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ANNEX 2

to the Commission Implementing Decision on the financing of the annual action plan in favour of Brunei Darussalam, Japan and Taiwan for 2024

Action Document for EU-Japan Intellectual Property Action

ANNUAL PLAN

This document constitutes the annual work programme within the meaning of Article 110(2) of the Financial Regulation, within the meaning of Article 23 of the NDICI-Global Europe Regulation.

1 SYNOPSIS

1.2 Action Summary Table

<p>1. Title CRIS/OPSYS business reference Basic Act</p>	<p>EU-Japan Intellectual Property Action OPSYS number: ACT-62786 Financed under the Neighbourhood, Development and International Cooperation Instrument (NDICI-Global Europe)</p>
<p>2. Team Europe Initiative</p>	<p>No</p>
<p>3. Zone benefiting from the action</p>	<p>The action shall be carried out in Japan.</p>
<p>4. Programming document</p>	<p>Regional Multi-annual Indicative Programme for Asia and the Pacific 2021-2027</p>
<p>5. Link with relevant MIP(s) objectives / expected results</p>	<p>The action meets the objectives set out in the Indo-Pacific Strategy, the Strategic Compass, and the Regional Multiannual Indicative Programme (RMIP) for Asia and the Pacific, namely:</p> <p>Priority Area 2 – (PA2): Pursuing EU Interests with Key Partners</p> <p><i>2.2.4. – ‘Pursuing EU Interests with Asian partners in Asia and the Pacific (High Income Countries and other key partners)’</i></p> <p><u>Specifically, this action document addresses the following RMIP Specific Objectives (SO):</u></p> <p>SO 2 – Promotion and projection of EU policies and standards in collaboration and alliance with Asian and Australasian HICs (alliance diplomacy)</p> <p>SO 3 – Economic diplomacy: FTAs, level playing field, market access, investment promotion and protection, business opportunities.</p> <p><u>RMIP Expected Results (ER) to which this action is contributing:</u></p> <p>ER 2.2: Effective coordination and improved alignment with EU positions in various regional and international fora;</p> <p>ER 3.1: Effective implementation of trade and investment agreements and partnerships, including successful negotiations and enhanced cooperation on norms, regulations,</p>

	<p>standards, certification, mutual recognition measures, and interoperability and the effective implementation of commitments by the Parties to adhere to international labour and environmental conventions;</p> <p>ER 3.2: Enhanced market access (including agreements on Sanitary and Phytosanitary (SPS) conditions), improved business cooperation and partnerships (B2B), in particular SMEs, and a level playing field and fair and equal treatment for European businesses leading to improved competitiveness of EU business in Asia, as well as enhanced capacities of European business organisations; and</p> <p>ER 3.4: Convergence on SPS, raw materials, international labour standards, data flows with trust, intellectual property rights, competition, (green) procurement and WTO-related actions.</p>			
PRIORITY AREAS AND SECTOR INFORMATION				
6. Priority Area(s), sectors	<p>Priority Area 2 – Pursuing EU Interests with Key Partners</p> <p>Trade</p> <p>Intellectual Property Rights</p>			
7. Sustainable Development Goals (SDGs)	<p>Main SDG 9: Industry, innovation and infrastructure</p> <p>Other significant SDGs:</p> <p>SDG 5: Gender Equality</p> <p>SDG 8: Decent work and economic growth</p> <p>SDG 17: Partnership for the goals</p>			
8 a) DAC code(s)	<p>33120 Trade facilitation (50 %)</p> <p>15130 Legal and judicial development (25 %)</p> <p>15110 Public sector policy and administrative management (25 %)</p>			
8 b) Main Delivery Channel	47000 – Other multilateral organisations			
9. Targets	<input type="checkbox"/> Migration <input type="checkbox"/> Climate <input checked="" type="checkbox"/> Social inclusion and Human Development <input checked="" type="checkbox"/> Gender <input type="checkbox"/> Biodiversity <input type="checkbox"/> Education <input checked="" type="checkbox"/> Human Rights, Democracy and Governance			
10. Markers (from DAC form)	General policy objective @	Not targeted	Significant objective	Principal objective
	Participation development/good governance	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Aid to environment @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Gender equality and women's and girl's empowerment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Trade development	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

	Reproductive, maternal, new-born and child health	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Disaster Risk Reduction @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Inclusion of persons with Disabilities @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Nutrition @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	RIO Convention markers	Not targeted	Significant objective	Principal objective
	Biological diversity @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Internal markers and Tags:	Policy objectives	Not targeted	Significant objective	Principal objective
	Digitalisation @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	digital connectivity digital governance digital entrepreneurship digital skills/literacy digital services	YES <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>	NO <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	/
	Connectivity @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Tags: digital connectivity energy transport health education and research	<input type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	/
	Migration @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Reduction of Inequalities @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Covid-19	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	BUDGET INFORMATION			
12. Amounts concerned¹	Budget line: 14 02 01 31 South and East Asia			

