

# WIPO



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WORLD INTELLECTUAL PROPERTY ORGANIZATION  
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## COMMITTEE ON DEVELOPMENT AND INTELLECTUAL PROPERTY (CDIP)

Third Session  
Geneva, April 27 to May 1, 2009

### PROPOSAL FROM JAPAN

*Document prepared by the Secretariat*

1. By a communication dated April 23, 2009, the Secretariat has received a proposal from Japan, entitled “Information on Japan’s Suggestion of Web-based Experience Sharing on Successful Cases of Linking Intellectual Property and Business”, for consideration by Member States at the third session of the Committee on Development and Intellectual Property (CDIP), scheduled to be held in Geneva from April 27 to May 1, 2009.

2. The said proposal is reproduced in the annexes to this document.

3. *The CDIP is invited to take note of the contents of this document and its Annexes.*

[Annex I follows]

## ANNEX I

1. Background

At the second session of the Committee on Development and Intellectual Property (CDIP), held from July 7 to 11, 2008, the Delegation of Japan emphasized the usefulness of sharing successful business examples in the effective establishment and functioning of “intellectual creation cycles,” consisting of the creation, protection, and exploitation of intellectual property (IP), which would help developing members achieve sustainable economic development (see paragraph 25 of document CDIP/2/4 Prov. 2).

Subsequently, on the occasion of the thirty-sixth session of the WIPO General Assembly held from September 22 to 30, 2008, the Delegation of Japan presented a new initiative for the benefit of developing countries involving the establishment at a WIPO website of a one-stop service to share best practices regarding the successful linkage of IP and business activities. The Delegation suggested that this service be called the WIPO “Experience-Sharing on Intellectual Property Exploitation for Economic Development” Database, abbreviated as the WIPO E-SPEED Database. Furthermore, the Delegation made available to other delegations an explanatory paper elaborating on the initiative (see paragraph 34 of document WO/GA/36/13).

The Annex to this document contains the aforementioned explanatory paper referred to in the Report of the Assembly (the above document WO/GA/36/13).

2. Highlights of the WIPO E-SPEED Database Initiative and Relevance to the Development Agenda

As described at the beginning of the explanatory paper annexed hereto, the highlights of the WIPO E-SPEED Database initiative include the following:

The present initiative aims at, *inter alia*:

- Promotion, particularly in developing countries, of the “intellectual creation cycle” consisting of the creation, protection, and exploitation of IP;
- Facilitation of alliances and partnerships, technology transfer, and direct investment of business entities both in developed and developing countries; and
- Progressive increase in the IP ownership of developing countries for their economic advancement.

In view of the above, it is suggested that:

- WIPO launch a one-stop service at a WIPO website to enable users to access various cases of successfully linking IP and business, with particular emphasis on those cases associated with developing countries;
- The service be called WIPO “Experience-Sharing on Intellectual Property Exploitation for Economic Development” Database (WIPO E-SPEED Database) (tentative) (For further description, a subtitle could be added, such as “Collection of Successful Cases of Linking Intellectual Property and Business” or “Collection of Best Practices in the Exploitation of Intellectual Property in Business.”);

- Importance be attached to the multi-faceted classification system, according to which those case studies shall be arranged, so as to ensure users' easy and expeditious retrieval of the most relevant information;
- Available related-information and other resources also be contained in the database or otherwise linked to the database; and
- International and inter-organizational exchange of views and ideas, including those on policy measures, be held in relation to experience-sharing on linking IP and business.

As also mentioned in the explanatory paper, the present initiative is closely related to Recommendations 4, 9, and 11 of the WIPO Development Agenda.

Furthermore, the present initiative is related to the following Revised WIPO Program items, in terms of activities: Program 8 (Development Agenda Coordination), Program 9 (Africa, Arab, Asia and the Pacific, Latin America and the Caribbean Countries, Least Developed Countries), Program 10 (Cooperation with Certain Countries in Europe and Asia), Program 11 (The WIPO Academy), and Program 19 (Communications).

With respect to the details of the initiative, including its expected products and results as well as sample cases (to be contained in the Database) with possible case-study classifications, reference is made to the Annex hereto.

