INTELLECTUAL PROPERTY

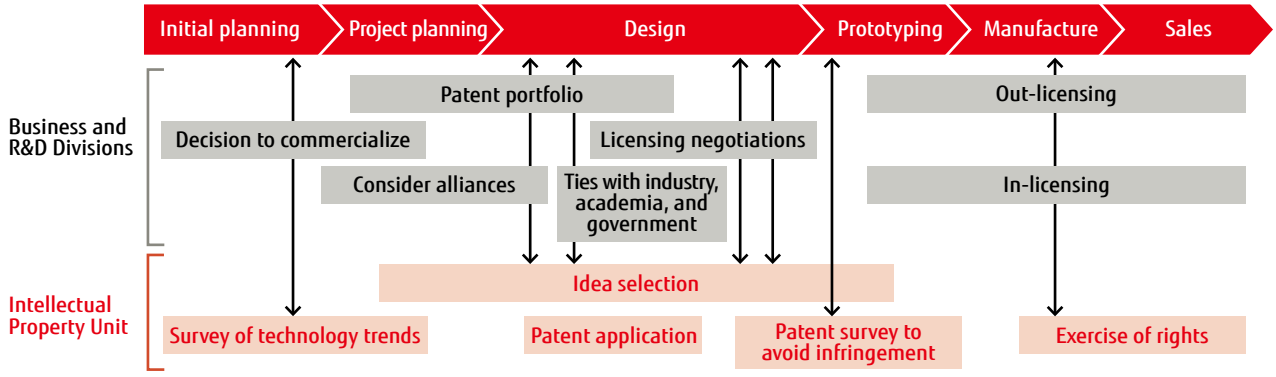
The Importance of Intellectual Property

Protecting and respecting intellectual property is part of the Code of Conduct in the Fujitsu Way, which articulates the philosophy of the Fujitsu Group and the core values and principles guiding the actions of each of its employees. Accordingly, every employee recognizes intellectual property as a key corporate asset supporting business activities. Moreover, Fujitsu employees are acutely aware of the role that technologies backed by intellectual property play in enabling customers to rely with confidence on the products and services we deliver.

Intellectual Property Strategy

Fujitsu promotes an intellectual property strategy closely integrated with its business, R&D, and standards strategies.
Intellectual property supports R&D-derived creations such as technology and ensures Fujitsu's competitive advantage and greater latitude in business by working with standards activities. We are positively utilizing intellectual property through licensing activities, etc., which contribute to business earnings.

LINKING BUSINESS AND R&D DIVISIONS



Group-Wide Initiatives

We are developing a framework to strengthen Group-wide intellectual property activities to enable the entire Group to leverage our intellectual property assets. Some issues require coordinated action among the global bases in the Group. Here, we use regular meetings among Group companies to share information as well as promote specific measures. In this way, we foster a unified approach to intellectual property activities.

1. Patent Rights

Patent rights support technological strength. Recognizing these rights as an important corporate asset, we are developing a global patent portfolio centered on patents in Japan.

We ensure that the acquisition, maintenance, and utilization of patents are carried out in keeping with the Fujitsu Group's global business development strategy. We therefore acquire, maintain, and utilize the patents we need in the countries (regions) where they are needed, to support the operation of our R&D, production, and sales bases. In particular, Fujitsu stations Group representatives in China in efforts to ensure that all the results, namely the inventions, generated by local R&D facilities lead to patent applications. Furthermore, in the U.S., the Fujitsu Patent Center established in 2008 to improve our ability to acquire patent rights is expanding its activities to raise the quality of our patents.

High-Dimensional Supercomputer Interconnect Technology

Fujitsu's supercomputer PRIMEHPC FX10 is a massively parallel computer system connecting up to several tens of thousands of nodes, with each node connected in a configuration called a high-dimensional torus (see the following figure).

This structure enables fine compartmentalization at any arbitrarily selected point without requiring use of special switches. It also has the added effect of being able to continue computing during node failures by making slight detours on circuits.

This technology was highly applauded outside of the Company, being awarded the fiscal 2014 Imperial Invention Prize by the Japan Institute of Invention and Innovation, having already received the fiscal 2011 Contribution Prize of the Ichimura Prizes in Industry from the New Technology Development Foundation.

Fujitsu supercomputers employing this technology are being used for research such as life sciences, medicine, and drug discovery, and creation of new materials and energy.

High-dimensional torus interconnect structure

Explanations for underlined words can be found in the glossary on pages 160-162.

2. Exploitation of IP

Fujitsu preserves the competitive advantage of its businesses by providing differentiated products and services which are protected by prominent technologies and IP. IP also helps to preserve greater latitude in business by enabling Fujitsu to establish more advantageous terms when partnering with other companies. Furthermore, exploitation of IP rights helps to preserve business earnings through licensing and other activities. One example of such utilization is cross-licensing, which is an essential tool for securing greater latitude in business. Fujitsu enters cross-licensing agreements with a host of companies. A sample of major cross-licensees would include Intel, International Business Machines (IBM), Alcatel-Lucent USA, Texas Instruments, and Microsoft.

