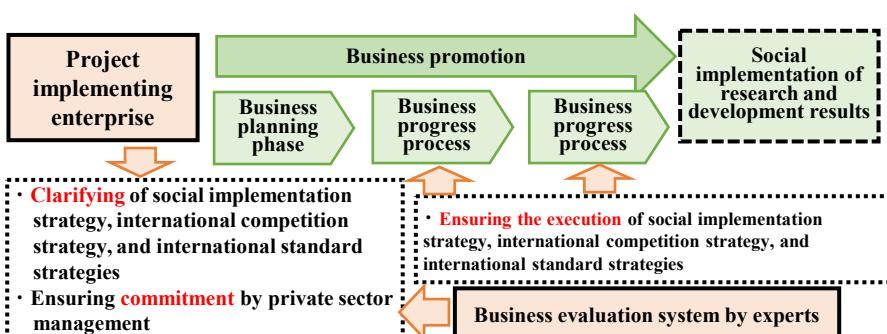


# Strategic utilization of standards

## Improving of data distribution and utilization environment

- In the process of implementing government-affiliated R&D projects, the private companies are required to clarify their **social implementation strategy, international competition strategy and international standard strategies** to introduce mechanisms to ensure the efforts and execution. \* International Standards Strategy = Strategic formation and utilization of international standards
- Promote appropriate data handling rule implementation in platforms such as quasi-public platforms and data collaboration infrastructure build under the Digital Garden City concept  
By referring to “Implementation Guidance for Data Handling Rules on Platforms ver 1.0” (released in March, 2022)

### Strengthening international standardization strategies of private companies through government R&D projects (Image examples)



Promote initiatives commencing with the Green Innovation Fund Project, Beyond 5G R&D Promotion Project, Post-5G Information and Communication Systems Infrastructure Enhancement R&D Project, and the next SIP\* project including trial

\* Strategic Innovation Creation Programs

### Procedures to implement data handling rules in PF

- (1) Understand stakeholders' concerns and anxieties (risks)  
It is particularly important to understand the concerns and anxieties of the observers (including individuals and corporations) whose activities are observed and digitalized
- (2) Determine policies based on the degree of risks

	Small impact	Big impact
High frequency	Reduction	Avoidance
Low frequency	Acceptance	Transfer
- (3) Implementation and Operation of rules  
It is particularly important to ensure the controllability (\*1) of observed target and data providers by means according to risks
- (4) Rules are updated in an agile manner in response to emerging challenges

(\*1) the ability of the data provider or the observed target of relevant data to directly or indirectly get involved in the handling of the data for ensuring that data is used within the stated purposes and data handling policies, or data is not used outside of the stated purposes and data handling policies

# Content strategies in the digital age

- Promoting strategies to revitalize contents and ecosystems with anticipating the possibility of a game-change of content business in the Web 3.0 age based on the structural changes in the content market accompanying the progress of digitalization, trends in diverse creative activities by individuals, and new trends in content consumption in virtual space
- Submitting an amendment bill of the Copyright Law into regular session in 2023 for implementing of simple and unified rights processing

## Content strategies in the digital age

- ◆ Encourage everyone to demonstrate their creativity and expand new value creation
- ◆ Revitalizing the content ecosystems led by creators
- ◆ Promote structural transformation and competitiveness of the media content industry

### 1. Acceleration of value proliferation through a virtuous cycle of “use” and “creation” contents

- Reforming of copy right systems and related policies in response to the digital age
  - Delivering of simple and unified right process  
[Propose a bill into regular session in 2023]

