

Intellectual Property

The Importance of Intellectual Property

Protecting intellectual property rights is clearly articulated in the code of conduct of *The FUJITSU Way*, the core set of principles guiding the corporate and individual actions of the Fujitsu Group. Consequently, all our employees recognize intellectual property as a key corporate asset supporting our business activities. Highly aware of the legal implications related to intellectual property rights, we strive to acquire, protect, and utilize such rights, taking steps to safeguard our own rights, while respecting the intellectual property of other companies.

- Implement strict data protection measures, including initiatives to prevent unintended leaks
- Create a culture that values and protects intangible assets (intellectual property)
- Take an uncompromising stance on infringement of intellectual property rights

Intellectual Property Strategy

We are promoting an intellectual property strategy closely integrated with our business and R&D strategies. Business managers and researchers are personally responsible for understanding and analyzing the intellectual property assets owned by Fujitsu and other companies. Based on this information, they then formulate and implement intellectual property strategies. In support of this, we are pursuing the following five measures company-wide:

- ① Strategically secure, maintain and utilize rights (including patents, industrial designs, trademarks, copyrights and trade secrets);
- ② Respect other companies' intellectual property rights, (conscientiously avoid infringing on other companies' patents);
- ③ Carry out thorough management of information (in addition to enhancing internal rules, we are conducting e-learning and implementing periodic checks such as a monthly "Security Check Day");

- ④ Actively engage in external policy-making activities;
- ⑤ Cultivate and maintain strategic human resources.

1. Patent Rights

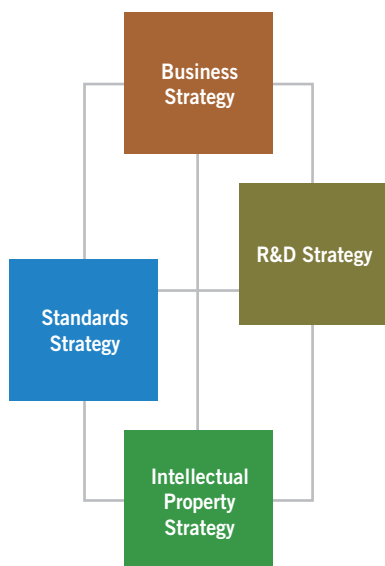
(1) Enhancing Our Patent Portfolio

Patents are a key intellectual property asset and an important management resource. We are working to build a global patent portfolio centered on Japan using the following three specific approaches:

- 1) Establish and focus on priority strategic themes;
- 2) Carry out post-application review and revision for business development;
- 3) Obtain a wide range of rights to ensure business stability.

Beginning in fiscal 2006, with the aim of incorporating patent feasibility studies into our business strategy, we appointed intellectual property officers in each business unit. These individuals are responsible for assessing and analyzing the

■ Linking Business and R&D Strategies ■ Patent Applications in Japan in 2006 ■ Patent Applications in the US in 2006



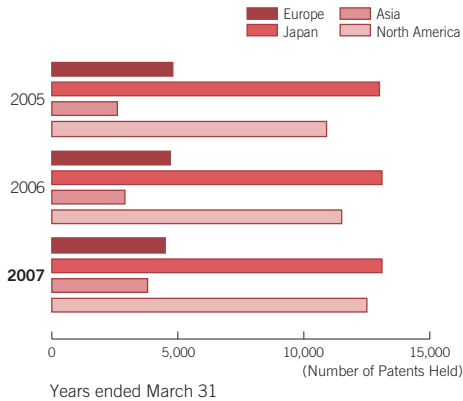
1	Matsushita Electric Industrial Co., Ltd.	3,948
2	Toshiba Corporation	2,911
3	Seiko Epson Corporation	2,477
4	Hitachi, Ltd.	2,352
5	Mitsubishi Electric Corporation	2,293
6	Canon Inc.	2,289
7	Sony Corporation	1,869
8	DENSO Corporation	1,843
9	Fujitsu Limited	1,835
10	Honda Motor Co., Ltd.	1,824
11	Nissan Motor Co., Ltd.	1,714
12	Ricoh Company, Ltd.	1,689
13	Sharp Corporation	1,639
14	SANYO Electric Co., Ltd.	1,474
15	Toyota Motor Corporation	1,455
16	Fuji Photo Film Co., Ltd.	1,190
17	Matsushita Electric Works, Ltd.	1,140
18	NTT Corporation	1,109
19	Fuji Xerox Co., Ltd.	875
20	Samsung Electronics Co., Ltd.	809

Source: Fujitsu survey based on Japan Patent Office data (Number of issued patents)