¹ This section should be in line with the indicative budget in section **Error! Reference source not found.** (e.g. the amount of the third-party contribution as co-financing of grants should not be specified)

	Total estimated cost: EUR 2 000 000 Total amount of EU budget contribution EUR 1 400 000 Total amount of EUIPO budget contribution EUR 600 000
MANAGEMENT AND IMPLEMENTATION	
13. Type of financing²	Indirect management through a contribution agreement with an entrusted entity specialised on Intellectual Property, the European Union Intellectual Property Office (EUIPO)

1.2 Summary of the Action

The action will focus on delivering tangible results in the field of Intellectual Property (IP), with the European Commission in the policy lead and the European Union Intellectual Property Office (EUIPO) as the implementing agency.

The EU and Japan have consolidated their cooperation in the field of Intellectual Property Rights (IPR) through the implementation of the Economic Partnership Agreement (EPA). At the same time, there is an opportunity for these two strategic partners to work more closely to unlock even greater potential of IP protection especially in the digital environment and new technologies. Moreover, implementation and further advancements in the bilateral Digital Partnership will help incentivise the SMEs/productive sector of the EU and of Japan to attain greater awareness of the benefits of IP and to promote innovation. Partnering with like-minded countries on critical technology areas has been identified as a key risk mitigation measures in the European Commission “European Economy Security Strategy”³.

The increase of digital trade and the agreement of a common approach to handle transactions in a trusted environment also has direct implications on how to protect IPR. The development of digital technologies brought along the global increase of the share in intangible assets⁴, and will inevitably bring changes in IP law and practice. This calls for the need of continued alignment between EU and Japan in regulation, practices and policies in the field of digital IPR, coordinating the formulation of IP strategies, finding new ways of coordinated IP protection for both jurisdictions to boost productivity through innovation and stay competitive.

The action will focus on cooperation between the EU and Japan on some policy areas of common interests and targeted actions to address differences in approaches in the protection and enforcement of IPR in the digital environment. A series of IP studies, targeted research and support activities for policy discussions, workshops, and advocacy, engagement, communication and outreach activities will be organised involving public and private sector representatives including government, law enforcement and right holders’ representatives from the EU and Japan. Promotion and knowledge sharing on IP issues relevant to EU and Japanese SMEs to increase trade and investment opportunities is also envisaged as part of the action. It would be a useful instrument to increase awareness of EU IP systems in Japan, and capitalise on IP intensive products in the EU-Japan trade.

The general approach towards a major IP player like Japan will be based on partnership and cooperation to share each other’s experiences and knowledge base in order to improve the IP system for the mutual benefit of both players and to define possible common approaches for new emerging issues, taking into account common strategic interests.

² Art. 27 NDICI

³ https://ec.europa.eu/commission/presscorner/detail/en/IP_23_3358

⁴ According to WIPO, Intellectual property and other intangibles add on average twice as much value as tangible capital to products manufactured and traded along value chains. WIPO (2017). World Intellectual Property Report 2017: Intangible Capital in Global Value chains, <https://www.wipo.int/publications/en/details.jsp?id=4225>

1.3 Zone benefitting from the Action

The action shall be carried out in Japan⁵.

2 RATIONALE

2.1 Context

On 16 September 2021, the EU adopted a new strategy for cooperation in the Indo-Pacific⁶ as a way to step up its strategic engagement with this vital region, which is essential for the EU's prosperity. Japan is an influential high income country, it is a G7 member and part of the OECD, and a strategic likeminded partner in the Indo-Pacific region. The EU and Japan's strong economic and political relations are built on similar values and shared interests in protecting the rights of consumers and businesses and fostering innovation. The EU-Japan EPA covers about one quarter of global GDP. It includes commitments on trade in goods as well as in services and the promotion of bilateral investment, and it also contains the most up-to-date EU provisions Intellectual Property Rights protection (Chapter 14). Japan is the EU's second-biggest trading partner in Asia after China. It is the seventh largest partner for EU exports and imports of goods. In 2023, bilateral trade in goods between the EU and Japan reached EUR 134 billion (compared to EUR 125.6 billion in 2019), thus representing an increase of 7%. In 2022 overall bilateral trade flows increased by 13.4% to EUR 140.6 billion. The instruments underpinning to various degrees the bilateral cooperation on IPR between EU and Japan are the following:

- The EPA, in force since 1 February 2019, with an extensive chapter on intellectual property, is the main framework for cooperation on IP.
- The EU-Japan Digital Partnership, launched in May 2022, facilitates and organises joint work in areas of mutual interest, such as digital identity and trust services, 5G/6G technologies, high performance computing and quantum, resilient supply chains in semiconductors, trustworthy AI, arctic submarine cables, cybersecurity, data free flow with trust and a regular information sharing on online platform regulations.
- Digital Trade Principles, agreed on 27 June 2023, as a concrete deliverable of the Digital Partnership. IPR cooperation is relevant for several of the identified areas such as digital trade and data governance and requires close cooperation to ensure consumers and businesses can benefit from digital innovation.
- The Strategic Partnership Agreement (SPA) to cooperate on innovation, provisionally applied since 1 February 2019.
- The EU - Japan Green Alliance, concluded in May 2021, which aims to accelerate the transition of both economies towards becoming climate-neutral, circular and resource-efficient in the coming decades by promoting innovation in green technologies.

