

Financial Crisis and IP

- Economic Value of IP will Increase -

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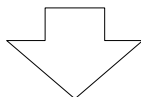
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1. Impact of the World Financial Crisis

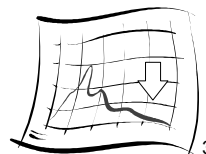
Inevitable Impact of the Current Financial Crisis

The scale of the current financial crisis is too large not to affect the IP landscape



Dispelling the Myth of IP Sanctuary

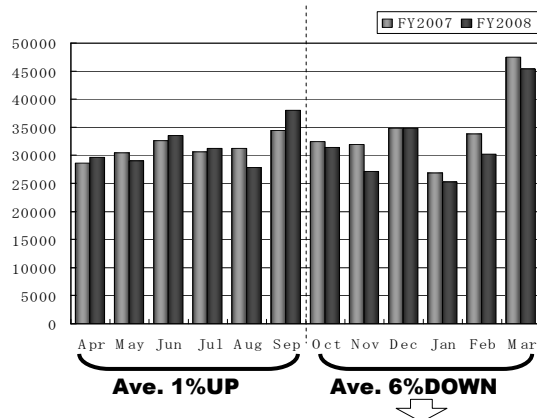
No exception even for IP budget, patent filings, market liquidity ...



Patent Filings at the JPO



- Number of patent filings has decreased after Oct. 2008



IPO's Patent Filing Survey Results

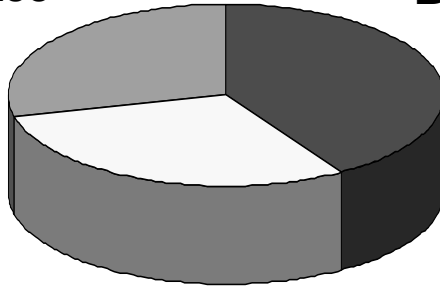
May 18, 2009



■ CY2009 Expectation for US patent filing

Increase
29%

Decrease
41%



Unchanged 30%

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KIPO Filing Statistics



■ Patent Filings in Q1 2009

Q1 2008
38,000



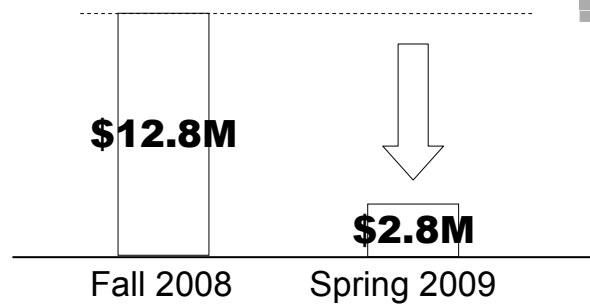
Q1 2009
35,000

9% DOWN

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Sharp Drop in IP Market

■ Ocean Tomo IP Auction



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2. The Age of Mega-competition for Knowledge Begins

Importance of IP is sure to grow in the Mid- and Long-term

Migration to Knowledge Society

Growing Environmental Problems

Rise of Open Innovation



**Importance and economic value
of IP will increase**

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IP is the Key Driving Force in the Knowledge Society

Changes in Driving Force behind Economic Growth

- Agricultural Society -

Natural Resources



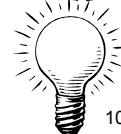
- Industrial Society -

Capital goods



- Knowledge Society -

IP

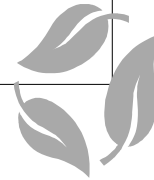


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Global Environmental Problems Calls for Technological Innovation

Effort to promote “Green” Inventions

- **USPTO Accelerated Examination**
- **UKIPO “Green Channel”**
- **JPO, SIPO, KIPO may follow**



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The Era of Open Innovation

From Improvement to Innovation

From “Closed” to “Open”



**IP is a vital tool for
business collaboration**

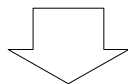
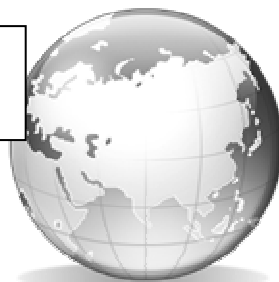


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3. Business Models and Strategies for New IP Age

Competition among Firms Has Globalized

No Borders for Science and Technology

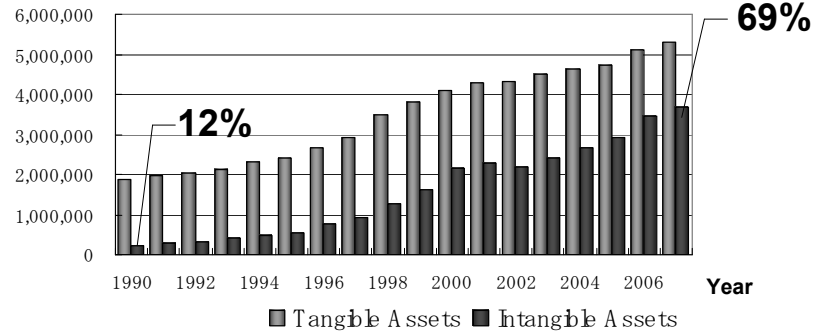


How to control patents worldwide is key to business strategies

Growing Importance of Intangible Assets

Ratio of Intangible Assets of US companies

Unit: Million USD



IP itself will become an independent commodity

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Diversifying Functionality of Patent

Phase 1

Protecting Own Business

Phase 2

Reaping Profits from Patent Itself

Phase 3

Changing Company through Innovation

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Business Strategy on Patents also Diversifying

Phase 1

**Strategy of Selling Products
Incorporating Patents**

Phase 2

Strategy of Licensing out Patents

Phase 3

**Strategy of Making Patents Open to
Get International Standards**

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What is Needed for Corporate IP Sectors

- Turn a “cost center” into a “profit center”
- Develop an IP account (balance sheet, profit and loss statement, etc.)
- Shift filing from quantity to quality
- Balance between defensive and offensive patents
- Secure patents worldwide



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4. Public Policies for New IP Age

Developing IP Infrastructure as International Public Goods

IP Infrastructure targeting “pro-innovation”
standing aloof from both anti- and pro-patent

Harmonization of IP Value Evaluation

Global Patent

Judicial Harmonization of IP

1. Harmonizing Evaluation of Economic Value of IP

Globalization of IP market requires international standard for evaluating economic value of IP

Introduction of International Accounting Standards (IAS) into IP Accounting



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2. Establishing Global Patent

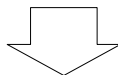
Harmonization is progressing

- PLT, SPLT, PCT reform
- Common Application Format (CAF)



Cooperation is expanding

- Patent Prosecution Highway
- ASEAN Patent Examination Co-operation (ASPEC)



Time to Make Political Decision

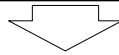
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3. Judicial Harmonization in IP

No Borders for Patent Disputes

Forum Shopping across Borders

Swinging Judicial Pendulum



Necessity of Judicial Harmonization



**“International Forum on
Patent Litigation”
should be held**

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Thank you !

**Wishing prosperity of
global IP community!**

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