

Corporate strategy and IP management

- Tips on strategic IP management -

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Tonic to the Business

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Corporate strategy and IP management

Three Steps for comprehensive IP management

1. Creation of Intellect

- Management on what should be created by researchers and engineers
to which direction the invention should be made
how to dig up the invention

2. Identification of intellect and actualization of IP

- Management on how to specify and evaluate the invention and inventorship
what kind of patent application should be filed

3. Value-adding on IP asset

- Management on marketing outlook
alliance
license-out, license-in
selling, buying IP

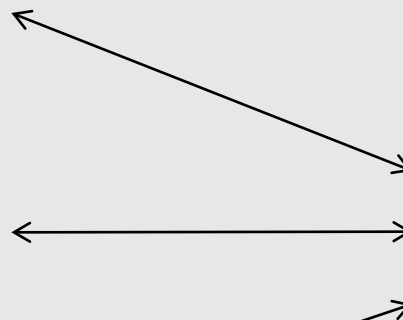
Corporate strategy and IP management

IP management

1st step: Creation of intellect

2nd step: Identification of Intellect
and actualization of IP

3rd step: Value-adding on IP asset



corporate strategy

1. Creation of Intellect

- Who creates? ----- suitable engineer or researcher
- For what? ----- for generating profit of company
- Which direction? --- to promising technical area



Corporate strategy, in particular marketing strategy absolutely necessary



2. Identification of intellect and actualization of IP

- Filing application is the most realistic way not only for obtaining an IP right but also for forming and actualizing an IP.
- What kind of invention should be actualized as IP asset?
- When filing applications however, problems on ownership, reward, contract etc. may tangibly arise.



Again, corporate strategy absolutely necessary

2. Identification of intellect and actualization of IP

- In Japan, rules for company's regulations on employees' invention became even more important after Supreme Court Decision in 2003.
- For blue LED invented by an employee of Nichia, the Supreme Court ordered Nichia to pay the employee JPY 600 mio. (USD 6.16 mio.).
- Examples for high reward in the past
 - Mitsubishi Chemicals: JPY 250 mio. (USD 2.57 mio.)
 - Omron: JPY 100 mio. (USD 1.03 mio.)
 - Daiichi Pharmaceutical: JPY 50 mio. (USD 0.514 mio.)
 - Nippon Oil Corporation: JPY 100 mio. (USD 1.03 mio.)
- According to the revised Art. 35 JPL of 2004, the reward should be defined by the contract between employer and employee, but under unreasonable situation, employees may dispute the reward against employers.
 - still some controversy

3. Value-adding on IP asset

- In order to add the value on the IP asset:
 - Expanding the market share of patented products
 - Alliance based on IP
 - License-out, license-in of IP vis-à-vis good partners
 - Selling or buying IP asset at a good timing