Japan is a leading nation in intellectual property with robust enforcement capacities, focusing on digitisation and investing in Artificial Intelligence solutions. Charges for the use of IP not included elsewhere (i.e. royalties and licensing revenue) were USD 27,8 billion in 2022⁷, their share of 23% in services export in 2019 was already significantly higher than the OECD average of 9%.⁸ There is further room to increase EU-Japan trade in IP intensive products, since overall there is more trade in goods between Japan and the EU than trade in services⁹.

The latest Intellectual Property Promotion Plan of Japan issued in 2023 focuses on the IP system to address new technologies such as generative Artificial Intelligence (AI) and the metaverse, digital society and digital contents. Various policy-oriented plans involve IPR in different areas of strategic economic interest, and evolving legislation and practices for protection and enforcement of IPR in the digital environment. New priority areas also include strengthening the IP ecosystem for start-ups and universities, promoting investment in intangible assets, data utilisation and the strategic use of international standards.

The EU's intellectual property landscape has been reinforced with a reform of its trade mark system in 2017 to respond to the challenges in digital forms of IP. Its design protection system is undergoing a similar revision to make

⁵ Some activities may also take place in the European Union and in the Indo-Pacific region.

⁶ https://www.eeas.europa.eu/sites/default/files/jointcommunication_2021_24_1_en.pdf

⁷ <https://data.worldbank.org/indicator/BM.GSR.ROYL.CD?locations=OE-JP>

⁸ https://www.oecd-ilibrary.org/economics/oecd-economic-surveys-japan-2021_24b2cbe6-en

⁹ https://policy.trade.ec.europa.eu/eu-trade-relationships-country-and-region/countries-and-regions/japan_en

it fit for the digital age with a provisional deal on the final text on 6 December 2023. On 9 December 2023 a political agreement has been reached on the EU AI Act, the first of its kind in the world, which among other things will carefully scrutinise AI-assisted outputs for copyright protection in Europe.

On 31 January 2024 the EU and Japan signed a landmark deal on cross border data flows, which will lay the foundation for a common approach on digital trade and ensure easier and reliable handling of data in e-commerce operations among other things. That agreement contributes to the G7 Hiroshima initiative of May 2023 that reiterated the importance of “*facilitating Data Free Flow with Trust (DFFT) to enable trustworthy cross-border flows [...] while preserving government ability to address legitimate public interest*”. G7 leaders agreed to “operationalise this concept” and cooperate within the G7 and called for regulatory cooperation in order to foster future interoperability.

In this context, the proposed EU-Japan IP Action will facilitate the cooperation on the future direction of IP protection and enforcement in the digital age. It was prepared to respond in a coordinated way to new emerging challenges in the global IP systems. Focus will be placed on challenges to adapt to new technological developments (AI and AI generated IP, metaverse, etc). The Action will also contribute to supporting the businesses sector, specifically SMEs, to protect and manage their IP when trading across Japan and the EU.

The proposed action is in line with the Regional Multi-Annual Indicative Programme 2021-27 for “Asia and the Pacific”¹⁰, where it states the European readiness to enhance fair and free trade and investment links with this fast-developing region as well as to open more channels for genuine cooperation. Following the objectives of the NDICI-Global Europe Geographic Pillar for high income countries (HICs), the action will ensure that EU’s position as a global standard setter and number one partner in support of the rule-based multilateral order is further consolidated, namely in the field of IP. Moreover, the new EU Industrial strategy¹¹, adopted on 10 March 2020, acknowledges the need for the EU Intellectual Property (IP) policy to help uphold and strengthen Europe’s tech sovereignty and promote a global level playing field. The IP Action Plan,¹² adopted in 2020, emphasises the importance of IPR enforcement and creating a global level playing field. It indicates that “while IPR-intensive industries account for 93% of EU goods exports, our businesses still face great challenges when operating in third countries.” To address these challenges, the Commission aims to strengthen the EU’s position as a global standard-setter in IP.

