



# WINDS FROM JAPAN

The Licensing Executives Society Japan

## Third Time's the Charm for LES Japan

3rd Asian Student Business Plan Competition

By Ichiro Nakatomi, Ph.D. \*



The 3rd LES Asian Student Business Plan Competition was held at the 5th Asia-Pacific Regional Conference in Seoul, Korea during November 4-6, 2014.

Five student teams competed in the final round of the Asian Competition on November 5. The teams were selected from four LES regional societies from Singapore, Hong Kong, Japan, and Korea. There were two host teams present from Korea, in accordance with the rules of the competition. All student presenters performed well with the introduction of their developed products. IP related products from those teams included the new instant sticks, "DAD Smart Walker™" for seniors and patients presented by the Singapore team (Tamasek Polytechnic University), the new 3D design software system for custom-made apparel, "Put-On 360™" presented by the Hong Kong team (The University of Hong Kong), the new diagnostic kit for virus-infected shrimps, "Jamp-W SSV™" presented by the Japanese team (Tokyo University of Marine Science and Technology), the new smart phone for visually impaired persons, "Touch Beyond" by Korean (I) team (Ewha Woman's University) and the new WiFi system, YPRO presented by Korean (II) team (Chonnam National University), respectively.

The announcement of awards was carried out at a gala dinner on November 6. The judges' scoring was based on factors such as business plan, IP, competition, finance, marketing and overall presentation. The results were aggregated, and the first-place winner was the team representing the graduate school of Tokyo University of Marine

Science and Technology. The LES Japan team received its first number one position since the competition started in Tokyo. "It's a great moment and I am excited", said Benedict Maralit, who was the main presenter. "I thought that we would take second place" said Mai Nam Hung, a student from the Graduate School of Tokyo University of Marine Science and Technology. Jordan Kim, Co-Chair of APRC presented the winner's award, and the team received \$3,000 from LESI. The second-place winner was Korean (II) team and the third-place winner was the Singapore team. The award for the Japan team was also the result of the mentoring efforts provided by LES Japan's working group members.



Above photo: Benedict Maralit (right middle) and Mai Nam Hung (left middle), students from the Graduate School of Tokyo University of Marine Science and Technology



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\* President of LES Japan

# Industry-University Cooperation Activity at TMU

By Satoru Niimura\*



Tokyo Metropolitan University, hereinafter referred to as TMU, is located in Minami-Osawa, Hachioji. Hachioji is in the western suburbs of Tokyo and about one hour train-ride from the city center.

TMU was established in April, 1995 by reorganization and integration of four universities: Tokyo Metropolitan University, the Tokyo Metropolitan Institute of Technology, the Tokyo Metropolitan University of Health Sciences, and Tokyo Metropolitan College. TMU's mission is to pursue an ideal human society in the metropolis. TMU is a municipal university offers a broad range of courses in humanities and natural sciences. TMU is the largest municipal university in Japan.

TMU carries out research to solve urban problem in cooperation with Tokyo. One of the representative projects is the "2020 Future Social Research Project" for the Tokyo Olympic and Paralympic Games in 2020. This project is conducted in a number of departments in a multidisciplinary way.

Previously the university's missions were limited to education and research. However, the Fundamental Law of Education in 2006 stipulated contribution to society as an additional mission. To fulfill the last goal, universities are expected to promote active industry-university cooperation.

In the 1980s the international competitiveness of the United States economy declined and not many significant innovations were made in industry. Faced with reduced funding from the government, U.S. universities found it necessary to procure other financial sources to retain outstanding researchers. The Bayh-Dole Act of 1980 transferred the ownership of inventions made with federal funding from the government to the inventor; the act allows a university, small business, or non-profit institution to

own an invention even if it is a product of a federally funded project. The Bayh-Dole Act promoted industry-university cooperation and led to the launch of many new ventures, resulting in regained competitiveness in the U.S. industry.

In stark contrast to the prosperity enjoyed by the U.S. as a result of close industry-university cooperation instigated by the Bayh-Dole Act, the Japanese economy remained sluggish after the bubble burst in the late 1990s. The Japanese government attempted to stimulate the economy by the enactment of a Japanese version of the Bayh-Dole Act and the transformation of the national universities into independent administrative institutions. However, the results fell short of expectations.