### 3. Feasibility of the Initiative and Timeline of its Implementation

The feasibility of the WIPO E-SPEED Database initiative is considered to be significantly high and the database prototype could be expeditiously established utilizing existing assets without any additional resources.

Particularly, attention is drawn to the fact that WIPO has been undertaking efforts relevant to the subject of the present initiative, as explained in page 2 of the Annex. They include the posting on the WIPO website of case studies on the use of the IP system by small and medium-sized enterprises (SMEs), as well as the activities of WIPO in the contexts of technical assistance and capacity building, public outreach, and the WIPO Worldwide Academy. By harnessing the existing efforts, the prototype of the WIPO E-SPEED Database could be created by the International Bureau, even without any additional input, in the financial and substantive senses. Indeed, the prototype formation could be implemented only through (i) the creation of the portal website (see page 4 of the Annex for its possible design), (ii) the classification of existing case studies (see pages 3 to 4 of the Annex for possible multi-faceted classification items), and (iii) the integration of those case studies in an existing data storage system. The prototype database could be so established well within a matter of a few months.

It is suggested that, once the prototype database comes into being, its notification be made and a case submission form be circulated among Member States to invite their input, on a voluntary basis, in terms of case studies to be contained in the database. Concurrently, feedback from Member States and users would be encouraged for possible improvement in the functionality of the database.

Within one year from the formation of the prototype database, the progress would be reviewed and, if necessary, the database functions would be improved, in light of comments from Member States and users.

It is noted, with particular emphasis, that various cases of successfully linking IP and business could be collected through WIPO-organized meetings, seminars, workshops, and symposia, even without carrying out activities for the sake of case collection. In this context, the WIPO E-SPEED Database could play a central role in achieving synergetic effects among varied meeting-type and other activities by bringing together the knowledge and wisdom emerging on the occasions of those activities, instead of permitting such precious knowledge and wisdom to remain isolated and/or disappear.

Wherever appropriate, the WIPO Japan Funds-in-Trust could be utilized to contribute to case collection. (Note: For example, the Japan Funds-in-Trust will finance a WIPO Seminar on Successful Experiences of Linking Intellectual Property (IP) and Business, to be held in Pretoria, South Africa, on May 26 and 27, 2009.)

#### 4. Concluding Remarks

The WIPO E-SPEED Database, a common and open means for sharing experiences and information on successful cases of linking IP and business, would function as a reservoir of knowledge and wisdom contributing to the promotion of the “intellectual creation cycle,” the facilitation of business alliances and partnerships, and progressive increase in the IP ownership of developing countries through better IP management, and would ultimately give a boost to the economic advancement of Member States.

Japan believes the significance, the feasibility, and the cost-effectiveness of the WIPO E-SPEED Database initiative, a project-oriented and tangible result-producing scheme, and hopes that steps will be taken by the WIPO Secretariat as early as possible to implement the initiative for the benefit of Member States.

[Annex II follows]

ANNEX II

Proposal for Web-based Sharing of Experience and Information  
on Successful Cases of Linking Intellectual Property and Business  
with particular emphasis on Cases associated with Developing Countries

- Establishment of WIPO “Experience-Sharing on Intellectual Property Exploitation for Economic Development” Database (WIPO E-SPEED Database) (tentative)

Highlights:

The present proposal aims at, *inter alia*:

- Promotion, particularly in developing countries, of the “intellectual creation cycle” consisting of the creation, protection, and exploitation of intellectual property (IP);
- Facilitation of alliances and partnerships, technology transfer, and direct investment of business entities both in developed and developing countries; and
- Progressive increase in the IP ownership of developing countries for their economic advancement.

In view of the above, it is suggested that:

- WIPO launch a one-stop service at a WIPO website to enable users to access various cases of successfully linking IP and business, with particular emphasis on those cases associated with developing countries;
- The service be called WIPO “Experience-Sharing on Intellectual Property Exploitation for Economic Development” Database (WIPO E-SPEED Database) (tentative);
- Importance be attached to the multi-faceted classification system, according to which those case studies shall be arranged, so as to ensure users’ easy and expeditious retrieval of the most relevant information;
- Available related-information and other resources also be contained in the database or otherwise linked to the database; and
- International and inter-organizational exchange of views and ideas, including those on policy measures, be held in relation to experience-sharing on linking IP and business.

