1. Orientation of This Report

In recent years, disputes have arisen worldwide on licensing of standard essential patents (SEPs) due to the widespread use of standards and the complication of technologies required for such standards. In particular, as the Fourth Industrial Revolution progresses in which many products will be computerized and processing data will create new added-value, SEP licensing among different industries, especially those in which Japan has strengths (e.g., automobiles, construction machinery and factories), is expected to expand in the future. Therefore, it is very important for Japan to consider measures to resolve smoothly such disputes.

In light of this situation, the Competition Enhancement Office and the Intellectual Property Policy Office of Ministry of Economy, Trade and Industry (METI) held the “Study Group on Licensing Environment of Standard Essential Patents”[1] and, with the attendance of experts and industries, reviewed the international situation surrounding the SEP licensing negotiation. The study group also discussed the measures preferable for Japan. This report summarizes the results of the discussion in the study group as an interim report, and shows the direction of further consideration in the future.

In addition, the opinions from the attendees in the study group are placed in “(Appendix) Comments from experts and industries”. These are the opinions of each attendee and do not represent the policy or the position of METI. We list them to verbalize and widely publish the opinions from relevant parties and persons in various positions and enhance the discussion going forward.

2. Background of the Study Group

The study group was carried out based on the following aspects of SEPs:

(1) Increasing importance of SEPs

In recent years, the number of SEP declarations has been increasing due to the growing complexity of technologies and the widespread use of standards. In particular, licenses between adjacent industries (the information and communications industry and the computer industry) began in late 2000s due to the spread of smartphones, laptops, and game consoles compatible with wireless LAN standards. Since the 2010s, however, in the context of the progress of the IoT, licenses among different industries beyond the boundaries of the electronics industry have been occurring. Although, as of now, the main focus is licensing between the information communication industry and the automobile industry, as IoT further progresses in the future, the use of standards mainly in the fields of electrical and electronics or information communication is expected to expand not only in automobiles, but also in a variety of industrial products.

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[1] Five meetings were held from 12 March 2021 to 12 July 2021. Competition Enhancement Office and Intellectual Property Policy Office of METI served as secretariats, and the relevant departments of METI (Policy Planning and Research Division of the Japan Patent Office; International Electrotechnology Standardization Division, Technical Regulations, Standards and Conformity Assessment Policy Division, Strategic Standardization Section of Industrial Science and Technology Policy and Environment Bureau; IT Industry Division of Commerce and Information Policy Bureau; and Automobile Division, Policy Planning and Coordination Division of Manufacturing Industries Bureau) and Intellectual Property Strategy Headquarters of Cabinet Office, also attended as observers from the government. In addition to the experts and the representatives to the relevant organizations of industries (Japan Business Federation (JBF), Japan Intellectual Property Association (JIPA), Japan Electronics and Information Technology Industries Association (JEITA), Japan Automobile Manufacturers Association, Inc. (JAMA) and the Japan Chamber of Commerce and Industry (JCCI)) who attended the meeting, member companies of JEITA and JAMA observed the meetings (only in the case that member companies hope).
(2) Issues concerning SEP licensing

Issues concerning SEP licensing includes those from the implementers’ perspective (hold-up) as well as those from SEP holders’ perspective (hold-out). Hold-up may cause interference with the adoption of standards by implementers or innovations that may be realized by it, while hold-out may cause interference with developing foundations of innovation, such as the development and dissemination of standards and the technological development needed for them. In either case, innovation may be discouraged, which may diminish consumer benefits that would otherwise be available.

With these issues, disputes involving SEP licensing have arisen worldwide, and policy-making authorities etc. in these countries have published policy documents or the like in order to respond to these situations.

<Reference> Issues related to SEP licensing

\[\text{Hold-up (Issues from the Implementers’ Perspective)}\]
Since SEPs must be always implemented in manufacturing standard-compliant products, implementers do not have the option of not using SEPs. In addition, it is easy for the SEP holders to assert infringement of patents because it is not necessary to analyze the alleged infringing products in detail.

\[\downarrow\]
Even if there is one SEP that is infringed, the injunction based on the infringement will make it impossible to sell the standard-compliant products. Therefore, the implementers may be forced to accept the disadvantageous conditions compared to where ordinary patents are involved.

\[\text{Hold-out (Issues from the SEP Holders’ Perspective)}\]
SEPs holders are required to license on reasonable and non-discriminatory conditions in accordance with the FRAND declaration.
If it is determined that these conditions are not met, it is likely that the exercise of the rights will not be permitted.

\[\downarrow\]
The implementers are likely not to respond sincerely to the license negotiation because they consider the exercise of the rights too difficult to be permitted. For this reason, the SEP holders may not be able to recover the costs spent for the formulation of the standard and the development of the technology therefor.

