

Intellectual Property Initiatives

Casio is actively promoting intellectual property activities in line with its management strategy through cooperation between its R&D and business divisions. Based on these activities, the company aims to protect its businesses, and contribute to corporate profitability. Casio takes a medium- to long-term perspective in order to increase its technology management ability, and is systematically promoting research and development for the creation of future business. While recognizing R&D results as intellectual property, Casio is taking steps to ensure that they are properly managed and utilized in order to secure profits.

Policies for promotion of intellectual property activities

Casio places importance on intellectual property as an important measure of corporate value. In order to effectively promote intellectual property activities, Casio has established the following three policies for promoting intellectual property activity, and implements them group-wide for effective utilization of intellectual property.

1 Making Casio a company with strength in technology and intellectual property

- Setting R&D themes that build capacity to generate intellectual property (for group-wide implementation)
- Establishing an intellectual property strategy in conjunction with business and technology strategies
- Actively developing activities for obtaining effective patents

2 Improving the balance of income and expenditure on intellectual property

- Employing a strategic response to disputes and lawsuits, minimizing expenditures, and maximizing income
- Promoting strategy establishment, and aiming for favorable negotiations
- Pursuing upcoming licensing activity themes, from which stable income can be expected

3 Developing engineers with an awareness of patent creation, and fostering world-class intellectual property personnel

- Developing engineers with an awareness of patent creation during the processes of technology and product development
- Developing engineers that create patent maps for technologies
- Education and training for the creation of groups of intellectual property professionals
- Deliberately transmitting knowledge and expertise based on specific case research

Role of the Intellectual Property Center

Since its founding, Casio has worked to develop innovative new technologies and products that are completely original and have never existed before. The protection of these development results through the creation of intellectual property rights is vital to ensuring corporate competitiveness. At the same time, protecting Casio brands and designs from counterfeiting by securing intellectual property rights is also an important activity for the company.

The Intellectual Property Center aims to secure intellectual property rights on a global level. Its role is to utilize patent, design, and trademark rights in order to help establish competitive advantage for corporate management.

The center also broadly manages intellectual property (rights) such as copyrights and trade secrets as well as general intangible properties, while signing contracts with third parties and resolving disputes.

Intellectual property activities

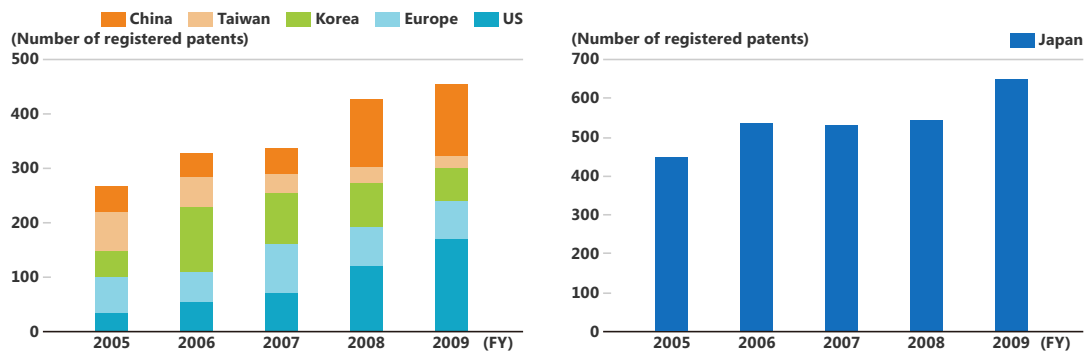
Casio implements various intellectual property activities. Casio actively utilizes the intellectual property that it has accumulated over the years, and carries out activities to protect its businesses. The company conducts ongoing R&D necessary for sustained growth, and has put in place various systems for producing new intellectual property.

1. Patent application and rights acquisition activities

Casio constructs patent nets based on patent application and registration in priority fields (selection and concentration), and actively promotes activities for the acquisition of effective patents based on quality improvement. The company carries out patent application and rights acquisition activities worldwide, in-

cluding in the USA, China, South Korea, Taiwan, and other Asian countries.

■ Global patent portfolio



2. Intellectual property rights utilization

In addition to securing intellectual property rights for its inventions and other proprietary developments, Casio works to ensure freedom of operations by preventing legal claims from other companies and earns profits by licensing its technologies to other companies (including cross licensing). The company also uses intellectual property as a barrier to deter other companies from entering the same business, and carries out activities to establish competitive advantage for corporate management. In particular, Casio takes stringent measures to combat counterfeit products, and cooperates with government agencies to remove fakes from the marketplace.