1. Background

(1) Significance of Sharing Experience on Linking IP and Business

With economic globalization, the number of patent applications filed in developing countries has been increasing. The vast majority of those patent applications, however, continue to be filed by applicants in developed countries. As a matter of fact, in a number of developing countries, patents granted on applications filed by non-residents account for

around 90% or higher of the total number of patents granted.<sup>1</sup> Although the situations somewhat differ depending upon the category of IP (e.g., non-residents' ownership of trademark rights is generally lower), more or less similar situations are observed for the other IP categories.

In order for developing countries to change the aforementioned circumstances and increase their IP ownership to achieve economic advancement through the exploitation of IP systems based on creative activities in those developing countries, widely sharing clues and keys to the successful linkage of IP and business for wealth generation is considered to be of significant help. Such "linkage" is not limited to the commercialization of IP in the narrow sense, but includes application filing, prosecuting, financing, licensing, franchising, marketing, advertising, trading, business partnerships, valuation, asset management, dispute resolution, local industry promotion, academia-industry collaboration, etc., so long as they are related to the economic aspects of IP. Sharing best practices of IP utilization in the business context is expected to lead to the promotion, particularly in developing countries, of the "intellectual creation cycle," which consists of the creation, protection, and exploitation of IP.

## (2) Relevant Efforts of WIPO and Room for Improvement

Currently, WIPO has been undertaking efforts relevant to the subject of the present proposal, including the following:

- SMEs: The WIPO website posts over 60 case studies on the use of the IP system by small and medium-sized enterprises (SMEs),<sup>2</sup> under the charge of the SMEs Division.
- Technical Assistance: The Technical Assistance and Capacity Building Sector organizes national and regional meetings dealing with such subjects as the strategic use of IP in business. Furthermore, on a different page of the WIPO website (i.e., under the Public Outreach section) than that for the SME cases, there exist several cases of the creation and use of IP by inventors and creators in developing countries.<sup>3</sup>
- WIPO Magazine: The WIPO Magazine, edited by the Communications and Public Outreach Division, often contains articles concerning IP and business.
- WIPO Academy: The WIPO Worldwide Academy organizes activities including international conferences focusing on strategic IP management.<sup>4</sup>

While the information provided through the aforementioned efforts is highly relevant and valuable, there seems to be some room for improvement in the manner how information is accumulated and made available to the Member States and the general public at large. Specifically, we would like to point out the following:

- Information Channels: As explained, there are a number of channels of information

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<sup>1</sup> See, for example, "E.2.1: Patents Granted in Selected Emerging Countries" in the WIPO World Patent Report 2008.

<sup>2</sup> See the following web page: [http://www.wipo.int/sme/en/index.jsp?sub\\_col=sme-cs](http://www.wipo.int/sme/en/index.jsp?sub_col=sme-cs)

<sup>3</sup> See the following web page where the webcast service is available:

[http://www.wipo.int/multimedia/en/public\\_outreach/webcast/portraits/](http://www.wipo.int/multimedia/en/public_outreach/webcast/portraits/)

<sup>4</sup> An example of such activities is "International Conference on Intellectual Property Management Education and Research," held in Geneva on July 17 and 18, 2008. See the following web page: <http://www.wipo.int/academy/en/execed/conf/index.html>

concerning IP and business. It would be desirable to have a portal website providing a one-stop service; i.e., a platform and tools for users to share experience and information on the successful cases of linking IP and business.

