

Column No.16

Japan's International Standardization Activities "No Need to Be Pessimistic"

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"Japan is bad at standardization" - but the situation is changing. In May this year, the ultrahigh voltage transmission network technology was recognized as an international standard of the IEC (International Electrotechnical Commission) and this has received much attention. There is said to be a high possibility that Japan's business presence will be exhibited in the area of next-generation cell-phone standards. We asked Mr. Ichitaro Ito, Patent Attorney, Deputy Director of Miyoshi & Miyoshi, about the relationship between companies' approach to international standardization and intellectual property strategy.

(Interviewer: Hiroshi Asakura, Techno associates)

---It seems that international standardization means something different to different people, doesn't it?

International standardization is generally classified into the following three areas: (1) rules; (2) test and evaluation methods; and (3) technological specifications. In short, (1) is an agreement not so much associated with technology, but more with terrorism security measures and quality assurance such as, ISO9000; (2) is standards for test/evaluation methods for judging acceptance or rejection of technology-related products such as batteries and photocatalysts; and (3) is specification standards to enable compatibility of various devices through interfaces such as broadcasting and communication.

To technology enterprises, (2) and (3) are greatly linked to business, and so, appropriate countermeasures are necessary. For example, if a company's products are determined as rejected under the test/evaluation methods in (2), the company cannot put its products on the market. (3) Regarding technological specification, the products are not excluded from the market, but because they do not meet the standards, they aren't compatible with many devices, so there is a higher possibility that the products will not be used.



---We hear Japanese companies are generally not good at standardization, but why is this?

In the standardization business, in order for us to make things more advantageous for ourselves, we need to negotiate with people from all over the world. But due to differences in language and education, it is never a favorable field for Japanese people. As standardization activities do not generate profit, companies have not placed much weight on the activities. However, now that the market has spread globally, Japanese companies must change their perception. Recently, we hear that more and more Japanese are proactively attending meetings about the standardization business or assuming the post of coordinating chairman at these meetings.

---Will Japan increasingly take a leading role in standardization in the future?

At least in the field of communication in which I specialize and particularly in the area of next-generation cell-phones, the situation is that Japan is displaying a presence. In addition, I hear that some test/evaluation methods concerning fuel cells were adopted by IEC (International Electrotechnical Commission).

---Won't the technological specifications of (3) get involved with IP strategy?

In the case where a company evidently has a key technology such as the CDMA-related technology of U. S. Qualcomm, Inc., in the cell phone field, a higher license fee can be gained by acquiring its own patent right, but it is now difficult for a specific company to monopolize a key technology. On the other hand, if plural patentees deposit their patents into the centrally controlled patent pool, even though the license fee goes down, the patents will surely make money. Whether to monopolize its own patent or to put it in the patent pool has become an important decision for a company to make in its IP strategy. It is necessary for IP departments and research and development departments to work closely together and take measures to select patents with standardization in mind.

---No problems have arisen over the patent pool, right?

If you look at LTE (Long Term Evolution), a next-generation cell phone standard, for example, it is now difficult to centrally control the rights, as there are plural entities in the patent pool. In such a case, there is a possibility that the characteristics of the patent pool are not fully utilized.

---How do you feel about recent overseas development in relation to international standards?

We should pay particular attention to China's development. The Chinese government, as well as enterprises, have become more and more conscious of standardization, and patent applications by Chinese enterprises related to standardized technology such as LTE are increasing. We will have to take international standardization strategy into consideration, based on trends not only in the U. S. and Europe but also in China.

---Negotiating power seems important in standardization activities, but is development of people with such capability going on in Japan?

There are some activities taking place in the country to train such people. For example, the Ministry of Internal Affairs and Communications established the "ICT Standardization/Intellectual Property Center" in 2008, and the Ministry of Economy, Trade and Industry have started dispatching lecturers to enterprises and universities (see related article). Promoting negotiations advantageously basically depends on whether or not Japan can propose technologies that everyone wishes to use. For example, if we assert overly outrageous ideas, we will be suspected of working for our own company's profit (to have a patent) and will be kept at a distance. On the other hand, if we have the thought of "making good things," we can be easily received by many people and have an advantageous standpoint before negotiation. If we can start out with the initial pledge that Japan makes good use of its high technical capability, then that would be good, don't you think?

---You mean that Japan shouldn't always be pessimistic about standardization, right?

I think so, but even if international standards are achieved, it is only a tool. Whether or not we can get business all over the world using the tool depends on individual enterprise's attitude and strategy towards patents. Further, not all the enterprises in Japan have achieved sufficient strategies for international standardization. Companies in this situation should seek to strengthen their strategy with respect to international standardization