

JAPANESE INDUSTRY AND POLICY NEWS

May 2017

LEGISLATION AND POLICY NEWS

“FinTech Vision”, the First Comprehensive Policy Recommendations on FinTech Presented

The Ministry of Economy, Trade and Industry (METI) released on 8 May a comprehensive report containing recommendations titled “FinTech Vision” compiled by an Advisory Council on Challenges and Future Directions Concerning FinTech (Advisory Council on FinTech), established in July 2016 by the METI. It is a result of discussion on the possible impact of FinTech on Japanese society and economy, including challenges, future policy directions offered by practitioners and experts involved in the field of FinTech.

The Fintech Vision is composed of three chapters as follows.

Chapter 1 ascertains what FinTech changes and what drives these changes, and gives an overview of the trends that society seeks globally to define by the term “FinTech.”

Chapter 2 examines the effects of FinTech on Japan’s economy and society from the viewpoints of individuals (households) and companies, as users of financial services, and shows ideal states of the FinTech society that Japan should achieve.

Chapter 3 shows challenges to be overcome in order to realize the ideal states in the FinTech society, and offers recommendations of policy measures.

Along with the report, METI also released a video clip as below titled “FinTech Life: Money Changes, Society Changes,” describing how FinTech changes people’s everyday lives through images.

https://youtu.be/FJx_yilnmP0 (Japanese language only)

http://www.meti.go.jp/english/press/2017/0508_004.html

<http://www.meti.go.jp/press/2017/05/20170508001/20170508001-2.pdf>

(Japanese language only)

Study Group for Policy Issues on the Future of Renewable Energy Holds its First Meeting

The Ministry of Economy, Trade and Industry (METI) established a new expert council called the “Study Group for Policy Issues in the Era of Large-volume

Introduction of Renewable Energy” to discuss policy issues concerning future renewable energy. The study group held its first meeting on May 25, 2017. Japan established the Partial Revision of the Act on Special Measures Concerning Procurement of Electricity from Renewable Energy Sources by Electricity Utilities, commonly called the “FIT Act,” in May 2016, and enforced it in April 2017, aiming for compatibility between the introduction of renewable energy to the maximum possible extent and the reduction of public burdens. According to the METI, Japan still needs to further introduce such energy into society. Therefore, it is necessary for Japan to develop environments for establishing an autonomous cycle of renewable energy. Moreover, Japan also needs to discuss ideal approaches to operating and maintaining power grids for the smooth introduction of renewable energy.

http://www.meti.go.jp/english/press/2017/0519_002.html

Agricultural Data Platform Will Be Constructed in Industry-Academia-Government Collaboration

Japanese government and participants to the Agricultural Data Platform consortium lead by Keio University announced on 15 May that they would construct an agricultural data platform for promoting use of practical data and know-hows to strengthen Japanese agriculture. Participants of the consortium include agricultural machine manufacturers, information and communication technology companies, think tanks, agricultural associations, among others. The data platform will have various functions such as data federation of different sources, data sharing and comparison, providing data on soil, weather, market conditions, focused weather report and maps, for example.

The project is implemented as a Cross-ministerial Strategic Innovation Promotion Program (SIP) of the Cabinet Office. It is hoped that a “prototype” of the platform will become operational within 2017.

<http://www8.cao.go.jp/cstp/stmain/20170515sipnougyou.pdf> (Japanese language only)

10 Regional Brands Selected for Overseas Promotion

Japan Patent Office (JPO) announced on 22 May that they selected the following 10 regional collective trademarks (regional brands) as eligible for the overseas promotional support for FY2017.

Higashikawa Rice (Hokkaido), Niigata Sake (Niigata), Ichida Dried Persimmon

(Nagano), Nishio's Matcha (Aichi), Takashima Crepe (Shiga), Sakai Blade (Osaka), Arida/Shimotsu Mandarin Orange (Wakayama), Hita Pear (Oita), Ureshino Green Tea (Saga) and Makurazaki Dried Bonite (Kagoshima). Maximum amount of subsidy is set at 3 million yen per producer association, to be used for establishing brand strategy, engaging in various promotional activities and the business contact with potential foreign buyers.

http://www.jpo.go.jp/torikumi/t_torikumi/pdf/regional_brands/chiiki2014.pdf

(English catalogue of regional brands)

<http://www.meti.go.jp/press/2017/05/20170522003/20170522003.html> (Press release in Japanese)

SURVEY AND BUSINESS DATA

Patent Application Trends in Important Technologies Analyzed

Japan Patent Office (JPO) released an analysis of patent application trends in 15 industrial fields/technologies which became the focus of attention, including the technologies related to the Internet of Things (IoT) and revolutionary biotechnology such as genome editing and gene therapy.