- **Organization of Information:** To facilitate access to the most relevant case-study information, it is imperative that such information be accumulated in accordance with proper classifications and derivable by inputting classification-based queries and/or texts. At the SMEs website, cases are classified, but the classification items are not multi-faceted and overlap one another. In other words, classification items with several viewpoints are placed in a parallel manner. For example, classification items with the viewpoints of IP categories (e.g., patents), business characteristics (e.g., electronic commerce), and case features (e.g., dispute resolution) are listed together, rather than grouped in accordance with viewpoints to form a hierarchical structure.
- **Development Context:** In view of the background described in the above (1), vigorously collecting cases associated with developing countries would be desirable. With regard to the case studies on the SMEs website, approximately half of the cases are from the developed world.<sup>5</sup>

## 2. Proposal

It is proposed that a one-stop service be provided at a WIPO website to enable users to access various cases of linking IP and business and information related thereto, with particular emphasis on those cases associated with developing countries. Importance should be attached to the multi-faceted classification system according to which those case studies shall be arranged, so as to ensure users' easy and expeditious retrieval of the most relevant information. The above-mentioned "related information" could include available information and other resources such as background information materials, web links to relevant agencies, institutions and entities (profit and non-profit), organizations providing user-consultation services, and government/non-government and international assistance programs.

The case studies and related information should be collected through electronic submission from Member States, as well as on various meeting occasions, and stored and accumulated to form the database, "WIPO 'Experience-Sharing on Intellectual Property Exploitation for Economic Development' Database (WIPO E-SPEED Database) (tentative)."<sup>6</sup>

The salient features of the WIPO E-SPEED Database include:

- **Cases helpful for Developing Countries:** Particular emphasis would be given to collecting cases helpful for invigorating innovation activities in developing countries including least-developed countries. Such cases would include not only those concerning the utilization of IPRs by right holders in developing countries but also those concerning successful efforts taken against infringers. Due attention should also be attached to cases promoting local industries, possibly including traditional industries.

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<sup>5</sup> As of August 8, 2008, 35 cases of the total 63 cases made available at the SMEs website were from developed countries.

<sup>6</sup> It is intended that the first letter "E" of the part "E-SPEED" is associated not only with "Experience" but also with "Economy."

- One-stop Service: All of the case studies collected should be made available through a single WIPO portal website. The related information described above should be either contained in the database itself or linked to the case studies in the database.
- Multi-faceted Classification for Easy Access: One of the key characteristics of the WIPO E-SPEED Database is the use of a multi-faceted classification system to ensure users' easy and expeditious retrieval of most relevant information. Classification items could include, *inter alia*:
  - Protected subject matter or categories of IP: Patents, trademarks, industrial designs, copyright and related rights, etc.;
  - Categories of inventors, creators, applicants, or right holders: Profit corporations, non-profit organizations, universities and colleges, research institutions, individuals, etc.;
  - Business categories: Agriculture, automobile, biotechnology, chemical, construction, electric, food processing, machinery, retailing/wholesaling, telecommunication, textile, transportation, etc.;
  - Features of cases: Decision-making in research and development activities, determining feasibility of commercialization before filing, strategy in filing applications, prosecution process, licensing, financing, marketing, franchising, business partnerships, local industry promotion, etc.;
  - Countries: Countries providing experience and information.It would be further desirable for the WIPO E-SPEED Database to allow full-text-based data retrieval.
- Links to Available Information and other Resources: As explained, related information contained in the WIPO E-SPEED Database should include links to various resources available to users.

For illustrative purposes, a possible design of the portal website of the WIPO E-SPEED Database is shown below.



Figure: Possible design of the portal website of the WIPO E-SPEED Database

**WIPO E-SPEED Database**

The WIPO E-SPEED Database (WIPO Experience-Sharing on Intellectual Property Exploitation for Economic Development Database ) provides access to a wide variety of case studies on linking intellectual property with business and on promoting local industries for economic development. Use the guided retrieval form below to search the WIPO E-SPEED Database, based on multi-faceted data classifications and, if necessary, on the full-text search facility for all available texts.

