

**January 28 (Monday), 2008**

**Canon**  
make it possible with canon

**International Symposium**

**Intellectual Property and East Asia Renaissance**

**“Intellectual Property and Global Economic Growth”**

# Canon's Corporate Management and Intellectual Property in East Asia

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**Canon Inc.**

## *Started with camera business in 1937*

**= Management philosophy since start-up =**

- **“Respect for human life and integrity”**
- **“Compete with Canon’s original technology”**

Diversification by  
original technology

**Global Top  
Market Share**

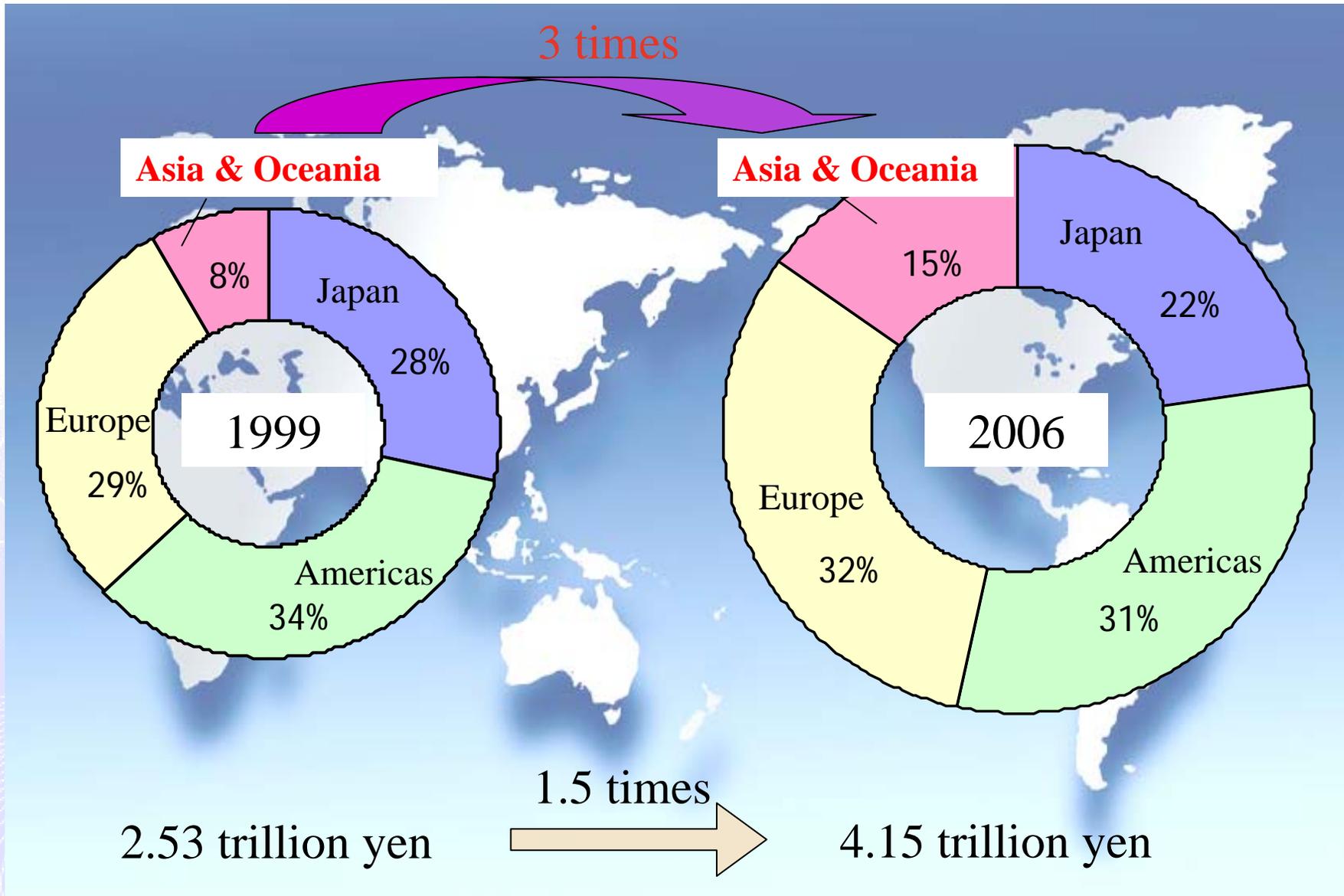
▪ Digital cameras	22%
▪ Plain paper copiers(PPC)	28%
▪ LBP (color)	52%
▪ LBP (monochrome)	60%
▪ Large format LCD exposure systems	51%
▪ TV Broadcasting lenses	60%
▪ Image scanners	35%

