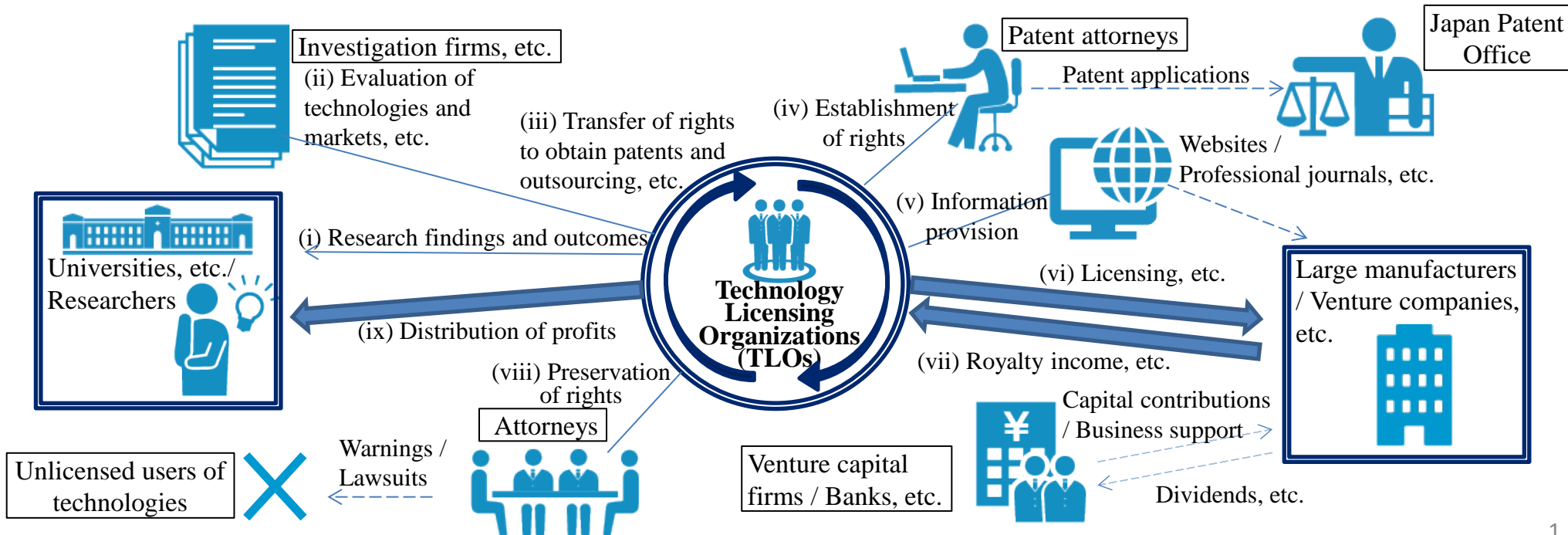


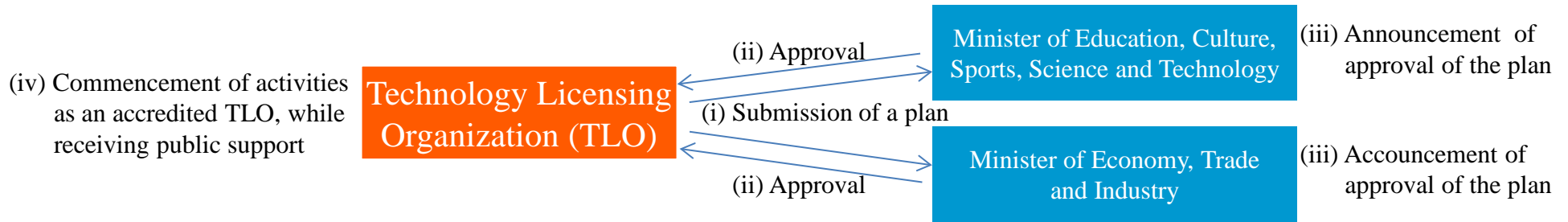
1. Outline of the Act on the Promotion of Technology Transfer from Universities to the Private Business Operation (TLO Act)