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\(^2\) Prepared by the Ministry of Economy, Trade and Industry based on the research by Cyber Creative Institute (data from ETSI HP, by family as of March 2021).
3. Considerations and directions as a result of discussion

Recognizing the situation described in section 2 above, this study group started to discuss the following three items:

- **Consideration 1**
  Increasing disputes involving SEP licensing among different industries around the world and the situation of Japanese companies

- **Consideration 2**
  Necessity of setting rules on SEP licensing negotiation processes such as rules on information provision between parties related to the negotiation, while there would be a great discrepancy in each party’s argument concerning the issues on the choice of licensee and the terms of the license

- **Consideration 3**
  Others
  Regarding Consideration 3, as a result of the discussion, there were opinions that the following three items should also be considered: “patent pools,” “joint licensing negotiations by multiple implementers” and “burdens on licensing within the supply chain,” and therefore, the study group discussed these items as well.

As a result of the discussion, the future direction for each consideration is as described below.

(1) Increasing disputes involving SEP licensing among different industries and the situation of Japanese companies

Anticipating an increase in the use of standards in the future with the advancement of the Fourth Industrial Revolution, the study group discussed how to analyze the increasing disputes involving SEP licensing among different industries around the world and the situation of Japanese companies.

As a result, the direction was shown that: “Disputes involving SEP licensing among different industries are expected to increase in the future, and various industries in Japan are at risk of being involved in the disputes. The Japanese government, in addition to supporting research and development, will consider the measures to deal with the disputes from the standpoint of the development of Japanese industries and externally disseminate the results of the consideration.”

(2) Necessity of setting rules on SEP licensing negotiation processes such as rules on information provision between parties related to the negotiation

The study group discussed what the rules should be, based on the current situation on the problem faced by the parties to the negotiation caused by low predictability and transparency due to the absence of clear rules on the licensing negotiation process (which is conducted not only in Japan but also globally) (Reference 1) and the purpose of setting rules on licensing negotiation process (Reference 2) based on such situation.

As a result, the direction was shown that: “The Japanese government will promptly consider and externally disseminate rules on good faith negotiations that should be complied with by both SEP holders and implementers, taking into account international discussions, in order to realize an appropriate licensing environment through improvement of transparency and predictability of the SEP licensing negotiation processes.”

<Reference 1> Problems from the perspective of the parties to the SEP licensing negotiations

【1】As licensing among different industries increases, low predictability of the negotiation processes poses significant business risks for companies in diverse industries (especially, enterprises that do not have knowledge of the subject standards and technologies, and small and medium-sized enterprises).

【2】Since there is no clear rule, the predictability of the results of litigations is low and the litigation itself becomes a great burden.

【3】Although it is possible to manage this situation by the public enforcement of the Competition Law (Anti-trust Law), it is difficult to enforce the law for the purpose of improving opacity (providing information and so on) as it is generally a mechanism to allow measures necessary for eliminating the violating acts after such acts are committed. There are also limitations to dealing with individual disputes through individual review.

【4】In addition, even from the perspective of parties exercising rights, as there is no clear rule, the predictability of the results of litigations is low (※1) and there is a risk that the exercise of rights will not be permitted even if the opposite party of the negotiation acts in bad faith (※2). Under such circumstances, if a reasonable consideration cannot be collected, it may be difficult to continue standardizing activities and research and development.

※1: In Japan, there is only one precedent, rendered over five years ago, and it is difficult to predict how the latest overseas trends will be reflected.
※2: If there is a growing number of implementers who are unfamiliar with the negotiation as the number of licensing negotiations among different industries increases, it will be expected that appropriate measures are not taken although they may not be intentional.