Marketing and IP analysis absolutely necessary

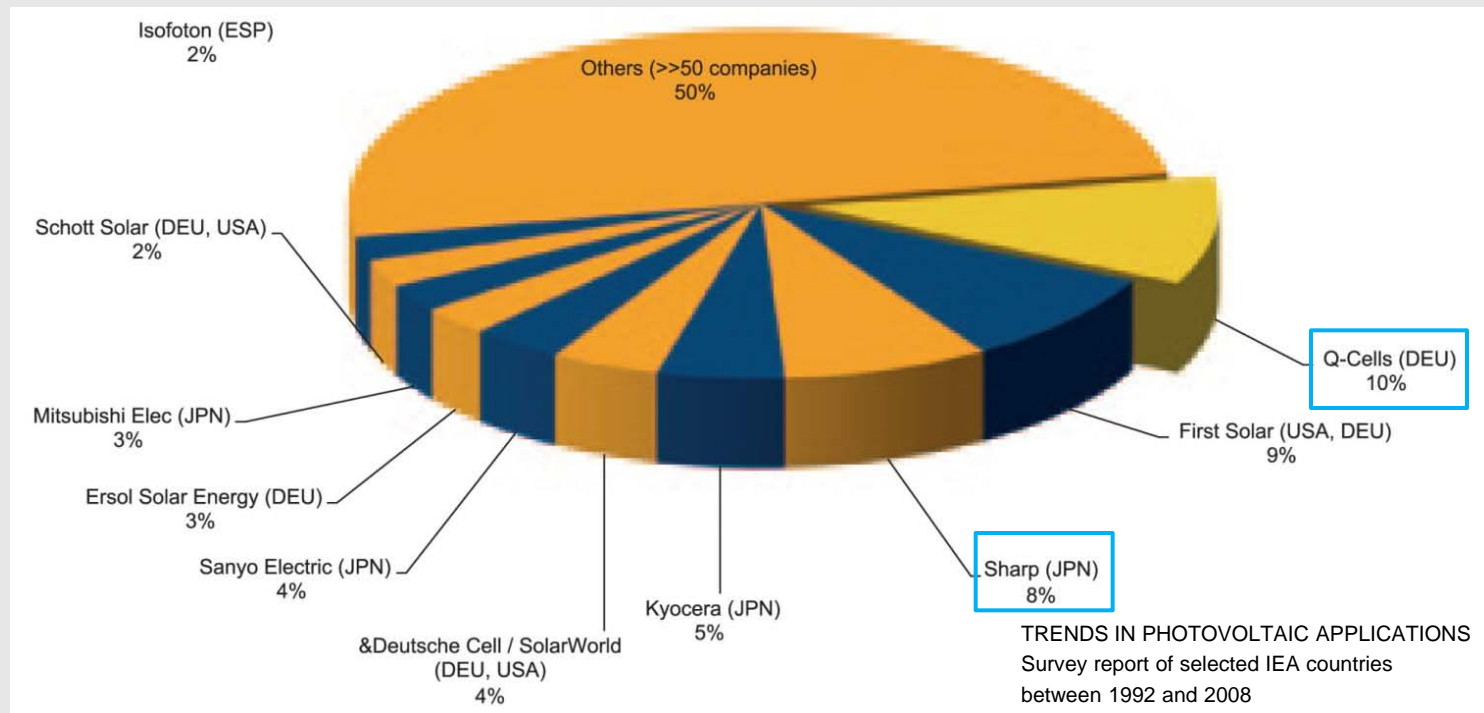
3. Value-adding on IP asset

- Possible alliance, possible licensee, possible licensor etc. over a patent should be analyzed and identified in accordance with the corporate strategy.

- Note:
 - Registration system for non-exclusive licenses at the JPO was abolished in 2012.
 - Instead, once contracted, non-exclusive licenses are still valid, even if a patent is transferred later on to a different owner.
 - Thus, when purchasing a patent, more attention should be paid on whether or not any non-exclusive licenses are attributed to the patent.