\* Canon estimates for 2006 data

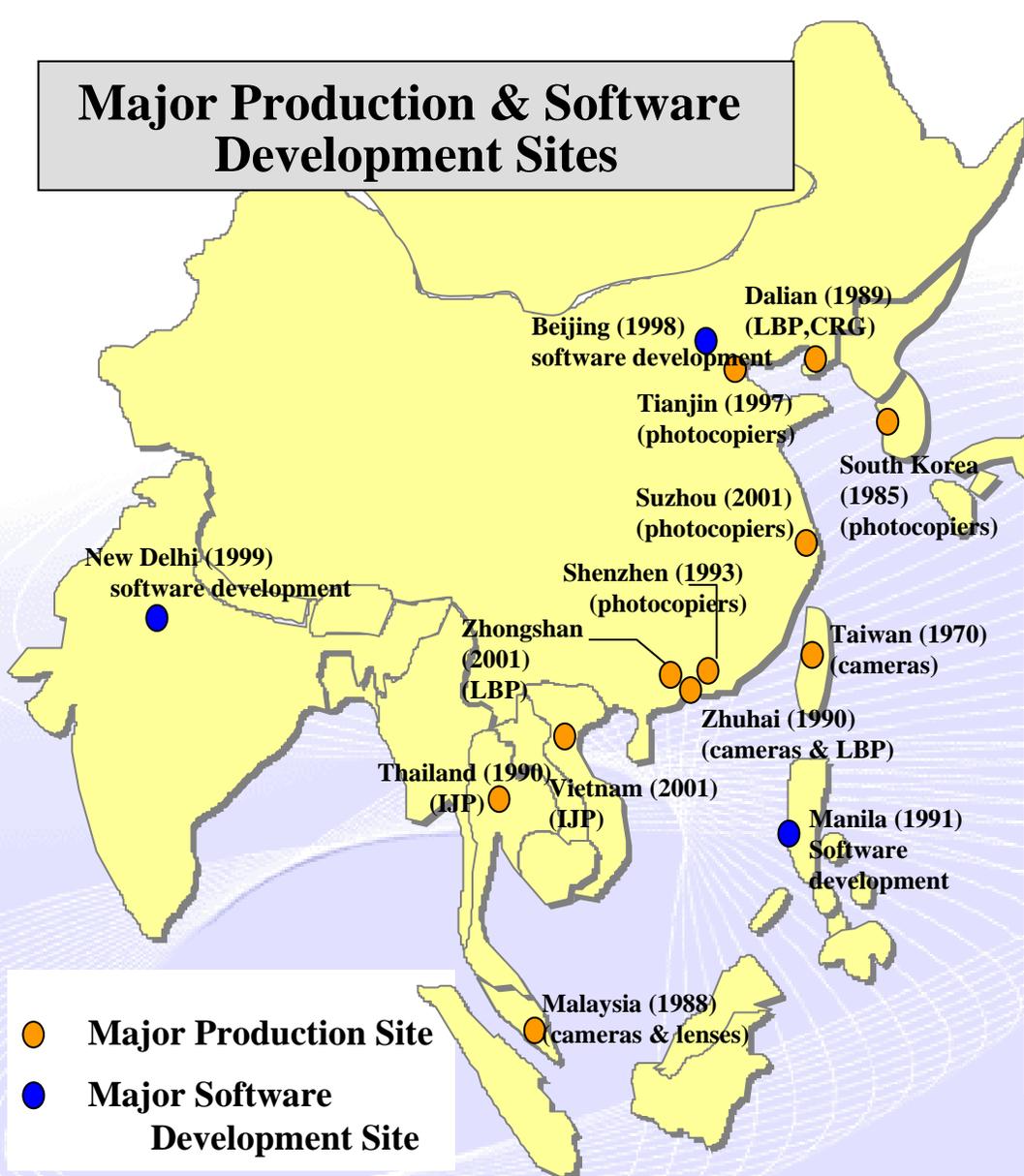
Examples of failure due to original technology: Synchroreader, office computer, FLC and plenty more...