<Reference 2> Purpose of setting rules for the licensing negotiation process

【1】To improve the transparency and predictability of negotiations in an effective manner to avoid the following situations, by being considered Japanese companies negotiating in bad faith, as the number of global SEP portfolio licensing negotiations among different industries increases (Domestic and outside Japan):
   • Exposed to the risk of an injunction, being forced to accept adverse conditions in light of such risk
   • Restricted from exercising rights and being unable to recover legitimate consideration

【2】To improve the predictability of the outcome of domestic litigations in preparation for the future matters litigated in Japan with respect to the exercise of SEP rights (Domestic)

【3】To disseminate the modalities of negotiations to improve transparency and predictability, and to lead global rule-making (Outside Japan)

(3) Patent pools

As one of Consideration 3 (Others), the study group discussed the utilization of patent pools in which multiple SEP holders’ rights, etc. are concentrated on a specific management organization and then licensed through such an organization.

As a result, the direction was shown that: “Patent pools will be utilized as one measure for licensing SEPs as the number of SEPs increases. The Japanese government will consider the measures for encouraging good faith negotiations by ensuring transparency of their licensing terms and so on, taking account of such a situation.”

(4) Joint licensing negotiations by multiple implementers

As one of Consideration 3 (Others), the study group discussed a mechanism in which multiple implementing companies jointly negotiate licenses.

As a result, the direction was shown that: “The Japanese government will consider the measures to conduct horizontal joint negotiations which will not cause competition law concerns.”
(5) Burdens on licensing within the supply chain

As one of Consideration 3 (Others), the study group discussed the burden of companies in the supply chain.

The direction was shown that: “There were opinions that burdens on licensing within the supply chain, such as patent indemnification, varies greatly, depending on individual circumstances, and it is difficult to set unified rules. It is important for the Japanese government to consider a larger direction (such as the allocation of burdens in entire commercial distribution including the distribution from semiconductor supply to service provision) and to get the picture of the facts.”
(Appendix) Comments from experts and industries

(1) Increasing disputes involving SEP licensing among different industries and the situation of Japanese companies

- This may affect the entire Japanese industry in the future. It is necessary to discuss these, considering national interests based on the actual situation of Japanese industries.
- The parties of the licensing negotiation are not only large companies. A licensing environment taking small and medium-sized enterprises into consideration is necessary.
- In addition to the increase in the number of decisions which were tough on implementers rendered mainly in Europe, anti-suit injunctions and injunctions against the filing of such injunctions are frequently issued overseas, and therefore there is a growing need to negotiate with awareness of such overseas trends.
- Same as in foreign countries, it is necessary to strengthen Japan's dissemination through both court decisions and policy documents.
- It is necessary for Japanese companies to take measures to stimulate innovation and lead to industrial development. Japanese companies have an increasing chance of obtaining SEPs.
- While research and development are crucial to strengthen the competitiveness of post-5G, dealing with licensing disputes is an urgent need.
- Injunctions against willing licensees should not be allowed.

(2) Necessity of setting rules on SEP licensing negotiation processes such as rules on information provision between parties related to the negotiation

<General>

- It would be important to ensure transparency, improve predictability and correct information disparities in order to optimize the licensing environment. In order to make the negotiation process transparent and fair, it would be necessary to provide advance rules that complement competition law.
- Prolonged licensing disputes cause problems for both SEP holders and implementers, resulting in stagnation of industry. In order to avoid such situations, it is necessary to establish an appropriate licensing environment. For this purpose, both SEP holders and implementers should be obligated to comply with rules to ensure transparency of licensing negotiation.
- The government should promptly consider and disseminate rules of licensing negotiation process.
- As lawsuits are taking place overseas, it is necessary to consider whether rules set by Japan will be of help in international disputes and whether they are effective in international disputes.
- Global rules would vary, depending on the situation, and are not singular. The absence of lawsuits in Japan does not mean that rules are not necessary. As rule making has been promoted under the initiative of foreign countries, it is meaningful for Japan to disseminate rules that increase the transparency of the negotiation process. Japan's policies are also being closely monitored overseas, and if Japan sets out rules, foreign countries may refer to them.
- Since SEP dispute after the FRAND declaration is a matter where restriction on injunctions is worth being considered, it is natural to set rules on information provision.
In cases where the global patent portfolio subject to negotiation includes Japanese patents, a mechanism to take administrative measures against violations of rules would ensure effectiveness of such rules, even for international disputes and negotiations.

If courts consider compliance with the rules in the negotiation process, the predictability of the negotiation would increase.