Example: IP management in Solar panel

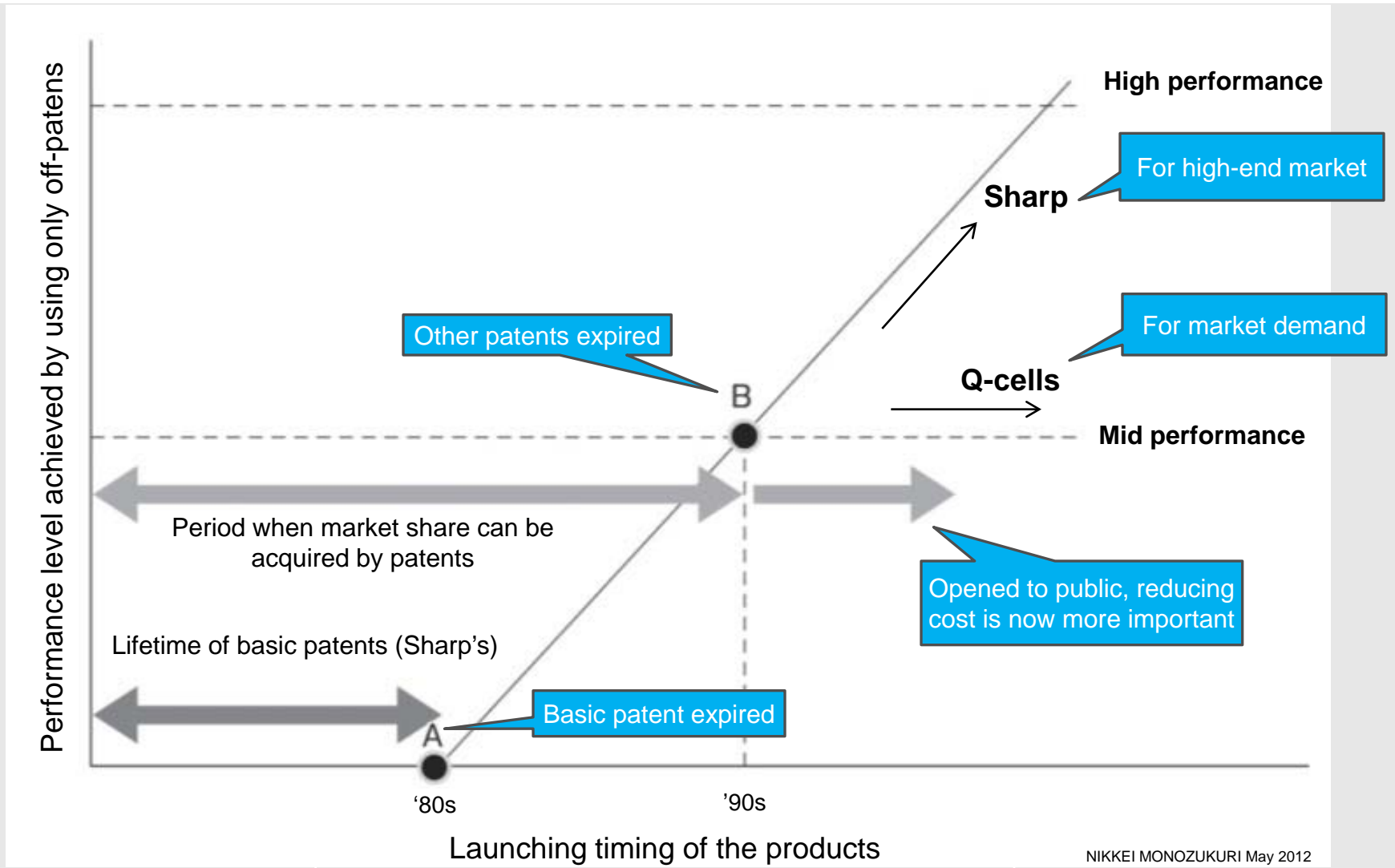
- Sharp has shared 90% market all over the world for a long time up to 2000 and owns over 5000 patents as of 2012.
- In 2008, the share was overwhelmed by a German company, Q-Cells, which owns only 10 patents.



IP management in Solar panel

- Sharp must have carried out a good IP management, because they have maintained No.1 position in the market for a long time up to 2000.
- However, Q-Cells must have implemented a more sophisticated IP strategy by only 10 patents.

Market demand and entry timing to solar panel market



NIKKEI MONOZUKURI May 2012

Q-Cells' analysis and marketing strategy

- The timing to launch into the market and the technological point aimed at may have accurately been measured by marketing analysis, considering user's needs, technological saturation, trends etc.
- Q-Cells' technologies are basically related to a method for manufacturing solar panels by using only Sharp's off-patents.
- Q-cells made several petit inventions, e.g., to reduce the manufacturing cost, but these inventions became more valuable in the market later, so that Sharp was finally defeated.