# Company Introduction

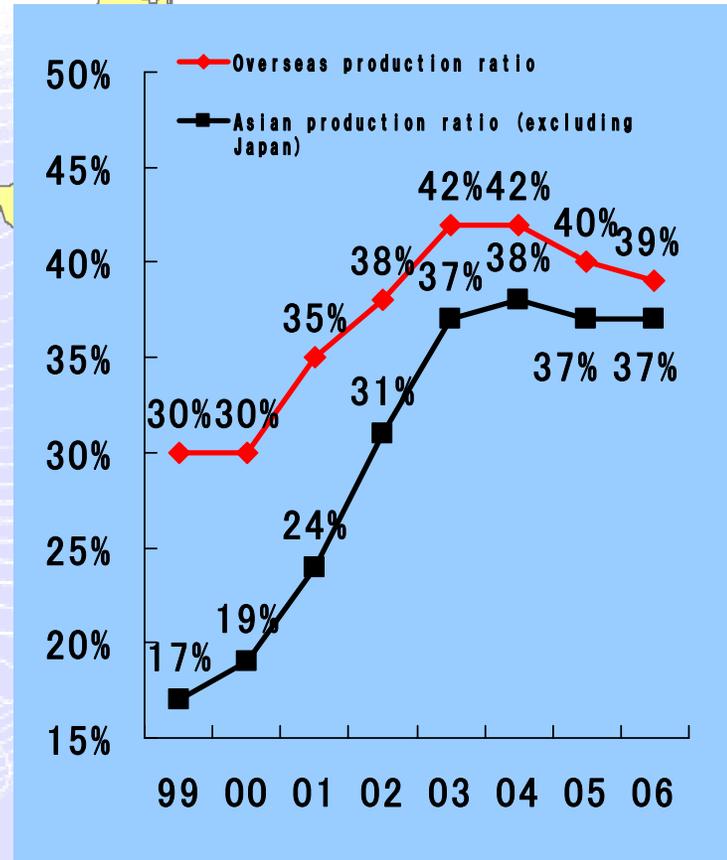
## Breakdown of Sales by Region (consolidated)



## Major Production & Software Development Sites



## Overseas Production Ratio



## *Select production site based on characteristics of each product*

### 1. Japan

- High value-added products (absorbing labor costs)
  - High quality photocopied machines, digital SLR cameras
- Products best fitting for full automation
  - Consumables, etc.

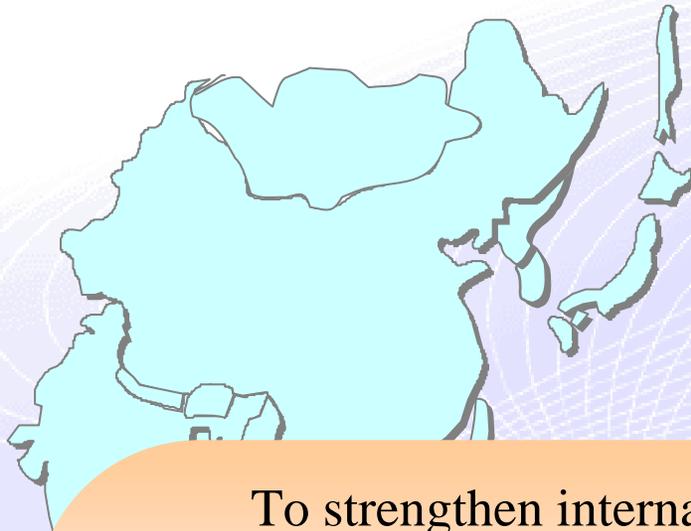
### 2. Asian Region

- Regional decentralization instead of concentration
  - To cope with unforeseen situations such as political instability, SARS, etc.
- Cost competitive products
  - Inkjet Printers, LBP (monochrome)

- 1970s – 1980s
- Since 1990s

U.S.A. ⇒ Japan

Japan ⇒ Asia (China, etc.)