As for IoT related field such technologies as “smart manufacturing”, cloud service/cloud business and camera device for mobile object are analyzed.

JPO revealed that more than 40% of patent application in the smart manufacturing sector was submitted by Japanese companies while most numerous application of analytical technology using artificial intelligence (AI) came from the United States.

<http://www.meti.go.jp/press/2017/05/20170508002/20170508002.html>

(Japanese language only)

<http://www.meti.go.jp/press/2017/05/20170508002/20170508002-1.pdf>

(Japanese language only)

Number of Japanese Nationals Overseas Continues to Grow

According to the annual survey of Ministry of Foreign Affairs, the number of Japanese living abroad as of 1 October 2016 was 1.34 million. It is an increase of 1.6% from the previous year, renewing the past record registered in the previous year. By country, the United States (422 thousand), China (128 thousand), Australia (93 thousand), Thailand (77 thousand) and Canada (72

thousand) were the “top 5”.

The number of Japanese affiliated companies in the world also reached the highest. It was 71,820 facilities in total as of 1 October 2016. Country-wise, China (32,313), the United States (8,422) and India (4,590) were the top 3. Among EU member countries, Germany (1,811 facilities; ranked 4th in the world), the UK (998; 13th), France (702; 15th), the Netherlands (74; 22nd), Spain (365; 23rd), Poland (287; 25th), Italy (275; 27th), Czech Republic(242; 30th), Belgium (229; 32nd) and Finland (192; 35th) were top 10 as host countries. Switzerland was ranked 34th with 195 facilities.

<http://www.mofa.go.jp/mofaj/files/000260884.pdf> (Japanese language only)

Domestic Shipment of PV Module Registered Decline in Two Consecutive Years

According to the statistics compiled by the Japan Photovoltaic Energy Association (JPEA) published on 24 May, domestic shipment of photovoltaic module in FY 2016 was 6,341 MW, down 11.2% as compared to the previous fiscal year. It is a two consecutive years of decline from the peak year of FY2014.

By use on quarterly basis, domestic shipment of “Non-residential” module showed similar trends as the previous year from the second quarter of FY2016 while “Residential-use” module continued to decline from the peak year of FY2013.

<http://www.jpea.gr.jp/pdf/statistics/h284q.pdf> (Japanese language only)

COMPANY NEWS

Verification Test of Mechanical-type Wave Power Generation Begins

Mitsui Engineering & Shipbuilding Co., Ltd. (MES) announced on 10 May that it started a verification test of mechanical-type wave power generation, offshore of an island located in the south of Tokyo. Main objectives of test are proofing new operation control and durability under stormy weather. According to MES, this is the first of such experiments in Japan.

It is a joint research project with the New Energy and Industrial Technology Development Organization (NEDO). They collaborated with of Penta-Ocean Construction Co., Ltd for actual installation of the generator and with Tokyo

University for the observation of the sea and its simulation.



(photo:MES)

<http://www.mes.co.jp/press/2017/20170510.html> (Japanese language only)

Sekisui Attained High Ratio of ZEH among Its New Constructed Houses

Sekisui House, Ltd. announced on 15 May that 74% of the new detached houses they constructed in FY2016 were net zero energy houses (ZEH). They had set a ZEH ratio of 71% as a target. Cumulative number of ZEH that Sekisui sold since 2013 reached 28,195 houses at the end of March 2017, by far the most numerous, Sekisui claims.

ZEH is a house which is self-sufficient in energy, mainly by efficient insulation and energy supply facilities such as photovoltaic modules. Japanese government established a policy target to make the ZEH as a “standard” for newly constructed houses by the year 2020.

<http://www.sekisuihouse.co.jp/company/topics/datal/icsFiles/afieldfile/2017/05/15/20170515.pdf> (Japanese language only)

Experiment of Autonomous Driven Rice-Planting Begins

TOPCON Corporation announced on 19 May that they started an experiment of transplanting rice seedlings, using an automatic steering rice-planting machine which is equipped with a GPS receiver and a motor.

According to TOPCON, the introduction of information and communication

technology (ICT) to agriculture for higher efficiency and productivity is still in its early stage. They intend to apply ICT in various stages of rice growing from field smoothening, rice-planting, spreading fertilizer to harvesting. TOPCON started integrating ICT in agriculture since 2006 mainly for the foreign market.