In 2005 TMU established the Liaison Office to make contributions to society by fostering cooperation of the industry, the academia, and the general public. In the beginning its activities did not adequately meet the needs of the university and the outside world. The Liaison Office was reformed in 2011 by replacing the members with experienced consultants, financiers, and industrial-university coordinators. The reorganization activated the Liaison Office and led to fruitful activities. Now the technology transfer income TMU receives is one of the highest among the Japanese universities without the department of medicine.

In the intellectual property field, license disputes mostly occur in patent infringement cases and are fiercely fought between the parties with competing interests. By contrast, the parties in industry-university cooperation share the goal of finding industrial applications to an invention and are therefore highly desirable to make win-win partnership. Without the spirit of mutual cooperation, the parties concerned will lose incentives and the industry-university cooperation ends up in failure

I would like to promote better industry-university cooperation so as to produce many beneficial results in the future.

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# IP News from Japan

By Shoichi Okuyama, Ph.D.\*

## Committee Deliberations to End on Employee Inventions, Article 35 of the Patent Act

Article 35 of the Patent Act currently stipulates that an employee-inventor initially owns the right to obtain a patent, and if, by corporate rules or employment contract, the right is assigned to the employer, the employee-inventor is entitled to receive a "reasonable value." Japanese courts have interpreted the provisions of Article 35 to be mandatory, and therefore, the courts can themselves determine the "value" of a patented invention based essentially on the profits a company enjoyed throughout the entire life of the patented invention. This caused concern among corporate managers, and Article 35 was amended in 2004 to clarify that corporate rules or agreements are enforceable before a court if they have been made through due process with employees. Even after the 2004 amendment to the Patent Act, corporate managers continued to raise a chorus of objections against the system and asked that employee inventions be made to directly belong to the employer. The committee in charge of amendments to Article 35 began deliberations in March 2013, and this has continued for an unusually long time.

It is likely that the committee will end deliberations in December 2014 or early January 2015, and a bill will be brought before the Diet.

A discussion paper issued October 17, 2014 outlines the new system as follows:

- (1) The new system will guarantee the same legal rights to pursue remuneration as in the current system, or an equivalent thereof, for employee inventors.
- (2) The government will set out guidelines for coordination between employers and employees on incentive policies (such as discussions and interviews with employees) upon consultation with stakeholders with the view to increase legal predictability.

Such guidelines should:

- (i) Respect each company's voluntary efforts to set incentives for research activities so as to express the company's uniqueness and originality.
- (ii) Consider the reality of diverse R&D activities in each industry and changes in the current socioeconomic landscape.

- (3) The right to obtain a patent for an employee invention inherently belongs to the corporation.

Provided that the system is flexible, the following should be taken into consideration:

- (i) Any corporation (university, research institute, etc.) that wishes an employee to own the right to obtain a patent shall not be disadvantaged.
- (ii) The right of an inventor shall not be unduly compromised even if the right to obtain a patent automatically belongs to a corporation employing the inventor and the corporation does not have appropriate rules regarding employee inventions.

An interesting point in this outline is that "value" is not mentioned at all. A full report will be issued in the near future. A totally different scheme is likely imminent for employee inventions in Japan.

## Strengthened Trade Secret Protection

Another government committee began deliberations on strengthening trade secret protection in September 2014 and is also expected to conclude in December 2014 or early January 2015. The committee is considering revisions to existing guidelines for management of trade secrets by corporations and amendments to the Unfair Competition Prevention Act. One notable aspect of the proposals is to make attempted or conspiratorial theft of trade secrets a crime. More details will become clear when the committee report is published and a bill is brought before the Diet.

## Japan Will Finally Join the PLT and STLT

The Patent Law Treaty (PLT) was concluded in 2000 and the Singapore Treaty on the Law of Trademarks (STLT) in 2006. More than 35 countries have acceded to these treaties. After more than a decade of preparation, the Japanese government is planning to become party to these two treaties in Fiscal 2015, which starts April 2015. This will require that the Japanese Patent Act be substantially modified with respect to procedural requirements and relief measures. Modifications to the Trademark Act will be relatively minor. A bill is expected to be brought before the Diet in 2015.

