

Intellectual Property

Hitachi's Intellectual Property Group supports business strategy from an intellectual property (IP) standpoint. Hitachi's fundamental IP strategy is to "build a world-class patent portfolio" and "strategic IP use."

Hitachi is currently pursuing a patent filing plan that calls for increasing the number of overseas application of the Hitachi Group to surpass domestic applications by fiscal year 2010, Hitachi's centennial year. Hitachi is working to promote more patent applications in overseas markets, led by the United States, Europe and China, while at the same time stepping up efforts to apply for patents in India. According to internal data, the Hitachi Group placed third in 2007 in terms of the number of U.S. issued patents, following a similar result a year earlier. Hitachi expects to maintain its high ranking in 2008 as well.

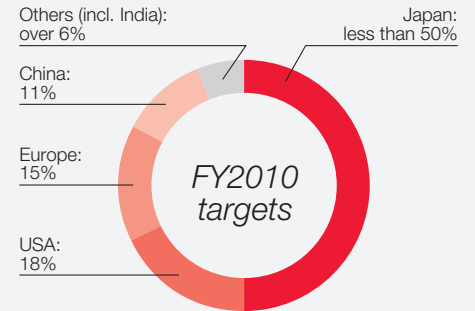
To build an internationally competitive patent portfolio, patent quality is just as important as the number of patents filed or registered. For instance, Hitachi promotes flagship patent activities (FS) in selected strategic areas to create inventions in technologies that will enhance the Hitachi Group's strengths or promote competitive differentiation. Patent portfolio management activities (PPM) try to cultivate patents worldwide in such technologies with the aim of developing a highly competitive IP portfolio. Presently, environmental technologies are one of the key themes. In this area, Hitachi is working to construct an internationally competitive patent portfolio in technologies such as higher-efficiency gas or steam turbines and CO₂ capture.

The shift in emphasis toward developing an overseas patent portfolio has resulted in an increasing proportion of patent royalty income coming from overseas. This ratio has increased from 35% in fiscal year 2000 to 71% in fiscal year 2007. However Hitachi not only aims to increase patent royalty income, but also seeks to maximize opportunities to utilize IP to enable a multifaceted contribution to business development. Going forward, Hitachi plans to continue working actively to strategically develop and exploit IP.



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Hitachi Group Domestic/ Overseas Patent Application



Royalty Income by Region