**Guided Search**      **Full-Text Search**

**Subject Matter: (Category of IP)**      **Inventor, Creator, Applicant, Right Holder:**      **Business Category:**      **Feature of Case:**      **Country:**

*** Any *** Patents Trademarks Industrial designs Copyright and related rights :	*** Any *** Profit corporation Non-profit org. Univ./Colleges Research inst. Individuals :	*** Any *** Agriculture Food processing Retailing/ Wholesaling Textile Transportation :	*** Any *** Decision-making in R&D activities Determining feasibility of commercialization before filing Prosecution process Licensing Financing :	*** Any *** Afghanistan Algeria Argentina :
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It is also suggested that:

- Developed countries, as well as developing, play an active role in collecting examples of successful linkage of intellectual property and business, and cooperate with WIPO to share such information;
- Both developed and developing countries collaborate in the dissemination of knowledge regarding cases of successfully linking intellectual property and business as well as measures to support SME activities, in view of contextualizing such knowledge in the economy of developing countries; and
- International and inter-organizational exchange of views and ideas, including those on policy measures, be held in relation to experience-sharing on linking IP and business.

### 3. Expected Products and Results

The implementation of the present proposal would produce:

- WIPO E-SPEED Database providing a web-based one-stop service for the efficient sharing of successful cases of linking IP and business as well as related information;
- Organization of meetings like seminars and workshops and further dissemination of experience and information through such meetings; and
- Human resource development programs and modules concerning the linkage of IP and business with particular emphasis on that in developing countries.

The implementation of the present proposal is expected to result in:

- Promotion, particularly in developing countries, of the “intellectual creation cycle” consisting of the creation, protection, and exploitation of IP;
- Integration of IP-related activities in corporate business strategies, and on a larger scale, incorporation of IP policies in national strategies for economic development;
- Stimulation of local industries, including traditional ones, in developing countries;
- Facilitation of alliances and partnerships, technology transfer, and direct investment of business entities both in developed and developing countries;
- Increase of the IPR ownership of developing countries;
- Enhancement of IP systems and their operations in various countries, leading to the establishment of a pro-innovation global IP infrastructure; and
- Better coordination and collaboration among relevant national and international institutions and organizations including WIPO and other international organizations.

#### 4. Relevance to the WIPO Development Agenda

The present proposal is closely related to the following items of the WIPO Development Agenda:

- “4. Place particular emphasis on the needs of small and medium-sized enterprises (SMEs) and institutions dealing with scientific research and cultural industries and assist Member States, at their request, in setting-up appropriate national strategies in the field of intellectual property.”
- “9. Request WIPO to create, in coordination with Member States, a database to match specific intellectual property-related development needs with available resources, thereby expanding the scope of its technical assistance programs, aimed at bridging the digital divide.”
- “11. To assist Member States to strengthen national capacity for protection of domestic creations, innovations and inventions and to support development of national scientific and technological infrastructure, where appropriate, in accordance with WIPO’s mandate.”

[Annex III follows]

## ANNEX III

**Limited Company Goto Kanagata (Tokyo Metropolis)**

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□ Always pursuing new ideas □

**1. Mold manufacturing company run by three family members**

Goto Kanagata (meaning “mold”) was founded in 1970 and has produced mainly molds for the caps of aerosol cans. Since its foundation, the president Mr. Goto has devised various aspects of the cap, but had not considered, for years, doing business exclusively by obtaining patents. Under such a circumstance, the president has had such a bitter experience of his own idea being stolen and even patented by another person. This has made him aware of the importance of patenting.

In around 2002, urged by the sense of crisis about the situation in which the number of orders for the mold decreased, the company renewed its efforts for developing original technologies, and as the result, the company has commercialized a degassing cap "e-CAP."

**2. Convenient solution for degassing used spray cans**

The degassing of a thoroughly-used spray can is cumbersome. However, discarding as refuse a used spray can without degassing is dangerous and may result in its explosion upon the collection of wastes. When the degassing cap "e-CAP" of the company is used so that the center of the upper notched part of the cap is thrust into the gas ejection part of the spray can until the click sound is heard and the cap is fitted again over the spray can, then the thrust-in portion of the cap upper part automatically continues to press the gas ejection part. Therefore, if the spray can is left in such a state, the whole gas in it can be discharged and it can be disposed of as a trash.