(photo:TOPCON)

<http://www.topcon.co.jp/news/20170519-23566.html> (Japanese language only)

<http://www.topcon.co.jp/en/>

First Autonomous Driving Tractor Introduced on Market

Kubota Corporation announced on 31 May that it would start marketing autonomous driving tractors which could do cultivation and puddling work without a driver. It is necessary that a human operator “monitors” the work of machine. The suggested retail price is 11 million yen with base station for Real Time Kinematics – Global Navigation Systems and 9.7 million yen without a RTK-GPS base station.

Kubota started marketing GPS-assisted agricultural machines in September 2016 by introducing auto-steering rice planting machines. Newly introduced autonomous driving tractors are the third machine of the GPS-assisted models.



(photo:Kubota)

<https://www.kubota.co.jp/new/2017/17-23j.html> (Japanese language only)

Construction of the World's Largest Automated Vertical Vegetable Farm Announced

SPREAD Co., Ltd. announced on May 22 the construction of its next-generation vertical farm, Techno Farm Keihanna in Kizugawa, Kyoto. Techno Farm Keihanna which is expected to be completed by the end of 2017, will employ an automated cultivation system and achieve the largest output of indoor vertical lettuce farm in the world at 30,000 heads (3 tons) daily.

SPREAD started operation of its first indoor vertical farm, Kameoka Plant (Kameoka, Kyoto) in 2007, which produces 21,000 heads (2 tons) of lettuce every day. According to SPREAD, it started developing its next-generation vertical farming system, Techno FarmTM, in 2014 with the aim of global expansion. Innovation at Techno FarmTM centers around three themes: reduced cost, limited environmental impact, and global adaptability. To achieve each of these goals, SPREAD has cooperated with Japanese equipment manufacturers to develop innovative technologies for water recycling, environmental controls, automated cultivation, and LED lighting.

<http://spread.co.jp/en/>















ADDITIONAL TOPICS

Examples of Bad-Faith Trademark Filings was Jointly Compiled by Five Trademark Offices

Japan Patent Office (JPO) announced on 22 May that they compiled the “Case Examples of Bad-Faith Trademark Filings” in collaboration with four other intellectual property authorities of Asia (Chinese SAIC and South Korean KIPO), the European Union (EUIPO) and the United States (USPTO). It is an outcome of the cooperation project of five authorities (TM5) lead by the JPO.

The compiled examples contain a total of 50 cases of trademark filings for unfair purposes, together with additional information including summaries of judgements.

Examples of Bad-Faith Trademark Filings

	A case example of an application that is free-riding on a well-known trademark: Invalidation (the left one)	
	VS.	
	A case example of an application that is free-riding on a well-known trademark in other countries: Invalidation(the left one)	
	VS.	
	A case example of an application that is free-riding on a well-known trademark:Invalidation (the right one)	
	VS.	
	A case example in which an agent filed an application to register a trademark of its client:Invalidation (the left one)	
	VS.	
	A case example of an application that is free-riding on a well-known trademark: Opposition decision upheld (lack of intention to use) (the left one)	
	VS.	

<http://www.meti.go.jp/press/2017/05/20170522001/20170522001-1.pdf>

http://www.meti.go.jp/english/press/2017/0522_002.html

A Portal Website for Large-scale Field Test for Automated Driving Systems Opened

The Cabinet Office announced on 12 May that a portal website for large-scale field operational test for automated driving systems was opened. The test will be implemented as a project of the Cross-ministerial Innovation Program (SIP). The portal site is managed by the New Energy and Industrial Technology Development Organization (NEDO), containing such information as an overview and information on call for participants in the SIP. URL of the portal site is as follows.

http://www.nedo.go.jp/english/sip_ai2017.html

11 Companies Agree to Collaborate on Large-scale Construction of Hydrogen Stations

Toyota Motor Corporation, Nissan Motor Co., Ltd., Honda Motor Co., Ltd., JXTG Nippon Oil & Energy, Idemitsu Kosan Co., Ltd., Iwatani Corporation, Tokyo Gas Co., Ltd., Toho Gas Co., Ltd., Air Liquide Japan Ltd. Toyota Tsusho Corporation and Development Bank of Japan Inc. announced on 19 May that they had signed a memorandum of understanding on collaboration toward the large-scale construction of hydrogen stations for fuel cell vehicles (FCVs).

The memorandum of understanding is aimed at accelerating the construction of hydrogen stations in the current early stage of FCV commercialization, using an "all Japan" approach centered on collaboration among the 11 companies. It stems from the Japanese government's "Strategic Roadmap for Hydrogen and Fuel Cells" (revised on March 22, 2016), which targets a total of 160 operational hydrogen stations and 40,000 in-use FCVs by fiscal 2020.

<http://newsroom.toyota.co.jp/en/detail/16835323>

http://www.meti.go.jp/english/press/2017/0519_003.html