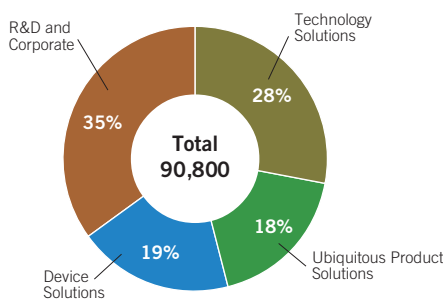
1	IBM Corporation	3,651
2	Samsung Electronics Co., Ltd.	2,453
3	Canon Inc.	2,378
4	Matsushita Electric Industrial Co., Ltd.	2,273
5	Hewlett-Packard Development Company, L.P.	2,113
6	Intel Corporation	1,962
7	Sony Corporation	1,810
8	Hitachi, Ltd.	1,749
9	Toshiba Corporation	1,717
10	Micron Technology, Inc.	1,612
11	Fujitsu Limited	1,513
12	Microsoft Corporation	1,463
13	Seiko Epson Corporation	1,205
14	General Electric Company	1,051
15	Fuji Photo Film Co., Ltd.	918
16	Infineon Technologies AG	904
17	Koninklijke Philips Electronics N.V.	901
18	Texas Instruments Incorporated	884
19	Siemens K.K.	857
20	Honda Motor Co., Ltd.	836

Source: IFI CLAIMS Patent Services (Number of issued patents)

Our Global Patent Portfolio



Registered Patents by Business Segment (Fiscal 2006)



patent holdings of Fujitsu and other companies and conducting more rigorous assessment of their competitiveness and business feasibility. Based on this approach, we can more effectively develop internal technology development and patent acquisition plans, and consider joint development and other possible collaboration with other companies. At the same time, we can take early action to avoid infringement of patents held by competitors (early identification and management of patent risks).

(2) Linking Business and R&D

We strategically channel our R&D investment into priority technology fields and work to acquire patents for not only basic technologies in these fields but also technologies in peripheral areas. For example, in the server field, every year we file for around 500 patents in Japan and overseas. Similarly, in the optical transmission technology field, we annually apply for more than 400 patents worldwide. In network-related areas, the yearly figure exceeds 100 patents, including more than 30 patents aimed at promoting industry-wide standards in the WiMAX, 3.5G mobile phone system and other fields. In advanced semiconductor technology, we file for more than 100 patents related to semiconductor circuit miniaturization technology of 45nm and beyond.

Examples of Linking Business and R&D Strategies

Transmission of HD video over IP networks (H.264)

- Video compression and transmission technology
- Systematic acquisition of necessary patents for technology standardization (more than 20 patents acquired/filed for in Japan and overseas)
- Successful transmission of HD video over IP network between Japan and U.S. (February 2007)



IP-9500 HDTV encoder/decoder

Steganography technology for printed materials (encoding data into images)

- Technology that encodes data invisible to the human eye into printed color images; the data can then be decoded by mobile phone cameras and other devices
- More than 50 patents filed worldwide
- Fine picture code (FPcode) application examples:
 - FPcode-embedded *Hachifuku-jin* good-luck charms with electronic fortune-telling feature at Kiyomizu Temple in Kyoto (November 2006)
 - Launch of media-mix sales promotion service using FPcode by FM-Yamaguchi radio station and other clients (February 2007)

(3) Licensing

We conclude cross-licensing agreements aimed at preserving a high degree of business latitude, and make technologies publicly available in various forms where we believe this will foster broader use of our technology compared with commercializing it on our own. We currently have more than 500 licensing agreements.

2. Respecting Other Companies' Rights

The impact of infringing upon the rights of other companies goes beyond having to pay significant fees. In the worst case, it could have a major economic impact on our company due to the loss of business opportunities and other issues. In addition, it could prevent us from providing products and services, thereby severely inconveniencing our customers. We are fostering a culture at Fujitsu that respects the patent rights of other companies, as well as creating an environment that allows all our technicians to utilize the ATMS/IR system to research patents held by other companies.

3. Anti-counterfeiting Strategy

In China, Hong Kong and other parts of the world, we continue to discover numerous fake products that violate Fujitsu's corporate logo, trademarks and product designs. Because these counterfeit products affect our customers in the markets where they are found and damage our corporate image, we are taking rigorous legal steps against the companies that manufacture and sell them in accordance with copyright law and industrial design rights.

For further details, please see "Fujitsu's Intellectual Property Strategy" at: <http://www.fujitsu.com/global/about/ir/library/intellectualproperty/>