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**Mr. Takeshi UENO**  
**President of JIPA**

Asahi Seimei Otemachi Bldg  
18F 6-1 Ohtemachi 2-chome  
Chiyoda-ku Tokyo  
100-0004 JAPAN

By e-mail to: [soumu@jipa.or.jp](mailto:soumu@jipa.or.jp)

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Dear Mr. Ueno,

Thank you for sharing the Keidanren/JIPA proposal to reform the inventor remuneration system in Japan. This proposal addresses an issue of great importance to Japan's continuing role as an innovative and competitive economy and to our industry. We do believe that such a reform would assist and further incentivize innovation in Japan and therefore respectfully express our support and assistance in your efforts to advance and reform the current framework for employee inventions.

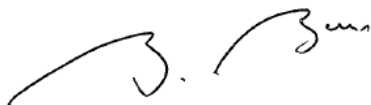
The European Federation of Pharmaceutical Industries and Associations, through its direct membership of 33 national associations and 40 leading pharmaceutical companies, represents the pharmaceutical industry operating in Europe and 1,900 companies in total, committed to researching, developing and bringing new medicines to patients.

In 2012, the innovative pharmaceutical industries as represented by EFPIA, JPMA and PhRMA spent an estimated € 36,810 million in researching and developing new medicines. Sustaining and attracting such investments requires a business environment that attracts and rewards such investments, while recognizing the unique risks and costs of the biopharmaceutical innovation process. The current remuneration system of employee inventions is greatly disadvantageous when compared to alternative remuneration systems in Europe or in the US, and disincentivizes investments in pharmaceutical research in Japan.

The current system in Japan places an unbalanced burden on companies in the context of an employee invention and thereby generates a lot of uncertainty for employers. For instance the "reasonable value" to be paid to employee for his invention has been subject to significant variability of the case law, resulting in an unclear framework for its calculation. Such unpredictability is particularly problematic for industries such as ours, which are heavily dependent on research and development, and hinders Japan's international competitiveness in R&D activities.

EFPIA therefore supports efforts to limit this uncertainty by providing for a remuneration system following a contract-based approach, along the current standards in Europe or in the US and the lines of the proposals made by Keidanren and JIPA. We believe this change would incentivize further research and development in Japan.

Sincerely,



**Brendan BARNES**  
Director Intellectual Property