

Policies for Acquiring and Administering Intellectual Property

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Hitachi Chemical has established its “Rules for Handling Inventions,” which are in-company rules related to the acquisition and administration of intellectual property, and is working to implement them appropriately. Hitachi Chemical subsequently changed these rules to bring them in line with Article 35 (“Employees’ Inventions”) of the revised Japanese Patent Law, enacted in April 2005. Under the rules, the right to file patents for employees’ inventions upon their completion has been transferred from employee inventors to the company. In addition, under its “Invention Awards and Incentive Regulations” and “Invention Awards and Incentive Standards,” we pay rewards to employee inventors when patent applications are filed, when they are registered, when products incorporating them are launched and when royalty income is realized. Rewards at the time of patent filing and registration are fixed, while the remainder is paid in the form of an ongoing performance reward during the validity of the patent, the yearly amount being based on overall consideration of various factors, including annual sales of products incorporating the invention, the invention’s quality and degree of contribution, and the amount of royalty income received from other companies under patent licenses. We have placed no upper limit on the performance reward amount.

In the case of patent rights that contribute significantly to business, we have also established an award system under which not only inventors but employees who have assisted in the enforcement of such rights will also be eligible to receive awards and monetary rewards. The aim is to raise the incentive for everyone in the Company, not just inventors, to become involved in applying patent rights. “Rules for Handling Inventions,” “Invention Awards and Incentive Regulations” and “Invention Awards and Incentive Standards” are available to employees via the company’s intranet and other internal communications.

Moreover, Hitachi Chemical introduced a system that allows employees to apply for performance rewards for their inventions via the company’s intranet. The system facilitates feedback on both the amount of performance reward of application by inventors and results of evaluations by the Intellectual Property Office to the inventors. It also allows inventors to express their opinions on the results of the evaluation and to reapply, if necessary. With these measures, we are promoting closer communication between inventors and the Intellectual Property Office, and adopting a structure that enhances incentives for inventors.

Systems for Electronic Ordering and Delivery with Patent Firms

Hitachi Chemical must maintain close contact with patent firms, because their cooperation is essential in promoting acquisition and management of strategic patents. We have introduced systems for electronic ordering and delivery that make patent work faster and smoother by enabling simpler and more timely contact and transfer of data between Hitachi Chemical and major patent firms. Previously, these tasks were time-consuming as information had to be sent on paper forms by mail or as electronic data on recording media such as floppy disks or CD-R. By introducing these systems, we are able to make requests to the patent firm, send and receive electronic data, and conduct other types of communication in a secure Internet environment. The system also features automated production of domestic and overseas application requests to patent firms, making it even more convenient.

The system does more than just transmit electronic data; depending on the item, it can also handle repeated back-and-forth communication with patent firms regarding the same item based on a prepared workflow. It is also effective in deadline management for each item because it allows us to check the response time limit and the status of the patent firm’s response on the detailed status screen. (See figures below.)

Moreover, by introducing the electronic ordering system, we can electronically receive data on communications between the patent firms and the Japan Patent Office the same day. This gives us substantially more time to review an Office Action, for example. By connecting this system with the intellectual property (IP) management system, we can easily download necessary information such as deadline data and document data into the IP management system in a series of process, thus increasing the efficiency of IP management operations.

■ New Application Request Screen



■ Detailed Status Screen



IP Education for Engineers and Others

With the retirement of the baby-boom generation, the number of employees who have extensive experience as inventors is declining. In addition, opportunities for intellectual property education of junior engineers by the middle-aged generation, who were hired in fewer numbers, are decreasing, and our educational capabilities are deteriorating. Consequently, there is a growing need for intellectual property education for junior engineers.

Led by the Human Resources & Administration Office, Hitachi Chemical is promoting systematic education of engineers on quality assurance, production technology, finance, intellectual property, and environmental and safety issues. Related departments provide instructors and compile educational materials for each of these subjects, and the Human Resources & Administration Office manages enrollment and course records. In this way, we have established a structure for employees to participate in courses in a methodical manner, and are raising the level of our engineers.

The Intellectual Property Office participates in this process by promoting systematic education in intellectual property, with the slogan “Progress with Your Patent.” All new employees participate in training of the basics of intellectual property, consisting of group education upon entering the company and a review course one year later. For engineers as inventors, a patent search course and patent prosecution course are offered several years after they join the company so they can acquire basic knowledge related to intellectual property, and learn patent search techniques and how to prepare patent applications. We support affiliated companies by making these courses available to their employees as well.

Hitachi Chemical also provides intellectual property training for business and sales divisions. This training improves those employees’ understanding of the relationship between our business and intellectual property.

Through these actions, Hitachi Chemical is heightening understanding and recognition of the importance and applications of intellectual property among employees in not only research and development, but also in business and sales divisions, and is shaping an environment that promotes intellectual property activities as an integral part of its business strategy.

Intellectual Property Administration

Hitachi Chemical developed and began operating its unique Strategic Intellectual Property System (patent applied for) in April 2002 and updates it as needed to increase usability. Under this system, relevant personnel in the Intellectual Property Office, R&D divisions, business divisions and sales divisions have ready access to a wide range of information regarding intellectual property, including an explanation of intellectual property, detailed instructions and samples for preparing patent specifications, procedures for using patent rights, and information on patents of us and others. The system has unified all concerned divisions and departments and allowed them to implement a flexible intellectual property strategy that is linked with our business strategy. In addition, employees can access the system by computer at any time to search databases of our and other companies’ patents, make submissions of inventions and other matters, or review and download information regarding specific patent histories and rejections. This is helping to increase the efficiency of inventors’ work. Moreover, the system facilitates communication between the Intellectual Property Office and employee inventors because the Office personnel can query inventors via the company’s intranet regarding the need for substantive examination requests and the necessity of maintaining rights. This has made Intellectual Property Office activities much more efficient.

Policies Regarding Administration of Trade

Secrets and Prevention of Technology Outflow Hitachi Chemical has set down its “Rules for Handling of Company Trade Secrets” and “Rules for Handling of Other Companies Trade Secrets” to protect its trade secrets and ensure those of other companies are handled appropriately. We are working to raise awareness of these rules through workshops targeting the R&D divisions, business divisions and sales divisions, and by distributing brochures that explain why and how trade secrets should be protected.

Moreover, Hitachi Chemical maintains a technological “black box” to prevent the outflow of technology by divulging the least possible amount of information regarding key elements of its R&D and production activities, including material names, compounds, compositions and production technologies.

■ Diagram of Systematic Education