2.2 Problem Analysis

Japan and the EU both provide for a comparable high level of IP protection and enforcement and share mutual interest to work together enhancing the protection and enforcement of IPR in an international setting and face common global challenges together. Nevertheless, there is a risk that without close collaboration the two systems may diverge due to fast developing technologies and related regulatory challenges. Diverging approaches to the scope of protection of IPR, such as copyrighted content in the context of data mining and generative AI, eligibility of AI-assisted works or transactions involving IPR in the metaverse, would inevitably lead to ownership disputes and decreased business confidence in the cross-border trade. The pandemic has accelerated the use of e-commerce making online sales an increasingly significant part of international trade. Japan is the second largest economy in terms of total e-commerce sales, following the United States of America (USA), before China, these three economies account for close to 60% of the world total. The share of e-commerce in the GDP of Japan is 67%.¹³ All this success comes with challenges for e-commerce platforms to increase their efforts to combat the selling counterfeit goods.

Japan and EU are both aware of the risks of slowdown in innovation capacity, the competition from Asia and the USA and some delays caused by slower uptake in digitisation and ecommerce. Deeper cooperation in intellectual property would be beneficial for both jurisdictions to further align positions or define joint action vis-à-vis other actors, especially in Asia. In this context there are a number of important issues and future developments which this Action will address:

IP policy, legislation and practices - It is proposed to jointly explore the challenges related to new types of IPR and seek ways of alignment and a more systematic cooperation to discuss potential solutions, jointly shaping international agendas for the regulation and protection of intellectual property, in particular in the digital sphere. The

¹⁰ https://international-partnerships.ec.europa.eu/system/files/2022-01/mip-2021-c2021-9251-asia-pacific-annex_en.pdf

¹¹ https://ec.europa.eu/commission/presscorner/detail/en/ip_20_416

¹² https://ec.europa.eu/commission/presscorner/detail/en/ip_20_2187

¹³ 2021 EUIPO report [Misuse of E-Commerce for Trade in Counterfeits](#)

project will also support action on any relevant issues stemming from the implementation of the EPA, including in the area of copyright and related rights.

Businesses (especially SMEs) - It is also proposed to dedicate efforts to support EU businesses and particularly SMEs and their opportunities to expand overseas as well as to manage the IPR in joint research activities. The project would build targeted synergies with other relevant ongoing and/or upcoming projects implemented in Japan, such as the EU Business Hub programme, to make it easier for European businesses to access the Japanese market and reduce risks in their operations.

Enforcement of IP, particularly linked to e-commerce - It is proposed to provide a platform for enforcement authorities to exchange on lessons from their operations and to identify the current illicit trends, threatened products and (online) platforms and concrete actions. With the development of technologies and new types of services, including with the increased expansion of social media in e-commerce, more cooperation and alignment of rules and enforcement actions is needed with the EU trade partners to tackle piracy and counterfeiting which relies heavily on the digital domain to source components and distribute products¹⁴ while research on the impact of social media on IPR has been limited¹⁵.

The action will follow a demand-driven approach, where interested COM DGs and other EU IP actors in the field (e.g. national IP offices, EU right-holders, industry,) will be systematically involved all along the implementation of this action, together with EU Delegation and a variety of Japanese stakeholders.

Identification of main stakeholders and corresponding institutional and/or organisational issues (mandates, potential roles, and capacities) to be covered by the action:

European institutions and agencies, international and European organisations, EU Member States representations in Japan, Japanese government and administration, IP lawyers and representatives, private sector including SMEs and businesses, trade and industry associations, think tanks, research entities, public and private sector institutions, business community, economic media, research centres.

3 DESCRIPTION OF THE ACTION

3.1 Objectives and Expected Outputs

The Overall Objective of this Action is to facilitate trade in IP intensive products between the EU and Japan, through effective cooperation in areas of common interest and greater alignment with existing European IPR policies, including on new technologies and specific challenges where new IP policies and rules may be developed.

The Specific Objective of this Action is to promote the alignment and understanding of present and future IP protection and enforcement practices in the EU and Japan.

The Outputs to be delivered by this action contributing to the corresponding Specific Objective are:

Output 1 – The IP legal and policy frameworks are enhanced to respond effectively to new emerging technologies, promote innovation and attract investment;

Output 2 – Companies (particularly SMEs) in the EU and Japan are supported to protect, manage, commercialise and enforce their IPR across borders; and

Output 3 – EU-Japan cooperation on enforcement of IPR is increased, particularly in relation to e-commerce.