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\* Editor / Patent Attorney, Okuyama & Sasajima

# The LES Asia Pacific Regional Conference 2014

*Firing-Up IP Transactions in Asia-Pacific  
November 5-6, 2014 in Seoul, Korea*

By Mitsuo Kariya\*

The 5th LES Asia Pacific Regional Conference was held on the 5th and 6th of November, 2014 at the Hotel Prima in Seoul. The Conference attracted more than 230 attendees including members of the LES societies in the Asia Pacific region, members from outside the region such as US, Canada, Brazil, Argentina, Russia, EU and prospective members, and turned out to be a very successful conference. Five distinguished speakers from Japan contributed to this conference.

The opening ceremony started with opening remarks by Mr. Kwang Jun Kim, President of LES Korea (Photo 1), and followed by a complimentary address by Ms. Yvonne Chua, Immediate Past President of LESI. A congratulatory message from Mr. Arnaud Michel, LESI president was conveyed to the attendees during Ms. Chua's speech.



(Photo 1) Opening Remarks by Mr. Kim

Ms. Junko Sugimura, Co-Chair of Asia-Pacific Conference LESI and LES Japan President-Elect also made a welcoming speech (Photo 2).



(Photo 2) Welcoming Speech by Ms. Sugimura

Mr. Takashi Suzuki, Corporate Officer, General Manager of IP Group, Hitachi, Ltd. was invited to a

speaker to the Grand Plenary Session 1 “IP Licensing from a Corporate Perspective” (Photo 3) which was facilitated by Mr. Kwang Jun Kim as moderator. The Grand Plenary Session 2 was for a topic “IP Licensing and Intermediates (Change in IP Licensing Environment) and led by Mr. Jim Malackowski, CEO, Ocean Tomo.



(Photo 3) Mr. Suzuki at the Grand Plenary Session 1

The afternoon sessions were organized as two separate groups, one was for a theme of “Raising War” and the other was for a theme of “Avoiding War”. Dr. Ichiro Nakatomi, CEO of Nanocarrier Co. and LES Japan President led discussions as moderator for a session of “Raising War”. Mr. Kenichi Nagasawa, Director, Group Executive of Corporate IP and Legal Headquarters, Cannon Inc. contributed as a speaker to a session of “Avoiding War” (Photo 4).



(Photo 4) Mr. Nagasawa at the “Avoiding War” Session

On the second day, there were two Grand Plenary sessions. Mr. Shoei Imai, General Manager, IP Legal Div., Fujifilm Corp. participated in the “Asia Pacific as the Epicenter of IP Licensing” session (Photo 5) moderated by Dr. Joo Sup Kim, VP, IP Center, LG Electronics Co., Ltd. A panel discussion on “Emerging IP Businesses” session was facilitated by Ms. Mi Chung Ahn, SVP, Intellectual Discovery.



(Photo 5) Mr. Imai at the “Asia Pacific as the Epicenter of IP Licensing” Session

The conference was successfully concluded by Gala Dinner. During the dinner, an Awards Ceremony for the Student Business Plan Competition was held. It was the first time for Japan team to win

the first place prize. The second place prize went to Korea team by a narrow margin.

The conference was well organized by Mr. Jordan Kim, Co-Chair, Asia Pacific Committee LESI and LES Korea conference organizing committee members, and their hard work was admired by every attendee. The attendees enjoyed the conference, and expanded and strengthened their network in the IP society.

LES Asia Pacific Regional Conference 2015 was announced by a representative from LES Malaysia to be held in Kuala Lumpur, Malaysia, September 30 - October 2, 2015. We look forward to seeing you in 2015.

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*\*Editor/Licensing Vice President at GE Japan Corporation, Patent Attorney*

## Editors' Note

This issue includes articles relating to the first win by Japan team at the 3rd LES Asia Pacific Student Business Plan Competition; Industry-university cooperation activity at TMU; “IP News from Japan”; and the LES Asia Pacific Regional Conference 2014.

A new member, Dr. Yasuo Fujii joined the editorial board and he will add great values to this newsletter going forward.

Thank you for your support of “Winds from Japan”. This news letter will continue to provide you with useful information on activities at LES Japan and up-to-date information on IP and licensing activities in Japan.

If you would like to refer to any back issues of our newsletters, you can access them via the following URL: <http://www.lesj.org>

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