Over two and half years, the company brought this new technology into completion and immediately asked a patent attorney to file a patent application. Thereafter, instead of just relying upon the patent attorney, the president himself studied the intellectual property system at the Ota Ward Industrial Promotion Organization and the Tokyo Metropolitan Government Intellectual Property Center. In 2005, the company acquired a patent for the technology.

In addition, during the development of "GT-CAP" which is the second product line of the degassing cap, it became a breakthrough that Mr. Goto, the president, drafted a drawing of the product design, inspired by his own dream in which a plurality of radial lines resembling the Nazca Lines appeared.

This "GT-CAP" has such a mechanism that by removing an injection head of a thoroughly-used spray can and by inserting the head of the spray can into a depression on the top surface of the cap, the remained gas is automatically discharged. In the cap, (i) "being easily fitted to the can and being easily removed from the can" and (ii) "being unready removed of itself from the can" which seem at a glance to contradict each other have been balanced with each other. Moreover, the "GT-CAP" is an excellent product in that it can be applied to substantially all spray cans so long as the spray can has the same diameter as that of the "GT-CAP".

**3. Towards further business development with patents**

Since Goto Kanagata is a manufacturer of molds, the mere acquisition of patents cannot be linked to the corresponding final products by themselves. Therefore, the company concludes licensing contracts with a cap manufacturer to commercialize their inventions. Through the partnership, the company has established an order-receiving relationship and has built a trust with the cap manufacturer. This has enabled Goto Kanagata to receive the orders of other molds, thus to

enjoy a synergic effect to achieve business expansion. The company considers that it is imperative to continue to create novel ideas and has currently been continuing R&D aiming at the development of the next line of new products.

The company is strongly aware of the value of patents and intends to further develop its business by carrying out studies every day while attaching importance to patents.

**<Outline of company>**

Name of the firm and name of representative	Limited Company Goto Kanagata Representative director: Takashi Goto
Address of head office	1-30-8, Honhaneda, Ota-ku, Tokyo
Established	1970
Capital	3 millions yen
Number of employees	3
Main products	Degassing cap for aerosol container, cap for cosmetics, cap for foods
Telephone number	(81-3) 3744-0448
URL	<a href="http://www.gotokanagata.com/">http://www.gotokanagata.com/</a>

Possible Case-Study Classifications:

- Categories of IP: Patents
- Categories of inventors, creators, applicants, or right holders: Profit corporation
- Business categories: Machinery
- Features of cases: Business partnerships, Licensing, Local industry promotion, Local government assistance
- Country: Japan

[Annex IV follows]

## ANNEX IV

**Kinotoya Co., Ltd. (Hokkaido)**

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- Aiming to make Sapporo “a city featuring wonderful confectioneries” (“Sweets Kingdom Sapporo”) □

**1. Firm’s name since its foundation has been registered as trademark and utilized**

In 1983, the shop "Kinotoya" was founded in Higashisapporo, Shiroishi-ku, Sapporo City, Hokkaido, and in 1985, the Kinotoya Co., Ltd. was incorporated. The company's name "Kinotoya" has been registered as a trademark and the company continues to use a trade name including the trademark "Kinotoya" which has never been changed since the foundation of the firm. The company has been mainly producing and selling unbaked cakes with "raw materials made in Hokkaido"; and currently, the company is operating 4 shops within Sapporo City, having grown to be one of the confectionery makers representing Hokkaido.

The products do not utilize patents, utility models, and/or designs, because they are basically handmade. However, the products do utilize trademarks which are the “face” of the products. The company is therefore well aware of the importance of trademarks. The president of the company recognized this importance when he learned about the trademark system at the meeting of the Sapporo Chamber of Commerce and Industry.

**2. Thorough merchandise control for maintaining "brand"**

About 70% of the sales revenue of "Kinotoya" comes from the sale of unbaked cakes. In producing the products, "cooking the product and keeping the product for a long time" is never performed and by dispersing the production in the morning, noon and evening, the products always have the same freshness.

The merchandise control is so thoroughly performed that not only are defective products identified in the production and sales steps, but products stored for a certain period of time are discarded in every product management cycle. Furthermore, by introducing the “Just-in-Time” method in the factory, the efficiency of the production process is promoted.