Whether or not an injunction based on the SEP after the FRAND declaration can be awarded depends on the status of the performance of the duty to negotiate in good faith by both the SEP holders and the implementers. Setting rules on negotiation process would provide a safe harbor for the obligations on good faith negotiations.

It is also important to take overseas trends into account when considering the rules of the negotiation process. On the other hand, overseas court decisions should be carefully adopted, taking into account that there may be geopolitical considerations, etc. behind them. It is also important to ensure their transparency and fairness while taking into account the actual situation of Japanese industries and national interests.

In setting out rules, it is important to balance between both SEP holders and implementers.

For small and medium-sized enterprises, a mechanism to increase the predictability of the licensing negotiation process is necessary.

While there are various positions and opinions on licensing negotiations, it is a great achievement that this study group presented them in written form.

**<Method on setting rules>**

In order to ensure transparency and fairness in the negotiation process, it would be necessary to provide advance rules that complement competition law.

In order to increase the predictability of negotiations, it is preferable to have a mechanism in which the compliance status with the rules on the negotiation process is considered by the court.

In case where the global patent portfolio subject to negotiation includes Japanese patents, in order to ensure the effectiveness of rules on international disputes and negotiations, it is preferable to have a mechanism to take administrative measures against violations of rules when the global patent portfolio to be negotiated includes Japanese patents.

In some cases, SEP holders may imply seeking an injunction in lawsuits without providing sufficient information. To prevent this, an approach similar to the Act on Improving Transparency and Fairness of Digital Platforms is desirable. In doing so, it is important to consider the content of negotiating attitudes required of the implementer.

As the parties and the subject matter to the negotiations are different between the digital platform transactions subject to the Act on Digital Platform Transaction Transparency and in the SEP licensing negotiations, the latter would be better suited to being left to private autonomy.

It is important to consider both legislation and disclosure of the guideline, etc. In doing so, it is important to balance the SEP holders and implementers while paying attention to the possibility that implementers may resort to delaying tactics.

Although both legislation and establishment of guidelines should be considered, the principle of private autonomy may be violated if prior restraint that is broad enough to discourage flexible licensing negotiation between businesses is established. Therefore, it is necessary to consider the contents of the dispositions, etc. that are to be taken against parties to ensure the effectiveness of the rules.
• Administrative intervention is justified in case private autonomy does not function. In digital platform transactions, administrative interventions are taken in light of the large disparities between digital platformers and their users. In SEP negotiations, it is a fact that information disparities exist between SEP holders and implementers, and the fact that there are such disparities is in common with digital platform transactions. In setting out rules, it is necessary to consider how to resolve these information disparities and how many degrees of advance intervention by the administration is necessary for that purpose.

• Since SEP disputes are international in nature, it would be more practical to take measures to support companies to improve their readiness than to develop uniform rules unique to the Japanese system. From this point of view, it may be more straightforward to update the Guide to Licensing Negotiations Involving Standard Essential Patents (“License Negotiation Guide”) of the Japan Patent Office (JPO), which summarizes the actual practice from the standpoint of what kind of behavior is considered to fulfill the obligations in good faith negotiations from the perspectives of both SEP holders and the implementers.

• Discussions of both the JPO's License Negotiation Guide and rules on negotiation are compatible.

• As the JPO's License Negotiation Guide was evolutionary, including a variety of information, I agree to update it, but as of now, it only describes different arguments by both sides in a parallel manner. For this reason, we are of the opinion that the government should disseminate more advanced rules, mainly focusing on what actions should be taken as good faith.

• Since the JPO’s License Negotiation Guide only describes different arguments by both sides in a parallel manner, considering that the number of venture companies and small and medium-sized enterprises engaging in IoT and other businesses will increase in the future, the JPO’s License Negotiation Guide will not be sufficient to ensure the predictability of negotiations, and more detailed rules will be necessary. In addition, some of the contents of the JPO’s License Negotiation Guide are based on one-sided judgments rendered overseas.

• For judges, it is agonizing to use the JPO's License Negotiation Guide because it only describes different arguments by both sides in a parallel manner. Therefore, it is desirable to set out the rules that indicate a certain direction in the future.

• Although opinions vary, it is helpful to continue discussions. We are of the view that the results of this study group provided the basis for further discussions.