3. Patent expert system

Casio initiated a patent expert system in 1994 in order to promote the ongoing creation of outstanding intellectual property. With the aim of business strengthening through stronger intellectual property, engineers with high-level understanding of technologies and leadership skills have been assigned to each division as patent experts. While cooperating with the Intellectual Property Center from positions within their respective divisions, these patent experts work to strengthen the intellectual property abilities of their respective organizations.

Here are details of specific activities.

1. Patent activity planning based on ascertainment of technology and development trends at Casio and other companies, as well as target management
2. Discovering and updating inventions
3. Evaluation of patent applications, determination of direction for patent creation according to business strategy, as well as evaluation of patent maintenance
4. Surveys of patents at other companies, patent infringement avoidance, and patent risk management
5. Creation of new businesses centered on intellectual property



Meeting for patent experts

4. Techno Power

Casio's in-house Techno Power technology exhibition began in 1992 and is held annually to stimulate engineers, and foster sharing and cross-fertilization of technology. By creating a place for engineers to present their results to top management, and an opportunity for outstanding engineers and designers to receive

recognition (i.e., awards based on the suitability of intellectual property results), the exhibition is a source of pride and motivation for engineers and encourages them to take on the challenge of developing new technologies.



Techno Power exhibition

5. Invention award system

Since 1968, Casio has had an award system for those employees that contribute to inventions and designs. By increasing the incentive for inventors and designers, the system fosters the desire for in-house engineers to take on the challenge of discovering new technologies. In accordance with Article 35 (Inventions by Employees) of Japan's revised Patent Act, which took effect in April 2005, Casio has revised its environment for employee inventors. It updated its intellectual property rules and created a consultation process in which the employee inventors can voice opinions in the revision of the rules. It also implemented a system for employee inventors to file an objection to monetary reward amounts. Based on the demands of employee inventors, the rules were revised again in April 2006.

6. Intellectual property training system

In order to create a stronger awareness about the acquisition of intellectual property, Casio holds intellectual property seminars to deepen employee understanding and interest in intellectual property. The company also distributes relevant information online (through intellectual property website content), and uses outside educational organizations such as the Japan Intellectual Property Association and the Japan Institute of Invention and Innovation. In this way, the company is promoting various intellectual property education activities.

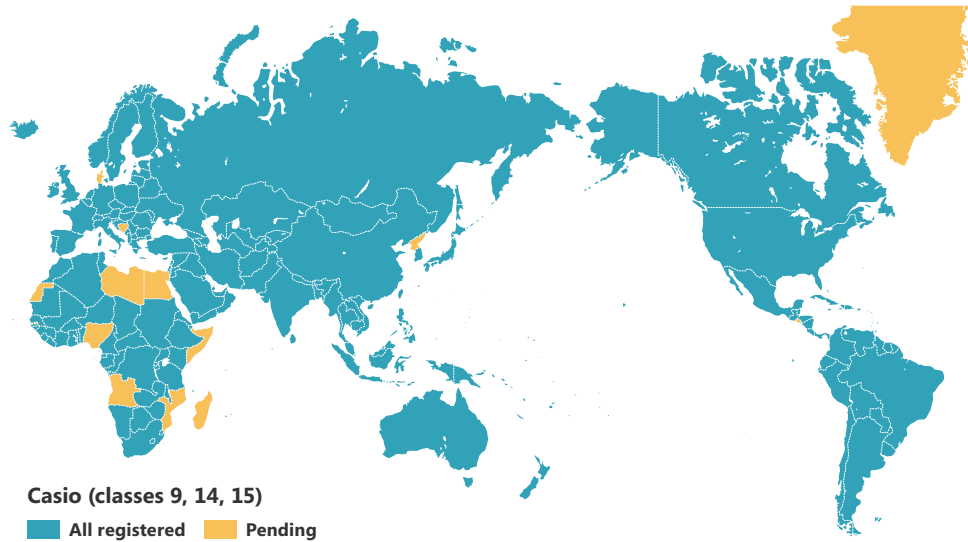
7. Brand support activities

Protecting rights to the Casio brand

In order to promote smooth corporate operations on a global level, the company protects the Casio brand with 1,738 registered trademarks in 187 countries around the world, most of which are product trademarks. In 2009, the Casio brand was recognized as a well-known trademark by the Chinese authorities (see the related Highlight column).