**3. Advancement towards regions outside Hokkaido utilizing the product image of "Sapporo"**

Noting that (i) though many confectioneries cause persons to image "Hokkaido" there is no confectionery causing persons to image "Sapporo," and that (ii) in order to sell the products to persons outside Hokkaido who do not yet recognize the name "Kinotoya," it is considered sometimes more effective to sell the products with the name value of the products than to bring the name of the company to the fore, so the company makes efforts to produce confectioneries causing consumers to image "Sapporo."

In light of the above, the firm has developed and commercialized products such as (i) "Sapporo Soufflé" and (ii) "Sapporo Agricultural College" Cookie, both containing the name "Sapporo," and (iii) "Nango-dori" (cookies), which is named after a street in Sapporo City, all of which have been filed with the JPO as trademarks. Since these products have a recommended use-

by date longer than that of unbaked cakes, they can be sold at souvenir shops in the airport, etc., so the development of markets has resulted in success. The aforementioned product "Sapporo Agricultural College" Cookie, bearing the former name of Hokkaido University, is a product which was developed in cooperation with the university, and the company contributes a part of its sales to support the greening of the Hokkaido University campus for the betterment of the region.

Considering that the development of the company and its trademark strategies are linked to each other and that the trademark strategies should always be taken into consideration in developing new products, the company will continue to make efforts to produce confectioneries representing "Sapporo."

#### **4. For local production for local consumption of products within "Hokkaido"**

The company also carries out a joint research in breeding the berries essential for the production of western confectioneries with the Field Science Center for Northern Biosphere, Hokkaido University. With respect to 12 kinds of berries such as haskap, blueberry, raspberry and cassis, the cultivars having such characteristics as "large grains" and "high sugar content" will be developed in a three-year plan. Since these berries currently have low crop yields in Hokkaido, success in the research and development will result in advancement in local production within Hokkaido for local consumption, which is expected to lead to the enhancement of the added value of the products as confectioneries.

#### **5. Towards "Sweets Kingdom Sapporo"**

In Sapporo, with a view to making consumers recognize the city of Sapporo as "Sweets Kingdom" resulting in the promotion of sweets produced in Sapporo thereby generating a new vitality in Hokkaido's economy, the "Sweets Kingdom Sapporo Campaign Council" has been established consisting of the Sapporo Confectionery Association, Sapporo City, Sapporo Chamber of Commerce and Industry and Sapporo Tourist Association.

This is for further increasing consumer recognition that the primary souvenirs of Sapporo are confectioneries. The firm has been cooperating with the Council in this effort and has acquired the trademark "Sweets Kingdom Sapporo" as the charring company. This is exactly an effort in line with the policy of the company.

This Council awards every year an excellent confectionery representing Sapporo the title of "Sapporo Sweets Grand Prix." The award went to "Sapporo-ichigo taruto (-strawberry tarte)" in 2006 and to "Sapporo-shiroi tiramisu (-white tiramisu)" in 2007, respectively, and the commercial sales thereof are expected.

#### **<Outline of company>**

Name of the firm and name of representative	Kinotoya Co., Ltd. Representative: Akio Naganuma
Address of head office	3-7-36, Higashi-naebo 5-jo, Higashi-ku, Sapporo City, Hokkaido
Established	1985
Capital	30 million yen
Number of employees	180
Main products	Unbaked cakes, baked cakes
Telephone number	(81-11) 786-6161
URL	<a href="http://www.kinotoya.com/">http://www.kinotoya.com/</a>

Possible Case-Study Classifications:

- Categories of IP: Trademarks
- Categories of inventors, creators, applicants, or right holders: Profit corporation
- Business categories: Food processing
- Features of cases: Branding strategies, Academia-industry collaboration, Business partnerships, Industry associations, Local industry promotion, Environmental considerations
- Country: Japan

[Annex V follows]

## ANNEX V

**Satake Corporation (Hiroshima Prefecture)**

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□ Becoming the world's leading food processor manufacturer □

**1. "Satake" brand products used in more than 140 countries world-wide**

Satake Corporation was founded in 1896 as the first Japanese manufacturer of power-driven rice milling machines. Thereafter, over more than one century, the company has redoubled its R&D and established itself as the world's leading food processor manufacturer.