¹⁴ [EUIPO – EUROPOL Intellectual Property Crime Threat Assessment 2022](#)

¹⁵ [Social Media – Discussion Paper](#)

3.2 Indicative Activities

- **Related to Output 1:** workshops/seminars; research and analysis on specific topics of mutual interest, such as the enforcement of IPR in e-commerce platforms, the use of AI to detect counterfeits, technical specifications, and patents; public and ad-hoc events, such as the IPR policy dialogue forum.
- **Related to Output 2:** seminars/webinars; creation of a prize-scheme to attract SMEs and a reward scheme for prize-winners; public and ad-hoc events, including dissemination events and exchanges; development and dissemination online of relevant information material for EU SMEs on IP in Japan and for Japanese SMEs on IP in the EU (e.g. direct support to the EU Business Hub programme with Japan, e.g. with the EUJCIC).
- **Related to Output 3:** workshops/seminars; technical exchanges and cooperation on issues of common interest; best practices sharing events; public awareness activities including to enhance IPR protection and consumer awareness of the illegality of counterfeit goods; exchanges and cooperation on a blockchain authentication platform to prove the authenticity of products, with support by the European Observatory

3.3 Mainstreaming

Environmental Protection & Climate Change

Intellectual Property (IP) is an essential incentive for creativity and innovation, including green innovation, and thus essential to promote biodiversity, sustainable food policy, the circular economy and fighting pollution. Hence IP has a critical role in promoting the objectives of the European Green Deal (EGD). Furthermore, well-functioning and inter-operable IP systems -which provide the framework for transactions around creative and technological developments- are necessary for the creation of common platforms and industry alliances, which are critical to reach strategic objectives such as those of the EGD.

Gender equality and empowerment of women and girls

As per the OECD Gender DAC codes identified in section 1.1, this action is labelled as G0. This implies that the Action is not particularly targeting gender equality. Disparities exist on the use of the IP system by women and other groups and there is evidence that IP also contributes to bring women into full and effective participation and equal opportunities for leadership at levels of decision-making in political, economic and public life. Human innovation and creativity are the engines of progress and female and male innovators and creators from all walks of life have transformed our world through the power of their imagination and ingenuity. The Action will particularly be sensitive in providing data disaggregated at least by sex for related activities.

Human Rights

Strong IP systems can have an impact on a number of human rights, such as the right of people to enjoy and access cultural heritage, access to the benefits and opportunities of science and its applications, including scientific knowledge, technology, the artistic freedoms and the right of people to access, contribute to and enjoy the arts, literacy or artistic productions regardless of race, religious beliefs or sexual orientation.

Disability

As per OECD Disability DAC codes identified in section 1.1, this action is labelled as D0. This implies that disability is not specifically targeted. However, as noted above, Japan's rapidly ageing population and the associated rise in disabilities will be considered (e.g., IP innovative products to solve disabilities, smart cities innovations, etc.).

Reduction of inequalities

Not targeted

Democracy

Not targeted

Conflict sensitivity, peace and resilience

To build a solid and strong partnership on IP with a key influential partner such as Japan will support the EU policy dialogue at regional and global scale, promoting European values for peace and resilience.

Disaster Risk Reduction

Not targeted

3.4 Risks and Lessons Learnt

Category	Risks	Likelihood (High/Medium/Low)	Impact (High/Medium/Low)	Mitigating measures
1 - to the external environment	International markets disrupted by economic, social, political crises and instability.	L	H	The EUIPO will regularly report to the European Commission (EC) and liaise with the EU Delegation in Tokyo to update on risks related for example to international markets disrupted by economic, social, political crises and instability, which can be addressed through dialogues and other policy-driven activities led by the EC with partners in Japan, so as to establish priorities in case of such disruptions.
2 - to planning, processes and systems.	The successful and timely implementation of activities largely depends on the support provided by the various public administration stakeholders on the Japanese side. A risk exists that support from Japan may not be constant over time or decrease.	M	M	The political dialogue on IPR and technical working group meetings in the framework of the EU-Japan EPA gives political context to assure support to this programme. Further cooperation may be sought under the 'Digital Partnership' for areas of common interest. EUIPO's bilateral cooperation with the JPO through a Memorandum of Understanding (MoU) as well as under the TM5/ID5 platforms should provide for a solid basis to reach out to stakeholders. Support from the EU-Japan Centre for Industrial Cooperation could also be considered where needed/appropriate. A meticulous preparation of the programme and identifying areas of mutual interest, accompanied by an early outreach to the Japanese stakeholders will further limit this risk. Appropriate mechanisms should allow for the necessary flexibility to adapt activities and plans to evolving circumstances.
3 - to people and the organisation	Collaboration of the partner agencies/IPOs/ministries with the project, or	M	M	Establishment of a feasibility plan during the inception phase and continued monitoring during the implementation of the project. Identification and appointment of

	among themselves not at the expected level.			national coordinators and potential back-ups with the support of JPO.
4-to legality and regularity aspects	High staff turnover limiting institutional engagement on IP matters.	M	M	Dissemination of most of the tangible materials (e.g. training materials, project recommendations) in open access, available to all public audiences. Proper monitoring records and briefs by the implementer for internal records.
5-to communication and information	Planned activities not receiving sufficient or timely support from the Commission line DGs involved or IP Offices in charge of the substance matter.	L	L	The inclusion of suggested activities into the annual activity plan will require the written commitment of the Commission DG in charge of the substance matter that it will provide the necessary support for carrying out the activities. The close partnership between EUIPO and EPO seems to assure a sufficient support by EPO.