## **== Rise of the Asian Region ==**

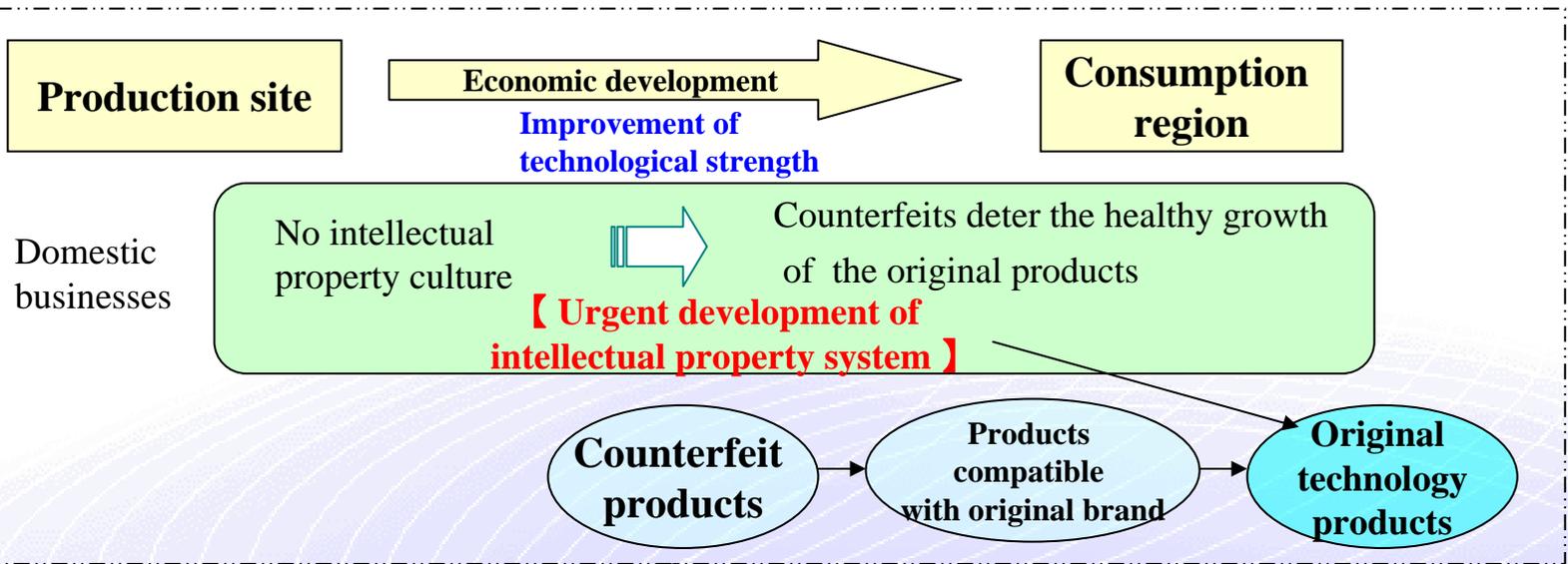
- Production site
- Improvement of technological strength
- Shift to a large consumption region (markets)

To strengthen international competitiveness:

