

January 16, 2004

To: Bureau of Management and Information Disclosure Subcommittee,  
Intellectual Property Policy Committee  
Industrial Structure Council,  
Intellectual Property Policy Headquarters,  
Economic and Industrial Policy Bureau, Ministry of Economy, Trade and Industry

Yasuo Sakuta, President  
Japan Intellectual Property Association

Re: Opinion Concerning “Guideline for Intellectual Property Information Disclosure (Draft)”\*

We would very much appreciate if you consider the following opinion of Japan Intellectual Property Association (JIPA) concerning the “Guideline for Intellectual Property Information Disclosure (Draft) --- For Mutual Understandings between Enterprises and Market in respect of Voluntary Disclosure of Patent/Technology Information” (for which you are currently inviting public opinion).

We believe that the intellectual property information (“IP information”) disclosure in the course of IR activities should be made in the following context:

- 1) The disclosure should be made in a form beneficial both to the disclosing company and to the market participants.
- 2) The disclosure should be made by each company with its best creativeness and ingenuity in the course of its business activities in a manner the market may fully understand the corporate strategy.

In that sense, it would be necessary to completely leave to the discretion of each company whether the intellectual property information disclose or not. If disclosed, what message should be conveyed, and what scenario should be based on, to its stakeholders such as the stockholders and analysts are also leave to the discretion of the company.

In other words, whether the disclosed IP information including the corporate policy and numerical information is welcomed by the market or causes any misunderstanding, totally depends on the responsibility of each company. Those companies shall not be allowed to make excuses for the failure of sufficient conveyance by attributing such failure to the disclosure made exactly in accordance with the guideline.

There are some companies that have made importance on the IP information disclosure, which has been recommended by METI, as their urgent issue and begun preparation for the IP information disclosure in a positive manner. When they have decided to disclose, what they concern upon disclosure, is the following fundamental problems:

- a) Consistency of the disclosing policy;
- b) Consistency of items for disclosure;
- c) Appropriate media for disclosure; and
- d) Timing of disclosure.

Also, since IR activities affect not only domestic market but also overseas market, positive IP information disclosure requires a handling as a highly managerial matter, same as other disclosing

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\* “CHIZAI KANRI” (Intellectual Property Management), Vol. 54, No. 2, pp. 325-326 (2004)

items concerning management of the company.

Although METI's guideline for disclosure recommends 10 items for disclosure with the prerequisite of voluntary disclosure, various arguments have been presented for characterizing the recommendation.

Therefore, we would like to request to METI is that the description of the guideline should be figured in a manner clarifying that the IP information should be disclosed as well as the disclosure of the conventional management information under the corporate responsibility and liability.

It is anticipated that enterprises not having deep insights of IR issues would make disclosure in accordance with the recommended form if the METI guideline is issued. In that case, the information disclosed to the market both by those deliberately examined the content and the otherwise would be mixed up, and this may dilute the purpose of the companies positively disclosing their information.

Therefore, in order to reflect the purpose of the guideline, it is requested that METI should guide and lead the companies that begin considering the IP information disclosure, taking the opportunity of the issuance of guideline, to the disclosure under the acknowledgement that the result of the disclosure, or the advantage and disadvantage thereof, is totally attributable to the responsibility of the disclosing company.