Lessons Learnt:

Awareness of the benefits of IP is essential for European SMEs to nurture innovation. Further to the enhanced cooperation through the EPA, there is an opportunity for both strategic partners to work more closely in the field of IPR protection and further advance in the bilateral Digital Partnership implementation to incentivise the SMEs/productive sector of the EU and of Japan to keep full awareness of the benefits of IP.

The proposed EU implementing agency, the EUIPO, has a track-record of successful projects in the IP field in several regions. Furthermore, the EUIPO has also implemented specific technical bilateral activities with the JPO. From its previous experience, the EUIPO can apply important lessons learnt, including but not limited to the following:

- Policy related objectives should be reinforced with technical cooperation focusing on practical outputs such as harmonisation of IP practices;
- The level of commitment by different government authorities and stakeholders (EU-Japan) needs to be ensured at a very early stage for the proposed activities;
- Workshops, seminars, research studies, exchanges of experiences and practices has to be seen as a continuous process, selection of participants needs to be based on sound criteria such as those with influence and multiplier capacity;
- Surveys should be conducted with beneficiaries and partners with regards to their perceived needs and the benefits they obtain from the action, throughout the implementation period;
- EU visibility should be ensured by following the requirements of the EU Communication and Visibility guidelines during the entire implementation period; and
- An exit strategy should be defined for the main deliverables from the very start of the project.

3.5 The Intervention Logic

The project outputs will contribute to build a strong EU-Japan partnership on IP that can have major influence in shaping the future policies of IP in relation to new technologies and turn them into global standards, increasing trade on IP intensive industries.

IPRs (trade marks, designs, GIs, patents, copyrights, etc.) offer a wealth of untapped opportunities to individuals and businesses to generate value from their resources, creations and products. A reinforced IP system creates a favourable environment for innovation, inventiveness, creativeness, and free competition, for economic and cultural development, strengthening the SMEs potential and raising the level of investment attractiveness across the EU and Japan.

Emerging technologies like AI, Blockchain, NFTs, Metaverse, have a great potential to make the IPR system more efficient and effective for the citizens. However, new technologies are complex and there are several enforcement challenges that IP authorities face in this context, making it difficult to identify possible infringements.

The main assumption of the intervention is that all parties remain committed to pursuing policy development, regulations and procedures to create a more conducive IP business-enabling environment, despite the enforcement challenges and the difficulties that businesses are facing in the macroeconomic context.

The problem analysis under point 2.2 also outlines the rationale for the selection of the project outputs.

The action (under Output 2) will establish synergies with the EU-Japan Centre for Industrial Cooperation with regard to awareness raising and sharing of expertise in the field of IP among European SMEs, as appropriate.

The undertaking of the activities and meeting relevant outputs (if assumptions hold true) described in section 3.2 should contribute to achieving the expected outcomes of this action.

3.6 Logical Framework Matrix

This indicative logframe constitutes the basis for the monitoring, reporting and evaluation of the intervention.

On the basis of this logframe matrix, a more detailed logframe (or several) may be developed at contracting stage. In case baselines and targets are not available for the action, they should be informed for each indicator at signature of the contract(s) linked to this Action, or in the first progress report at the latest. New columns may be added to set intermediary targets (milestones) for the Output and Outcome indicators whenever it is relevant.

- At inception, the first progress report should include the complete logframe (e.g. including baselines/targets).
- Progress reports should provide an updated logframe with current values for each indicator.
- The final report should enclose the logframe with baseline and final values for each indicator.

The indicative logical framework matrix may evolve during the lifetime of the action depending on the different implementation modalities of this action.

The activities, the expected Outputs and related indicators, targets and baselines included in the logframe matrix may be updated during the implementation of the action, no amendment being required to the Financing Decision.