- The purpose of this Act is to contribute to facilitation of the transformation of Japan's industrial structure, to the sound development of the national economy and to advancement of learning, as a result of efforts to develop new fields of business, improve industrial technologies and revitalize research activities at universities, etc. through measures to promote the transfer of research result from universities and national research and development institutes, etc. to the private sector.
- A person who has an appropriate technology transfer plan may submit it for the approval of the Minister of Education, Culture, Sports, Science and Technology and the Minister of Economy, Trade and Industry.
- A TLO that been approved by the Minister of Education, Culture, Sports, Science and Technology and the Minister of Economy, Trade and Industry (an accredited TLO) may receive public support, such as a reduction of or exemption from patent fees, etc. and financial contributions from national university corporations.



2. Expected Activities of Accredited TLOs

- A person who has an appropriate technology transfer plan may submit it for the approval of the Minister of Education, Culture, Sports, Science and Technology and the Minister of Economy, Trade and Industry (Article 4, paragraph (1) of the TLO Act)
- A TLO that has been approved as mentioned above (an accredited TLO) may receive public support.



Expected activities

(i) Finding, evaluation, and selection, etc. of outcomes of specific feasible research	Build partnerships with universities, etc., collect information on research outcomes, and evaluate research outcomes based on market needs and feasibility, etc.
(ii) Provide information relating to outcomes of specific research, etc.	Provide information relating to research outcomes to private business entities (while giving due consideration to the confidentiality of information before disclosure)
(iii) Licensing, etc. of patent rights, etc. to private business entities	Negotiate with private business entities concerning licensing of patent rights, etc. and assume responsibility for clerical work to conclude license agreements
(iv) Distribution, etc. of royalty income and other income	Distribute royalty income to universities, etc. (based on agreements with universities, etc.)
(v) Advice on business management	Provide technology transferee entities with business management advice concerning tax affairs, accounting, legal affairs, etc. (mainly targeting university ventures)
(vi) Technical guidance, etc.	Provide technology transferee entities with technical guidance, information on peripheral technologies, and R&D assistance on peripheral technologies, etc.
(vii) Financial support	Introduce possible fund providers and acquire share options as consideration for licenses, etc.
(viii) Other duties necessary for the efficient transfer of specific research outcomes (e.g., operation of facilities for shared use, etc.)	

3. Major Legal Support Measures for Accredited TLOs

Support measures for accredited TLOs under the TLO Act

1. Reduction of or exemption from patent fees, etc. (Article 8)

When implementing Specified University Technology Transfer Operations under a plan approved by the Ministry of Education, Culture, Sports, Science and Technology and the Ministry of Economy, Trade and Industry, patent fees for the first to the tenth years and patent examination application fees are reduced by 50%.

* Until January 19, 2014, these measures were applied under Articles 56 and 57 of the Former Act on Special Measures Concerning Revitalization of Industry and Innovation in Industrial Activities.

2. Debt guarantee (Article 6)

Accredited TLOs may receive debt guarantees from the Organization for Small & Medium Enterprises and Regional Innovation to enable the borrowing of funds necessary for implementing Specified University Technology Transfer Operations.

3. Capital contributions to technology transferee entities (Article 7)

Requirements have been eased for capital contributions from Small and Medium Business Investment & Consultation Companies to SMEs that have received technology transfers from accredited TLOs.

Related laws and regulations

○Industrial Technology Enhancement Act

- Acquisition of a patent under the Bayh-Dole Act (Article 19)

The national government's approval for the transfer or licensing of a patent right, etc. held by a consignee is unnecessary with regard to outcomes of research and development consigned by the national government (patent under the Bayh-Dole Act).

○National University Corporation Act

- Accredited TLOs may receive capital contributions from national university corporations (Article 22).