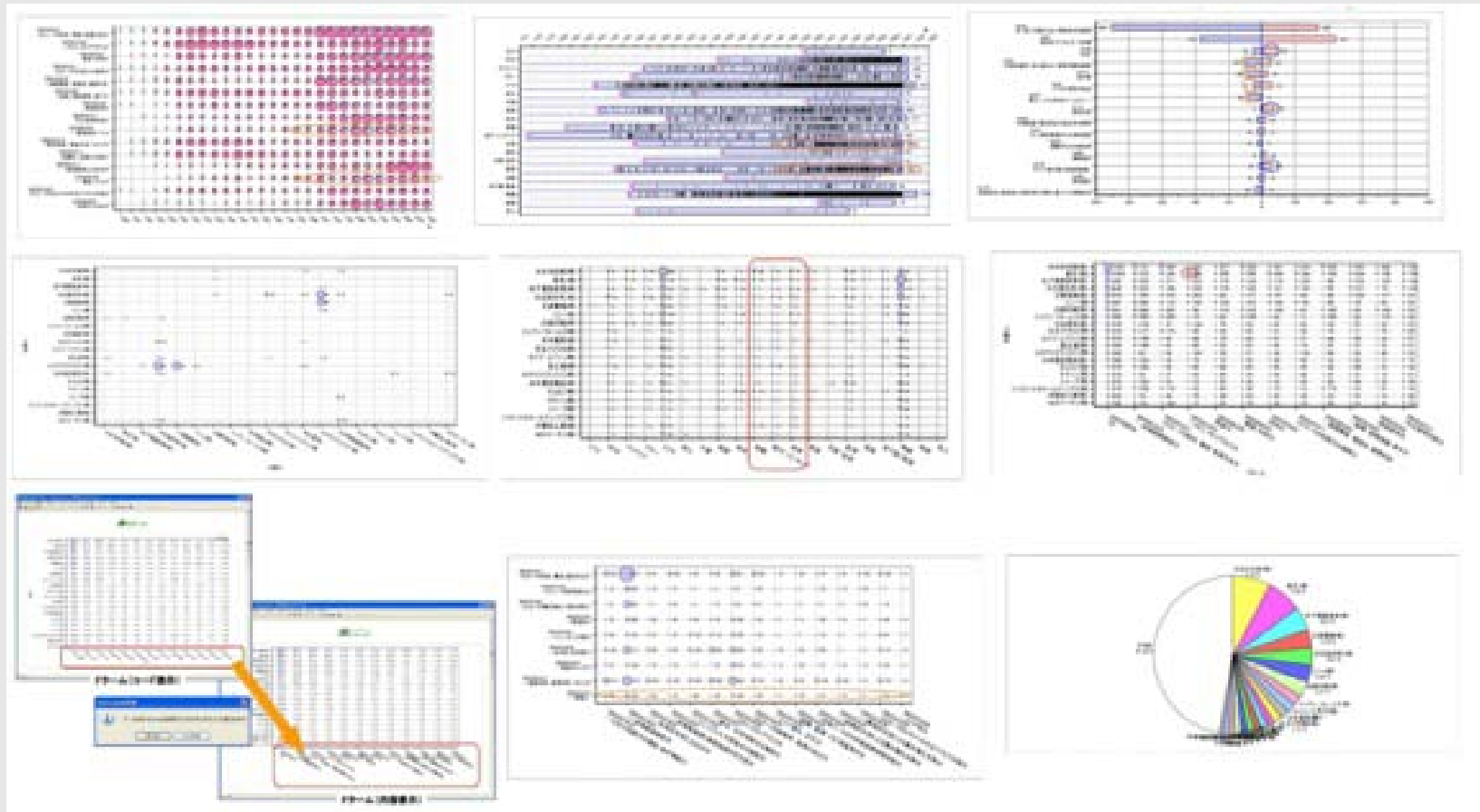
Strategic IP management by using IP database tool

- Wide variety of analysis by using IP database tools is nowadays available for various purposes, such as;
 - Trend of patent applications
 - Trend of products
 - Timing of launch into the market
 - Breakthrough from patent barriers
 - Possibilities of alliance with other companies
 - Possibilities of license-in and license-out