<Other individual issues>

• Providing the evidence of infringement

  ➢ At a minimum, it is necessary to establish rules for the provision of information such as claim charts. On the other hand, when there is a large number of SEPs, it is not practical to request the provision of claim charts of all SEPs. It should also be taken into account the unique situation found in SEPs that the number of patents is large.

  ➢ I agree with the report of the European Commission’s SEPs Expert Group/Proposal 51 (high-level claim charts should be provided for SEPs on the patent lists or, if the SEP holder has a relatively large portfolio of SEPs, for a sufficient number of representative SEPs without requiring the implementer to first sign an NDA). It is preferable to set out the rules in line with this.

  ➢ The patents subject to license should be indicated and listed.

  ➢ It should be mandatory to clarify and list the patents to be licensed and to provide claim charts with element-by-element basis according to the principle of burden of proof.
It should be noted that, since the framework of CJEU judgment is to monitor the negotiation process and is not an absolute standard, if the obligations of SEP holders are raised, the obligations of implementers would also be raised in conjunction with those of SEP holders. For example, if SEP holders are required to provide a detailed claim chart, there is a risk that the implementer’s attitude will be evaluated as a delaying tactic, unless it responds in a shorter period. The European Commission’s SEPs Expert Group is also discussing the obligations of both parties in the negotiations, and in Japan as well, it is necessary to consider both parties’ perspectives.

- **Conclusion of non-disclosure agreement (NDA)**
  - The conclusion of an NDA should not be a condition for the provision of a claim chart (i.e., a comparison of claims and specifications) so as not to cause unfair circumstances, such as the situations where an SEP holder makes different arguments in the negotiation and in the lawsuit, or a SEP holder makes different arguments depending on implementers.
  - Since both patents and standards are publicly known, the conclusion of the NDA should not be a condition for the disclosure of the claim charts.
  - Since the claims of patents and standards are publicly known, the provision of claim charts that compare the claims with specifications in element-by-element basis would have little impact.
  - As the licensing terms of agreements with a third party concluded in individual prior negotiations are often subject to confidentiality provisions, it would be fine to be subject to NDA. On the other hand, it is desirable to disclose the licensing terms of the patent pools as much as possible.
  - When an SEP holder requests an NDA although no confidential information is involved, it could be because the SEP holder would make different arguments in negotiations and at court proceedings. However, the number of patents to be negotiated and the number of patents to be litigated greatly differ, and it is unlikely that all of the patents subject to the negotiations will be asserted in litigation.
  - The transparency of information that would be an issue at the negotiation should be ensured to be verifiable by third parties.

- **Manifestation of intention to enter into agreement**
  - The intention to obtain a license in the supply chain should be treated as a manifestation of the intention to enter into an agreement.

- **Others**
  - It is tie-in violating the Antimonopoly Act if an SEP holder claims that it will not license SEPs unless non-SEPs are included even though an implementer does not need non-SEPs. On the other hand, it is not an illegal tie-in if implementers wish to take license of non-SEPs as well. When we discuss portfolio license, we will need to distinguish those two cases.

(3) **Patent pools**

- To avoid litigation, etc. that are costly for companies, it would be reasonable to utilize patent pools where one-stop licenses can be obtained. However, a mechanism to ensure transparency and to monitor the licensing fees to be maintained as low is also necessary.

- The patent pools, in which both SEP holders and implementers gather, would be reasonable to some extent. In particular, the patent pools that make relevant agreements available to the public should be welcomed. Of course, it is inappropriate to treat implementers in a discriminatory manner without
disclosing licensing terms, or to impose restrictions on licensing, which may also cause problems under competition law. However, it is meaningful to utilize pools as long as these issues are being considered.

- There may be differences in licensing rates between the pools where SEP holders play a central role and those where SEP holders and implementers make the same level of commitment. On the other hand, the difference in rates between pools usually does not reach one or two digits. These pool rates also provide a reference for bilateral negotiations.

- The licensing rate of the patent pools generally converge on a reasonable price due to the working of market principles. Such rates of the pools should be determined by private negotiations rather than by national regulations.

- Less transparent pools need to be encouraged to improve the transparency.

- The royalty rate of the pools must be reasonable for both the SEP holders and the implementers.

- The patent pool is not universal, and some pools are unable to avoid higher prices. For example, in case major SEP holders unilaterally collect royalties while avoiding the burden, there is a possibility that the royalty rate will remain high without the working of the market principles.