In recent years there have been more trademark applications by other companies—mainly in emerging economies such as China and India—which try to mimic the well-known Casio brand. As a result Casio has been strengthening its monitoring activities and its efforts to prevent the trademarking of look-alike brands.

■ Trademarking of the Casio Brand

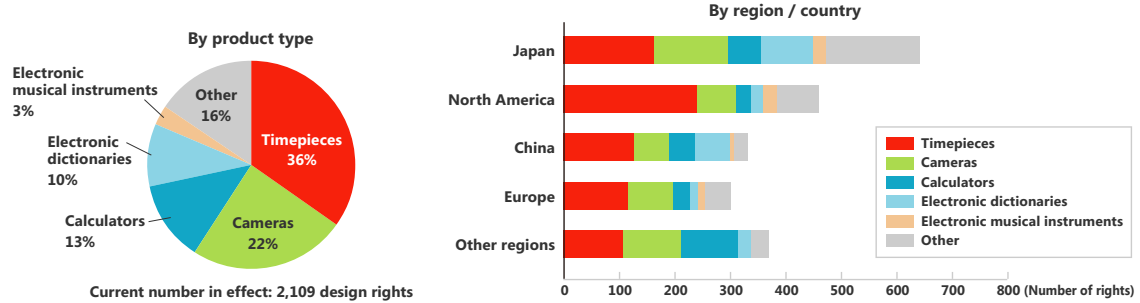


Casio has registered the Casio brand for product trademarks in the countries indicated in green. In the countries indicated in yellow, trademark review has been delayed in one area, there is no trademark system, or applications are not being accepted due to the politician situation.

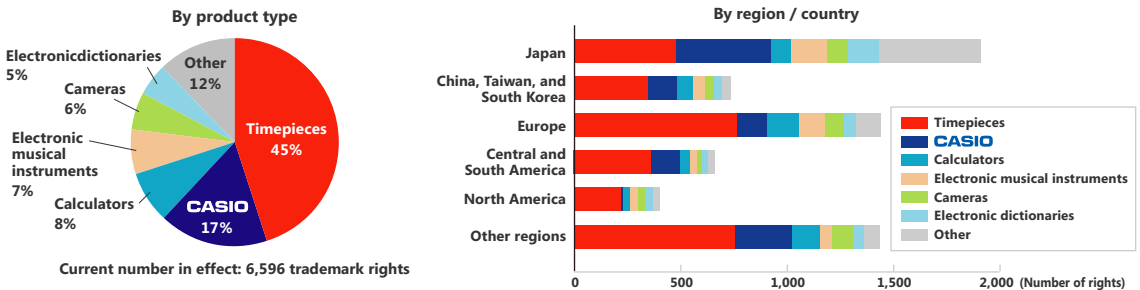
Activities for minimizing risk entailed by new product naming and design, as well as rights acquisition

While avoiding the risk of infringing upon the design or trademark rights of other companies, Casio is actively promoting business support activities based on the strengthening of Casio’s own design and trademark rights.

■ Design rights acquisition



■ Trademark rights acquisition



Counterfeit product removal and consumer protection activities

Counterfeit versions of Casio watches and calculators can be found around the world, and they can have a large negative impact on sales. In 2005, Casio began holding regular group-wide conferences combat fake products. At these meetings, employees discuss the damage situation, priority of countermeasures, and the degree of importance. Business divisions and sales departments at headquarters are committed, and Casio is working to strengthen its counterfeiting countermeasures in China, Hong Kong, and other consumer countries. At the same time, Casio has appointed an employee in charge of counterfeiting countermeasures at Casio Shanghai, and is strengthening efforts to stop these products at Chinese factories and in customs inspections.

Highlight Casio brand recognized as a well-known trademark by the Chinese Trademark Office in April 2009



On April 25, 2009, the Casio brand was officially recognized by the Trademark Office of the Chinese State Administration for Industry & Commerce as a “well-known trademark” in China.

The well-known trademark system was established in China for the purpose of raising brand awareness for Chinese companies and improving their brand power. Therefore, most of the recognized trademarks belong to Chinese companies, and it is exceedingly rare for a non-Chinese company such as Casio to receive this recognition. There were 368 companies that received the recognition at the same time as Casio, and of this number only 11 companies were foreign-owned, including Casio and 6 other Japanese companies.

The Casio brand name, written with three Chinese characters - 卡西欧 - is widely recognized among Chinese consumers. The recent authoritative certification of the Casio brand as a well-known trademark by a Chinese government agency is evidence of the strength of the Casio brand, and Casio’s long years of operation in China.