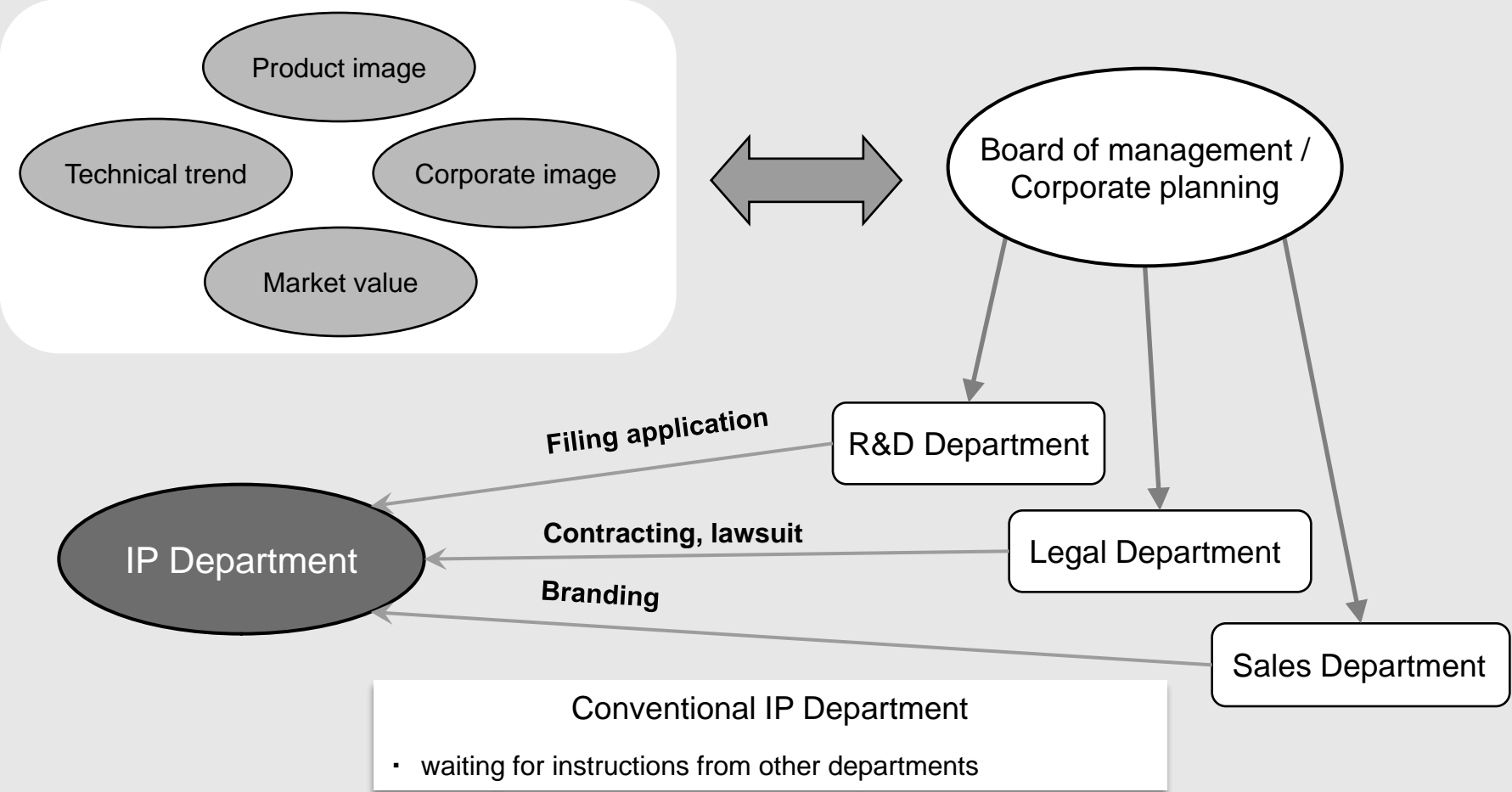


Such tools absolutely indispensable for strategic IP department in all three steps

