INTRODUCTION OF ARTICLES

General View of Investor Related Disclosures of Intellectual Property Information in 2005

The First Subcommittee,
The Second Intellectual Property Management Committee

In FY2004, the Japanese government launched a policy to encourage companies to disclose their intellectual property information for investor relations' purposes. With the policy entering its second year in FY2005, the First Subcommittee confirmed an increase in the number of companies disclosing their intellectual property information from 26 in FY2004 to 40 as of November 15, 2005 (a 1.5 times increase over the previous year). However, the number of participating companies is far less than 100, the target set in the government's "Intellectual Property Strategic Program 2005."

The First Subcommittee published an article entitled "Study on the Disclosure of Intellectual Property Information by Companies" ("*CHIZAI KANRI* " (Intellectual Property Management), Vol. 55, No. 2) in February 2005. In this article, the subcommittee clarified the details of the disclosures in FY2004, including the aims and methods adopted by companies that disclosed their information as well as how market players evaluated the disclosed information and what they considered to be lacking. At the same time, it organized the key points that companies should consider when disclosing their intellectual property information, in the form of recommendations. This year's article consists of an overview consisting of the general view of the FY2005 disclosures, the differences with those of FY2004 and the status of progress with regards to the problems identified last year.

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Application of Doctrine of Equivalents Based on Prosecution History Estoppels — Climate after US Supreme Court Festo Decision —

The First International Affairs Committee

In recent years, many court decisions have been rendered with regard to prosecution history estoppel under the doctrine of equivalents, including the Festo decision by the U.S. Supreme Court. U.S. patentees sometimes allege infringement under the doctrine of equivalents, in addition to or as an alternative to general literal infringement, in negotiations. In such cases, the primary task for the alleged infringer is to refute this allegation. Under certain circumstances, the alleged infringer can refute the allegation in a highly effective manner by making optimal use of the logic of prosecution history estoppel based on the aforementioned court decision. This article thus clarifies the total flow of determinations on the applicability of the doctrine of equivalents based on prosecution history estoppel, and

examines the items considered so as to effectively eliminate allegations of infringement under the doctrine of equivalents from the standpoint of the alleged infringer.

While this article conducts analysis from the standpoint of the alleged infringer, the analysis results can also be used as "points to be considered for acquiring strong patents."

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Diversified IP Management

FY2005 The First and Second Intellectual Property Management Committees

As intellectual property (IP) has come to be closely related to corporate management as an element of business competitiveness, the diversity of IP management among industries and business types has become increasingly notable. This diversity derives from differences in technology management among types of business, namely the following: (1) technology cycles; (2) single or combined technologies; (3) differences between manufacturing industries and service industries; and (4) the impact of globalization and the spread of Internet use.

Despite the existence of such diversity, the recent trend of efforts for making Japan an IP-based nation includes superficial measures that are only intended for the creation of a framework for such a nation. It seems that the impression of intellectual property as "asset" has been overstated, and that intellectual property is discussed in a similar vein as finance and real estate in terms of matters that represent monetary wealth. It is extremely risky to establish mere rules and systems without sufficiently understanding the actual conditions of intellectual property as an element of business competitiveness.

Necessary measures for intellectual property differ considerably depending on the characteristics of specific industries, types of businesses, and the nature of the technology in question. Implementing measures that take the "lowest common multiple" approach or developing laws and revising systems in a uniform manner while ignoring actual conditions would surely produce negative effects in some fields. Rather, it would seem more effective to overcome the rigidity of the statutory legal system and achieve flexible implementation according to the specific conditions of the industries in question. It is also important for businesses to analyze such diversity more than ever and actively recommend response measures. Additionally, the subject of such study should not be intellectual property alone, but should be considered more broadly as "sources of business competitiveness."

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