

Intellectual Property Management

Approach to Intellectual Property

Canon has always been an R&D-led company. Our growth as an enterprise relies on proactive R&D to support the creation of new markets and customer segments based on the development of products using proprietary technologies. This history underpins our belief that it is products and intellectual property (IP) that are the fruits of R&D. Canon's IP Division emphasizes the role of intellectual property activities in supporting business development.

Basic Policy of IP Activities

- IP activities are vital to support business operations
- The fruits of R&D are products and IP
- IP rights of others should be respected and handled appropriately

Integrating IP Activities Company-wide

Canon has a tradition of appointing executives with a background in IP, which means that intellectual property activities are firmly integrated and their significance is well understood throughout the company. As a result, our IP Division is able to work closely not only with R&D but also with all divisions, from production to marketing, in promoting related activities.

With all divisions acting as a team to create and protect intellectual property, Canon is able to carry out world-class IP activities.

Respecting Intellectual Property Rights

Canon takes a strict, consistent approach against counterfeit goods and intellectual property infringements. At the same time, we respect the intellectual property rights of others. We have established clear rules to ensure that our products do not infringe on rights held by others.

More specifically, we conduct thorough searches of third-party patents to prevent use of intellectual property held by others without permission. Such thorough searches of third-party rights are carried out at all stages, from the R&D stage onward, based on cooperation between the R&D division involved in the technology and the relevant IP department.

Moreover, by conducting thorough searches of third-party patents, Canon smoothly and appropriately creates partnerships with other companies and external research institutions for cross-licensing or joint research projects. This allows Canon to achieve better results than would be possible using only in-house patents or technologies.

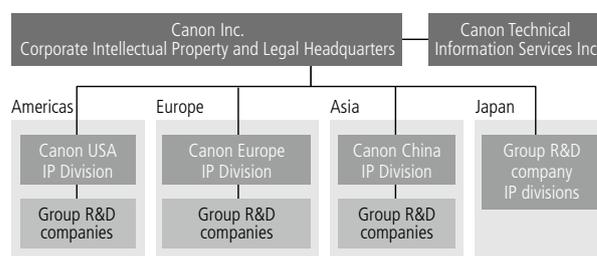
IP Rights Management System

At Canon, the Corporate Intellectual Property and Legal Headquarters at Canon Inc. works with the IP divisions

of Group companies to formulate a set of global management rules, specifying matters such as roles and responsibilities in the handling of intellectual property and procedures for setting IP policy.

This approach enables us to coordinate IP activities across the group and make effective use of Canon Group's patents as a whole. Meanwhile, we are striving to maximize profits by optimizing the patent portfolio while collaborating as needed in legal proceedings and licensing activities.

IP Rights Management System



Development of Human Resources for IP

In addition to personnel transfers within the Corporate Intellectual Property and Legal Headquarters, Canon encourages active sharing of IP-related human resources in both directions between Canon Inc. and Group companies worldwide. Such exchanges promote the sharing of knowledge and the creation of an integrated culture, which makes for stronger IP activities across Canon while also supporting the professional development of employees in the field.

Our IP Division also loans a few employees to central government agencies and other outside organizations every year. Along with contributing in such areas as policy-making, this arrangement helps Canon cultivate IP-related human resources with a broad-based outlook and a medium- to long-term perspective based on experience gained outside the Canon Group.

Participation in Formulation of Intellectual Strategy Policy

As a company involved in the utilization of IP for global business development, Canon also plays a role in the formulation of IP-related policy. The head of our Corporate Intellectual Property and Legal Headquarters serves as a member of the Study Group on Licensing Environment of Standard Essential Patents established by Japan's Ministry of Economy, Trade and Industry. He also contributes to public debate as a representative of various business associations, including roles as Vice Chairperson of the Japan Intellectual Property Association, Chairman, Sub-Committee on Policy Planning, Committee on Intellectual Property of Keidanren (Japan Business Federation), and President of the Licensing Executives Society Japan.