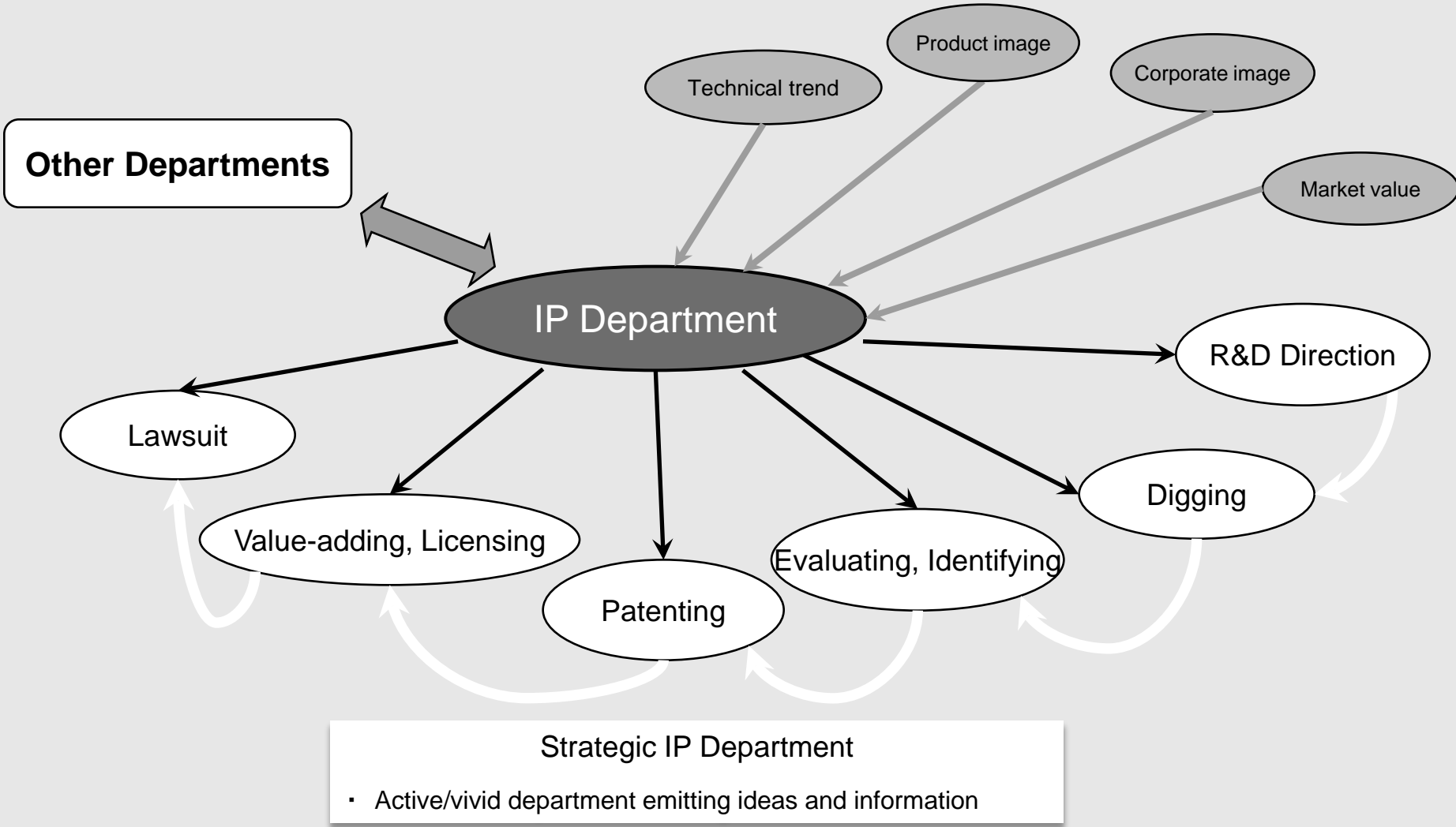
Strategic IP management by using IP database tool



Conventional IP Department



Strategic IP Department



Tips on strategic IP management

- IP asset can properly be gained and even enhanced by strategic IP management controlling all three steps throughout “creation of intellect”, “identification of intellect and actualization of IP” and “value adding on IP asset”.
- You can find a big chance in Japanese market by strategic IP management using IP database tools.

Thank you for your attention!



Our goal is to provide solutions to intellectual property matters through a one-stop service.

- One of our main strengths is a highly-developed international practice. In addition to excellent communication skills in English and other foreign languages such as Chinese, we possess an international mindset acquired through long-term foreign client relationships, as well as associated foreign firms all over the world, which enables us to provide our clients top-quality international work. We strongly believe that our team contributes to your intellectual property strategy and intellectual property activities in Japan, as well as in any other country, in a quick, precise and reasonable manner.

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