Results	Results chain (@): Main expected results (maximum 10)	Indicators (@): (at least one indicator per expected result)	Baselines (values and years)	Targets (values and years)	Sources of data	Assumptions
Impact	Facilitate trade in IP intensive products between the EU and Japan through effective cooperation in areas of common interest and greater alignment with existing European IPR policies, including on new technologies and specific challenges where new IP policies and rules may be developed.	1.Number of regulations and standards relating to trade, investment and business which have been aligned to EU / international standards	2025: 1. 0	1. 1	Official statements from bilateral dialogues/summits	<i>Not applicable</i>
Outcome	Promote the alignment and understanding of present and future IP protection and enforcement practices in the EU and Japan	1.Number of processes related to state-level and sub-state level (bilateral, regional, multi-lateral) partnership strategies and policy dialogues which have been influenced 2.Number of processes related to partner country practices on trade, investment and business which have been influenced	1. 0 2. 0	1. 3 2: 3	1. EPA annual reports, IP Committees and dialogues 2 Progress Reports	Relevant stakeholders are committed to engaging with the action and pursuing a more conducive business-enabling environment. Enabling operating environment of the IP administration and enforcement institutions remains stable. Implementing partners will remain committed to cooperate in the implementation of the actions and assign the necessary resources.
Output 1	IP legal and policy frameworks are enhanced to respond effectively to new emerging technologies, promote innovation and attract investment	1.1 Number of participants benefiting from events and capacity development activities disaggregated at least by sex 1.2 Percentage of participants benefiting from the event 1.3 Number of studies carried out 1.4 Number of policies or laws reviewed and common approaches developed	1.1 0 1.2 0 1.3 0 1.4 0	1.1 150 1.2 75% 1.3 3 1.4 6	1.1: Activity Reports, Event Registration database; 1.2: Event satisfaction surveys 1.3: Activity and Progress Reports, Deliverables 1.4: Minutes of IP Committee meeting	
Output 2	Companies (particularly SMEs) in the EU and Japan are supported to protect, manage, commercialise and enforce their IPR across borders.	2. Number of events organised or supported (in-person, hybrid, virtual) 2.1. Number of participants in events (by gender, sector and type of event) 2.2 Percentage of participants in an event who report having benefited from an event (by gender) 2.3 Number of EU businesses that received support from the action 2.4 Number of Communication products developed 2.5 Number of public/media/communication campaigns designed and implemented	2.1: 0 2.2: 0 2.3: 0 2.4: 0 2.5: 0	2.1: 10 2.2: 150 2.3: 75% 2.4: 25 2.5: 25	2.1: Activity Reports, 2.2: Event Registration database; 2.3: Event satisfaction surveys 2.4: Activity and Progress Reports, Deliverables 2.5: Press Releases	

Output 3	EU-Japan cooperation on enforcement of IPR is increased, particularly in relation to e-commerce .	3. Number of enforcement officials benefiting from trainings and capacity development activities (by gender) 3.1 Percentage of participants benefitting from the trainings 3.2 Number of studies and data collection or methodologies adopted (knowledge-based products) 3.3 Number of IP tools developed or implemented	3.1: 0 3.2 :0 3.3 : 0	3.1: 100 3.2: 75% 3.3: 2	3.1: Activity Reports, Event Registration database; 3.2: Event satisfaction surveys 3.3: Activity and Progress Reports, Deliverables	
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4 IMPLEMENTATION ARRANGEMENTS

4.1. Financing Agreement

In order to implement this action, it is not envisaged to conclude a financing agreement with Japan.

4.2. Indicative Implementation Period

The indicative operational implementation period of this action, during which the activities described in section 3 will be carried out and the corresponding contracts and agreements implemented, is 62 months¹⁶ from the date of adoption by the Commission of this Financing Decision.

Extensions of the implementation period may be agreed by the Commission's responsible authorising officer by amending this Financing Decision and the relevant contracts and agreements.

4.3. Implementation Modalities

The Commission will ensure that the EU rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures¹⁷.

4.3.1 Indirect Management with an entrusted entity

This action may be implemented in indirect management with an EU specialised agency on Intellectual Property; the European Union Intellectual Property Office (EUIPO). The implementation entails the signature of a Contribution Agreement. As a result, objectives, expected results and main activities are those defined above under sections 3.1 and 3.2. The EUIPO has been selected on account of its technical competence, its high degree of specialisation and administrative power capacity.

Given the high political relevance in pursuing EU interests with Asian partners and High-Income Countries for policy drive peer-to-peer cooperation among developed partners willing to shape together the global agenda and influence in policy making, it is imperative to select as implementing partner the Intellectual Property Office of the EU. In view of its position, the EUIPO provides a unique combination of technical expertise and contacts with key counterparts in the field of intellectual property worldwide.

The EUIPO also holds legal powers to manage EU trade marks and registered community designs and has specific experience in the enforcement of IPRs. In addition, the EUIPO has signed a MoU with the European Commission affirming the privileged partnership it has in order to implement external actions on IP in non-EU countries. The EUIPO holds a track-record of successful projects in the IP field¹⁸ in several regions, which aim at enhancing trade and supporting interests of the EU and/or the partner countries, in relation to IP matters under its trade agreements.

The EUIPO is also involved in the implementation of specific technical bilateral activities with Japan through a MoU with the JPO. In addition, it cooperates together with JPO under the TM5/ID5 platform that assembles the five major IP Offices in the world (China, EUIPO, Japan, Korea and USA) and the focus of the initiatives

¹⁶ This includes an indicative period of maximum 14 months for concluding contracts, and an indicative 48 months of action implementation with some flexibility in case of unforeseen circumstances.