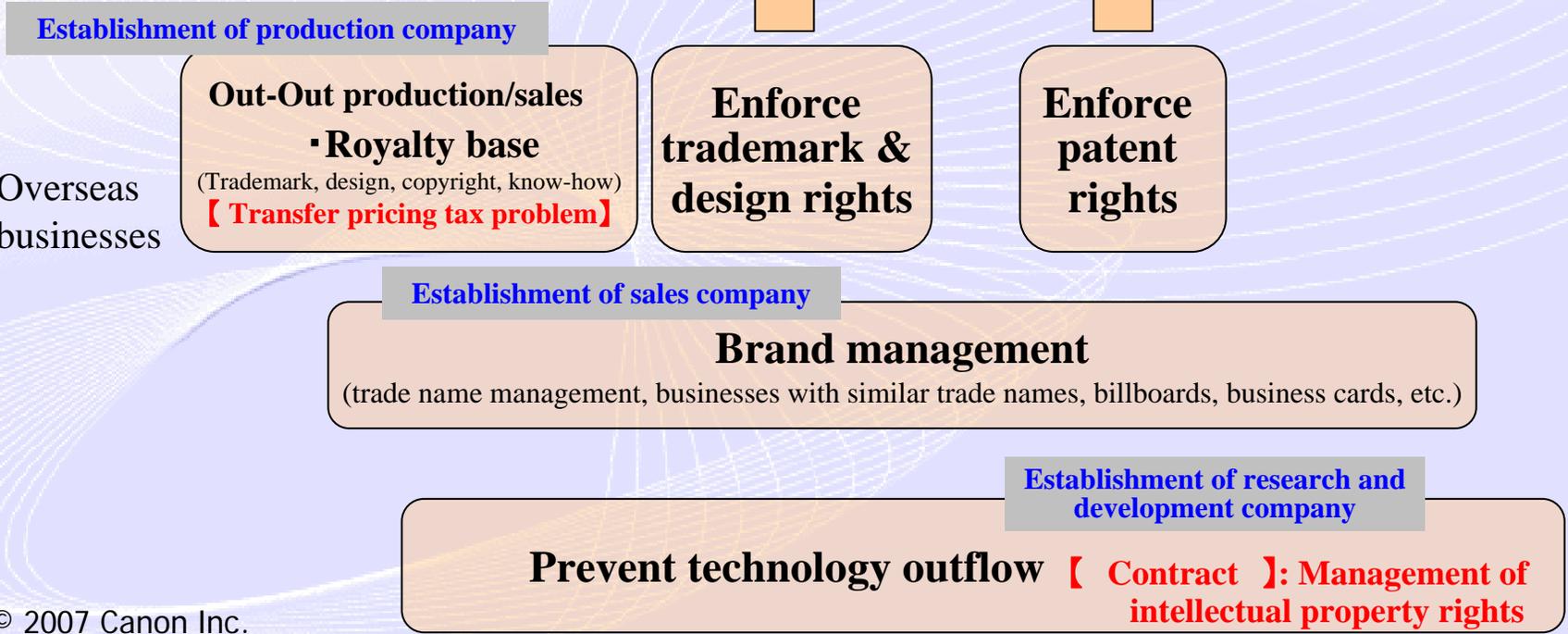
- Create new knowledge (technology), produce new products, and develop new business
- Protect new business with intellectual property rights derived from this “knowledge”