### 2. Responding to a new content consumption in the Web 3.0 age

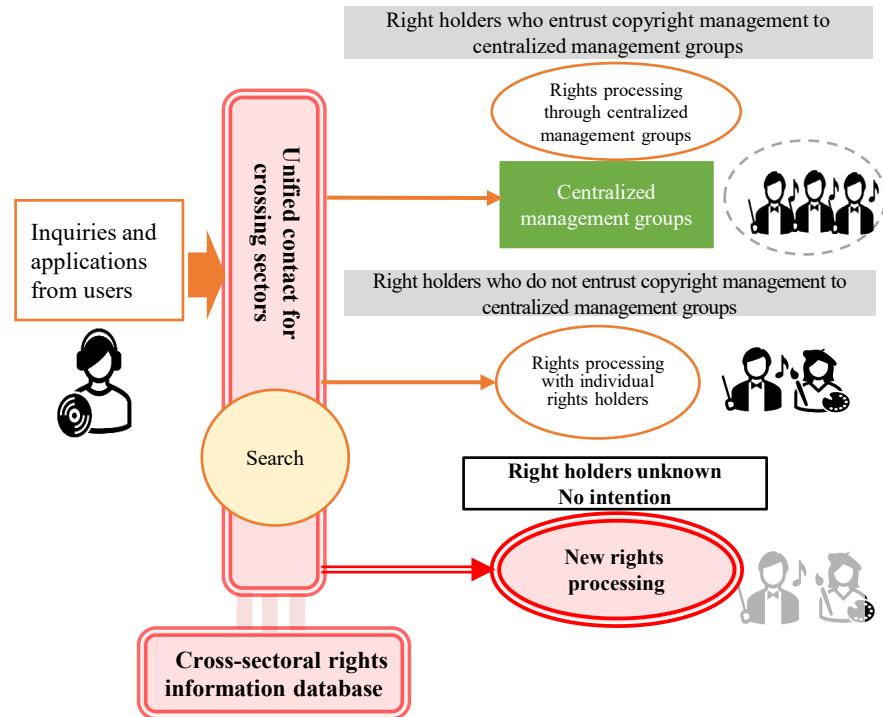
- Understanding of legal issues concerning contents on the metaverse and sorting out issues  
Improving rules as joint public and private sectors
- Rights protection of content holders and user protection regarding NFT utilization

### 3. Promoting business model transformations for overseas expansions

- Shifting from creating products for domestic market to “**selling all around the world**”
  - **Drastic transformation of production systems** and strengthening of international sales capabilities
  - Development of human resources with shifting to creator-led initiatives

## Reforming of copy right systems and related policies

- Reducing procedural and time costs greatly for the rights processing in response to the speed of the digital age
- Establishing new mechanisms for the rights processing that utilizes a unified contact organizations for crossing sectors (→ Copyrighted materials of unknown rights holders or no intention can be available)
- Building a cross-sectoral rights information database and searching for right holders
- Aiming for a system that can be completed digitally in the future



# Restarting the Cool Japan in anticipation of post-COVID

- Steadily implementing of necessary supports for the continuation of the Cool Japan (CJ)-related field on the basis of the COVID-19 prolongation
- Reviewing of entry restrictions for foreign tourists from June 10 of this year. Restarting the CJ with an eye on the upcoming full resumption of inbound operations.
- Expo 2025 Osaka, Kansai, Japan is a great opportunity for the CJ

## Presenting three restarting methods of the Cool Japan (CJ)

CJ = Attractiveness of Japan from the world's viewpoint based on Japanese history, culture, tradition, nature, lifestyle, etc.

### Refinement of Japan's appeal from sustainable perspectives

- The global trends are sustainability
- The CJ has a high affinity with sustainability

(\* Join the club, Don't waste, Three way satisfaction)



Rediscovering Japan's attractiveness from sustainable perspectives  
→ Making it a story that people around the world can **relate to**

### Overseas publicity through co-creation with communities

The CJ has devoted foreign fans



Forming communities through **connections** between fans  
→ Sharing of experiences and impressions **spread** through SNS  
→ "Co-creation" with other communities including foreigners

### Strengthening a matching of CJ affiliates

Strengthening support for CJ affiliates on the Public-Private Partnership Platform

- ✓ Mutual transmission and sharing of information
- ✓ Reorganization of "the CJ producer" by function
- ✓ Online events for matching
- ✓ Active utilization of foreigners who love Japan

→ Working on the CJ affiliates through the Public-Private Partnership Platform

"Refining the attractiveness of Japan from **sustainable** perspectives and actively promoting it to the world by co-creation with **communities** and **matching** with affiliates!"

# Reference: Overview of the Intellectual Property Strategic Program 2022

## 1. Enhancing the IP ecosystem of startups and universities

- Improving an environment that facilitates startups' utilization of shares and stock acquisition rights as compensation for IP
- Supporting for acquisition of rights in anticipation of commercialization at universities
- Promoting the utilization of joint research outputs at universities
- Formulating of “University Intellectual Property Governance Guidelines (provisional name)” and percolating into universities, etc.

## 2. Strengthening the investment and utilization promotion mechanism of IP and intangible assets

- Strengthening the corporate disclosure and governance, and clarifying the role of investors

## 3. Promoting the utilization of standard strategies

- Promoting the utilization of standards by uniting efforts of public and private sectors,

## 4. Improving the data distribution and utilizing environment for the realization of a digital society

- Promoting the implementation of data handling rules

## 5. Content strategies in the digital age

- Content strategies in anticipation of Web3.0 age
- Reforming of copy right systems and related policies in response to the digital age

## 6. Enhancing the IP utilization in SMEs, regional (areas), and agricultural sciences

- Ensuring appropriate IP transactions of SMEs

## 7. Strengthening systems, operations, and human resource foundations that support the IP utilization

## 8. Restarting the Cool Japan in anticipation of post-COVID