3. Global Standards Activities

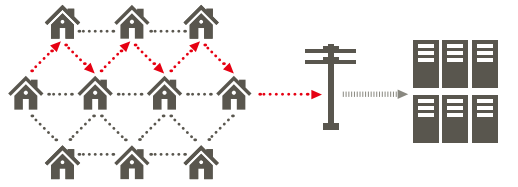
In order to succeed under swiftly shifting competitive environments of technology and market, it is important to create global standards instead of only understanding global trends of, and merely using, global standards. Being aware of this and recognizing the need for each division to align its business strategies with standardization activities, Fujitsu is actively contributing to international standardization through participation in the Standards Development Organizations (SDOs), such as ISO, IEC, ITU, IEEE, 3GPP, OASIS, OMG, DMTF, and other major global SDOs.

Global Standards for Smart Grids

Smart grids are the next-generation power grids capable of appropriately controlling flows of power supply and demand. International standardization of measurement and control technologies for power demand and supply is playing an important role in the creation and acquisition of global markets.

Regarding measurement technologies, Fujitsu developed WisReed, an advanced ad-hoc network technology capable of maintaining stable communications under a variety of environments, and the proposed specification has been approved by IETF, an Internet technology standardization organization. In control technologies, Fujitsu contributed to specifying the OpenADR2.0b, the newest specification developed by OpenADR Alliance. Also, Fujitsu's power supply and demand response systems complying with this standard acquired the world's first OpenADR 2.0b certificate.

A smart grid, the next-generation power grid



4. Respecting Third Parties' Rights

Infringing upon the rights of third parties could have a major financial impact on our Company, including having to pay significant compensation and the loss of business opportunities. 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 engineers to utilize the ATMS/IR.net system* to efficiently and effectively research patents held by other companies.

* An ASP-based service which searches laid-open patent applications and prosecution history data provided by the Japan Patent Office.

PATENTS ISSUED IN JAPAN IN 2013

1	Panasonic Corporation	7,123
2	TOYOTA MOTOR CORPORATION	5,586
3	Canon Inc.	5,582
4	Mitsubishi Electric Corporation	4,963
5	TOSHIBA CORPORATION	4,623
6	Honda Motor Co., Ltd.	3,637
7	**FUJITSU LIMITED**	**3,483**
8	Ricoh Company, Ltd.	3,292
9	NEC Corporation	2,940
10	Sharp Corporation	2,871
11	DENSO CORPORATION	2,826
12	Hitachi, Ltd.	2,607
13	FUJIFILM Corporation	2,553
14	Seiko Epson Corporation	2,370
15	NISSAN MOTOR CO.,LTD.	2,037
16	KYOCERA Corporation	1,860
17	Nippon Telegraph and Telephone Corporation	1,800
18	Sony Corporation	1,787
19	Dai Nippon Printing Co., Ltd.	1,721
20	Fuji Xerox Co., Ltd.	1,445

Fujitsu survey based on Japan Patent Office data (number of issued patents).
The number of patents granted to Fujitsu Group companies other than Fujitsu Limited was 1,645 (20 companies).
Total Fujitsu Group patents: 5,128

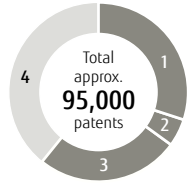
PATENTS ISSUED IN US IN 2013

1	IBM Corporation	6,809
2	Samsung Electronics Co., Ltd.	4,676
3	Canon Inc.	3,825
4	Sony Corporation	3,098
5	Microsoft Corporation	2,660
6	Panasonic Corporation	2,601
7	TOSHIBA CORPORATION	2,416
8	Hon Hai Precision Industry Co., Ltd.	2,279
9	QUALCOMM Incorporated	2,103
10	LG Electronics, Inc.	1,947
11	Google Inc.	1,851
12	**FUJITSU LIMITED**	**1,806**
13	Apple Inc.	1,775
14	General Electric Company	1,739
15	GM Global Technology	1,626
16	Seiko Epson Corporation	1,494
17	Ricoh Company, Ltd.	1,470
18	Intel Corporation	1,455
19	Hewlett-Packard Development Company, L.P.	1,360
20	BlackBerry Limited	1,334

Source: IFI CLAIMS Patent Services (number of issued patents).
The number of patents granted to Fujitsu Group companies other than Fujitsu Limited was 649 (12 companies).
Total Fujitsu Group patents: 2,455

FUJITSU FILINGS AND REGISTERED PATENTS BY BUSINESS SEGMENT

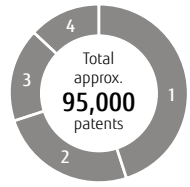
1	Technology Solutions	30%
2	Ubiquitous Solutions	5%
3	Device Solutions	26%
4	Shared Infrastructure & New Fields	39%



(Year ended March 31, 2014)

FUJITSU FILINGS AND REGISTERED PATENTS BY GEOGRAPHIC REGION

1	Japan	45%
2	North America	25%
3	Europe	17%
4	Asia/Oceania	13%



(Year ended March 31, 2014)