- While the patent pools may be a means for reasonable adjustment of interests, it may not lead to the resolution of the most recent licensing dispute. How to promote good faith negotiations is central to the problem.

(4) Joint licensing negotiations by multiple implementers

- The advantage of joint negotiations by companies in the same supply chain (hereinafter referred to as "vertical joint negotiations") is that they allow sharing of the necessary information as a prerequisite for building a fair negotiation table. Vertical joint negotiations have already taken place in practice and are considered necessary worldwide as a matter of course. If SEP holders reject vertical joint negotiations by implementers, that may be regarded as bad faith.

- There is a high possibility that horizontal joint negotiations cannot be concluded due to differences in strength of patents owned by implementers. Moreover, the negotiation itself may be difficult if negotiations are to be conducted while intercepting information between departments in order to respond to competition law concerns.

- It is necessary for companies to conduct horizontal joint negotiations with caution, as competition law issues may arise when the total market shares of participating companies become high.

- If implementers jointly negotiate the price, it will possibly fall into the unfair restraint of trade such as joint boycott. Such concern should be taken into consideration as well.

- At present, there is no need for horizontal joint negotiations.

- There may be no need for horizontal joint negotiations. However, when such opportunities arise in the future, it will be easy to make decisions if we know in advance to what extent such negotiations will be allowed. It is preferable to set a certain framework, although it is not necessary to be a detailed discussion.

- The European Commission's SEPs Expert Group is also discussing the way to prevent cartels in horizontal joint negotiations, and it should be considered as a future issue in Japan as well. It may be useful to refer to the discussions in foreign countries that have already made progress on this issue when considering the issue in Japan.
There are efforts to devise mechanisms to prevent problems under competition law, although it appears superficially like a cartel. It would be worth examining whether such a mechanism can be established.

Joint licensing negotiations are considered to be at low risk of violating competition law and offer advantages for both parties in the negotiations when SEP holders in licensing negotiation are Patent Assertion Entities (PAE), or when implementers are startup companies or small and medium-sized enterprises that do not have a bargaining chip such as counter patents for cross-licensing.

Joint requests to the JPO for the determination of essentiality not only do not have an anti-competitive effect but can also have a pro-competitive effect to promote the use of patents.

(5) **Burdens on licensing within the supply chain**

- This is a business issue rather than an issue concerning patent licensing, since the burden within the supply chain varies from one situation to another. It is inappropriate to identify this issue and set out a rule on this, and it should be considered on a case-by-case basis within the supply chain.
- The existence or non-existence of patent indemnification provisions and the terms therein are largely determined by the power balance between companies.
- As SEP holders may also be included in the supply chain, it is difficult to decide the uniform rule on the burden in a completely different situation for each supply chain.
- There might be an opinion that supports the vulnerable parties in the supply chain, but it would be difficult to determine a uniform rule.
- Since the supply chain is extremely complex, it is important to grasp the facts surrounding agreements and commercial distribution as a basis for the analysis rather than to set out the goals such as the establishment of guidelines. In doing so, it would also be useful to obtain information from the industry groups to which each player in the supply chain belongs.
- Although the revisions to the existing transaction guidelines may be considered in the future, this is not the timing of the revision in the view of industrial development's priorities. The timing may be after the Japanese industry has restored its power.
- It would be possible to consider the negotiation guidelines on burdens within the supply chain.
- In some cases, negotiations have been postponed and considered hold-out because the patent indemnification clause blocks the discussion of the burden within the supply chain.
- For patent indemnifications, there have been several contracts recently that exclude SEPs from coverage.
- Since it is desirable to allocate burden in accordance with the profits gained with the patent, it is one direction to discuss the issue of allocating the burden, including the service providers etc.
- Some semiconductor companies do not indemnify for the use of patents and collect patent fees from downstream, including the use of their own patents in their products.
- It is important to ensure that the burden be borne by the enterprise that is originally responsible such as the above-mentioned semiconductor company, rather than by the enterprise of a particular layer. One possible way is for the JPO to determine the characteristics of patents in its “Hantei” (Advisory Opinion) system, in addition to determining the essentialness of a patent.
- It may be possible to use “Hantei” (Advisory Opinion) system of the JPO for discussions on burden allocation within the supply chain without changing the system to determine the characteristics of
patents. In fact, the JPO should advertise this “Hantei” system to foreign countries by publishing the guidance of this system and the determination results in English.