It was in 1905 that the founder of the company filed its first patent application. Following the precedent of the founder, the company's second president emphasized the importance of patents to such an extent that the president himself applied for patents. In addition, the fundamental management concept of the company since its foundation has been "Satake Spirit," the essence of which consists of three ideas: "Nothing is impossible", "Be humble," and "Become a person quick to notice everything of importance." Under these guidelines, the company fully utilizes its vast amount of know-how in its business fields to commercialize breakthrough novel products one after another, not only in the fields of rice mills and flour mills, but also in the firm's new business fields of industrial machinery, environmental measurement devices and food. As the result, currently, these products are utilized in more than 140 countries world-wide.

Through such efforts, the Satake brand has been established first as "Satake rice mill manufacturer," then as "Satake food processor manufacturer" and further as "Satake global manufacturer."

**2. Patent dispute making the company realize the importance of the patent**

While the company has been actively acquiring intellectual property rights, the company has also experienced many patent disputes.

A representative patent dispute is one related to a patent for "wash-free rice." The opposing party sued multiple Satake's customers, and Satake was required to engage in this patent dispute for nearly 10 years. Although Satake won the patent dispute when the patent in question was declared invalid, the dispute brought to the company significant damage such as the loss of business opportunities. However, from this experience, Satake renewed its awareness of the importance of patents.

Recently, in addition to the acquisition of patents, the company attaches importance to providing the Japan Patent Office (JPO) with prior-art information related to the published patent applications of the competitors. The company provides the JPO with as much information as possible to prevent the generation of a right which is likely to lead to a patent dispute.

**3. Making efforts in intellectual property management**

Though the company instituted an employee invention system in 1979 to recognize employees for their inventions, the actual compensation to employees for their assignment to the company of the right to obtain patents had not been initiated until 1998. In that year, employees began to be compensated for inventions upon application filing and patent grant. In 2005, in accordance with the amendment of the Patent Act, the manner for compensating employees was incorporated in the company's employee invention system, with the amount of compensation in the guideline increased.



In Satake, three persons are in charge of filing a patent application, and one person is in charge of filing a trademark / design registration. Unless a patent application to be filed is a joint application with another company, the filing procedure is performed almost completely within Satake. Even in the case where the company utilizes the services of a patent attorney to file an application, Satake thoroughly checks the description.

With respect to the trends of other companies, newly published gazettes are searched at regular intervals. A quick report of the searching and monitoring result is made to the related sections for their perusal. A file containing only the front page of the gazettes is also circulated among the related sections (This arrangement facilitates immediate reading. As for publications deserving special attention, the whole text is circulated.) The patent information of Satake is provided every month to the related sections through the corporate LAN.

The company makes down-to-earth efforts to identify valuable inventions. One example of such efforts is that the persons in charge of patents participate in in-house meetings on project progress held on a daily basis.

#### <Outline of company>

Name of the firm and name of representative	Satake Corporation President Toshiko Satake
Address of head office	(Hiroshima head office) 2-30, Saijonishihonmachi, Higashi-Hiroshima Shi, Hiroshima-Ken (Tokyo head office) 4-7-2, Sotokanda, Chiyoda Ku, Tokyo
Established	1896
Capital	280 million yen
Number of employees	1,064
Main products	Manufacturing and sales of food industry-related machines and foods
Telephone number	(81-82) 420-0001 (Hiroshima head office) (81-3) 3253-3111 (Tokyo head office)
URL	<a href="http://www.satake-japan.co.jp/">http://www.satake-japan.co.jp/</a>

#### Possible Case-Study Classifications:

- Categories of IP: Patents
- Categories of inventors, creators, applicants, or right holders: Profit corporation
- Business categories: Food processing, machinery, food
- Features of cases: Determining feasibility of commercialization before filing, Application filing, Prevention of disputes, Monitoring competitors' activities, Encouraging inventive activities
- Country: Japan

[End of Annex V and of document]