**Intellectual property based country**

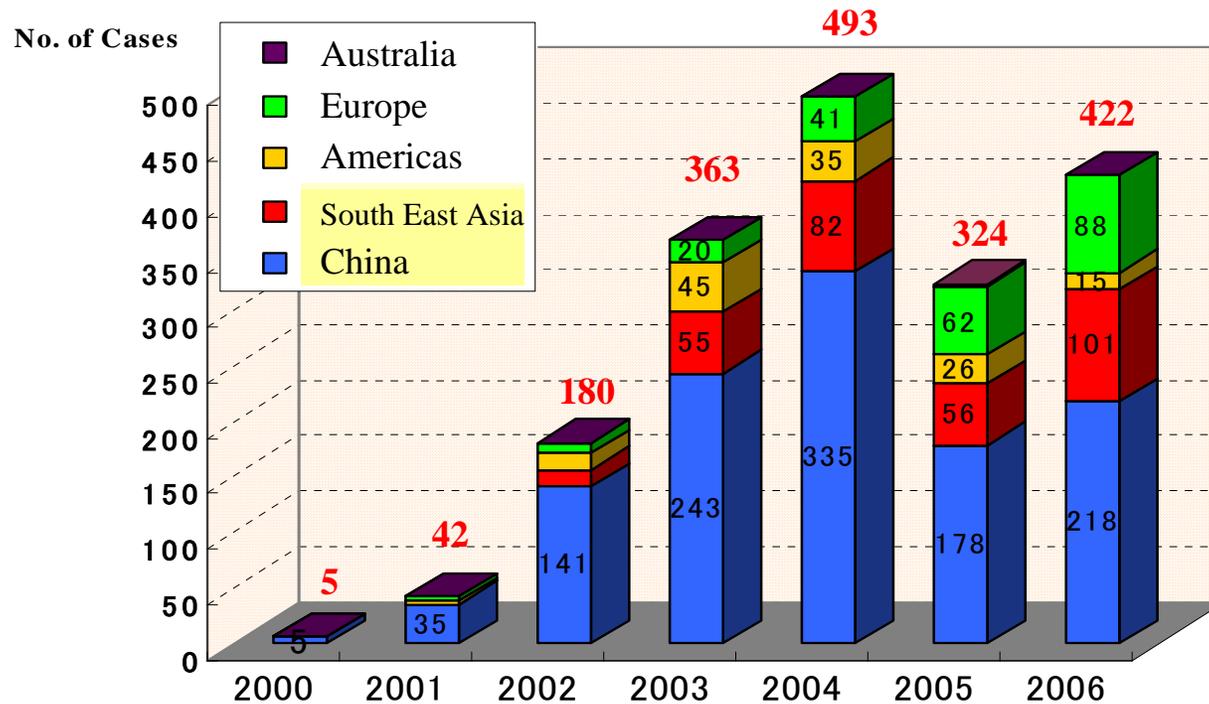
East Asia region

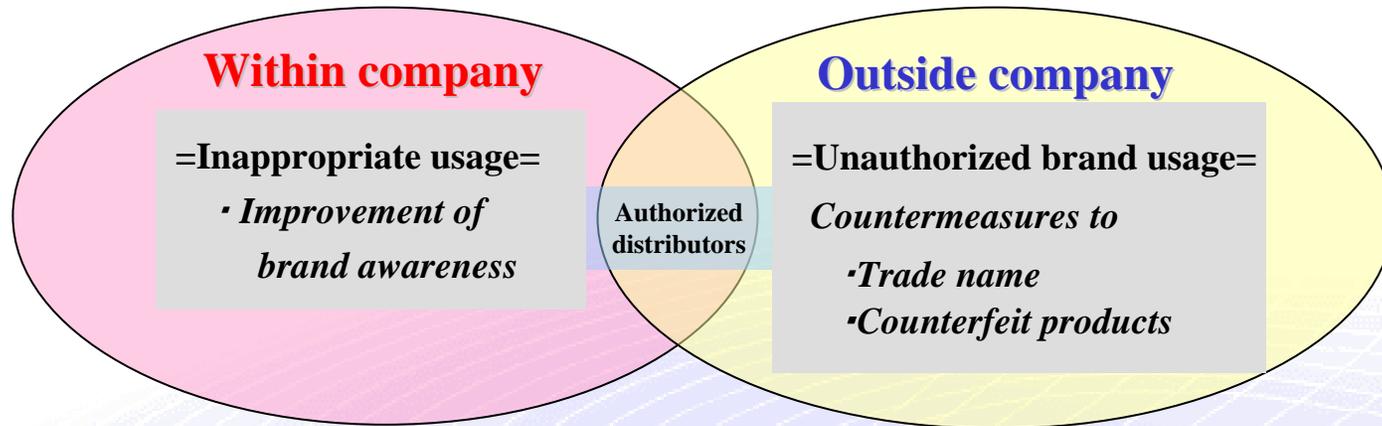


Overseas businesses



## Yearly progress by region





1. Creation of system for Canon logo management
2. Establishment of the brand management committee at each branch
  - Deploy brand management training seminar



Guangzhou branch office (China)

## Awareness reform : “culture and thinking differ in countries & regions”

### 1. Production companies

- Products management ⇒ Produce key parts and devices in Japan
- Personnel management ⇒ Prepare rules & regulations including non-disclosure agreements
- Information management ⇒ Provide minimum electronic transmission of drawings for local production

### 2. Software development companies

- |                                    |   |
|------------------------------------|---|
| (1) In-house security management   | ① Management of employee entry/exit (with guard)<br>② Management of employee with its ID card<br>③ Entry/Exit with individual passwords |
| (2) Equipment management           | ① Inspection of personal items such as media at the gate  |
| (3) Internet connection management | ① Prohibition of internet access<br>② Access management for intranet data by data   |

Sound global economic growth needs promotion of innovation and protection by intellectual property system

## Current Situation

- ① Counterfeit products harm the healthy business growth, damage brands, threaten people's safety and enrich a source of funds for criminal organizations.
- ② There are gaps in the legal system among countries and regions for intellectual property protection as well as its enforcement.

**Developed countries are requested to proactively support the establishment of East Asia's intellectual property system.**

**Requests and Cooperation**