¹⁷ www.sanctionsmap.eu. Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

¹⁸ <https://internationalipcooperation.eu/en>

revolve around digital IPR: exchanges among IP offices and public awareness raising regarding online enforcement and the protection of digital designs. Consequently, the EUIPO is the most relevant partner for the implementation of the action.

If negotiations with the above-mentioned entity fail, this action may be implemented in indirect management by an alternative entity. The implementation by this alternative entity would be justified following a similar criterion, the entity must possess a sound expertise on European IP matters and in implementing IP Actions in the framework of EU external actions.

4.4. Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply.

The Commission’s authorising officer responsible may extend the geographical eligibility on the basis of urgency or of unavailability of services in the markets of the countries or territories concerned, or in other duly substantiated cases where application of the eligibility rules would make the realisation of this action impossible or exceedingly difficult (Article 28(10) NDICI-Global Europe Regulation).

4.5. Indicative Budget

Indicative Budget components	EU contribution (amount in EUR)	Third-party contribution, in currency identified
Implementation modalities – cf. section 4.3		
Specific Objective 1 composed of	EUR 1 400 000	EUR 600 000 - Up to 30% of the final Total amount
Indirect management with the EUIPO - cf. section Error! Reference source not found.		
Total	EUR 1 400 000	EUR 600 000 - Up to 30% of the final Total amount

4.6. Organisational Set-up and Responsibilities

The project will be implemented by EUIPO, which will be responsible for the day-to-day management of the contribution agreement and reporting to the EU services (DG TRADE, FPI, and EU Delegation). The EUIPO will appoint a Project Implementation Team (PIT), who will be responsible for the day-to-day management of the action and for reporting to the Project Management Board (PMB). It will comprise the expertise required to successfully implement the Action (including project management, stakeholder management, financial administration of projects, expertise in the field of IPR and copyright, communication and visibility expertise). The PIT may be supported on ad-hoc basis by other experts in the EUIPO.

On the EU side, the day-to-day management of the action will be the responsibility of staff of the European Commission’s Service for Foreign Policy Instruments FPI based in the EU Delegation to Japan, with the support of the FPI Regional Team for Asia and Pacific (Bangkok). DG TRADE will set priorities and decide on the content and format of the annual activities to be implemented and be responsible with FPI for the technical aspects of the project (i.e. coordination, programming, regular monitoring and annual, mid-term and end-of-term reviews of the implementation). Close collaboration between the implementer (EUIPO), DG TRADE and the FPI programme manager / EU Delegation will be ensured through regular meetings.

A Project Management Board (PMB) will be set-up and include representatives FPI and DG TRADE, the EUIPO and other EU services as deemed relevant. The PMB will be led by DG TRADE that will provide the overall strategic and technical steering together with FPI. Observers from other DGs will be invited at the request of DG TRADE and FPI. The PMB will indicatively meet once every six months, but at least once a year, to approve the annual work programme for the upcoming year.

European business chambers and industry associations are not part of the governance structure but will be associated in relevant activities, as deemed appropriate by the contracting authority.

As part of its prerogative of budget implementation and to safeguard the financial interests of the Union, the Commission may participate in the above governance structures set up for governing the implementation of the action and may sign or enter into joint declarations or statements, for the purpose of enhancing the visibility of the EU and its contribution to this action and ensuring effective coordination.

5 PERFORMANCE MEASUREMENT

5.1 Monitoring and Reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process, and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (Outputs and direct Outcomes) as measured by corresponding indicators, using as reference the logframe matrix (for project modality) and the partner's strategy, policy or reform action plan list (for budget support). The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

Roles and responsibilities for data collection, analysis and monitoring: The implementing partner will bear primary responsibility for the data collection, analysis, monitoring and reporting on indicators of the logframe matrix and for the performance of specific monitoring and reporting obligations as foreseen in the Contribution Agreement. The Commission may undertake monitoring activities, as needed.

5.2 Evaluation

Having regard to the importance of the action, a mid-term and/or final evaluation(s) may be carried out for this action or its components via independent consultants contracted by the Commission.

In case a mid-term evaluation is conducted, it will be carried out for problem solving and learning purposes, in particular with respect to identifying opportunities to improve the project's implementation and relevance. In case a final or ex-post evaluation is envisaged, it will be carried out for accountability and learning purposes at various levels (including for policy revision), taking into account in particular the overall EU--Japan cooperation priorities.

The Commission shall inform the implementing partner at least 30 days in advance of the dates envisaged for the evaluation missions. The implementing partner shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.

The evaluation reports may be shared with the partners and other key stakeholders following the best practice of evaluation dissemination¹⁹. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, apply the necessary adjustments.

The financing of the evaluation may be covered by another measure constituting a Financing Decision.

¹⁹ See best [practice of evaluation dissemination](#)

5.3 Audit and Verifications

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audit or verification assignments for one or several contracts or agreements.

6 STRATEGIC COMMUNICATION AND PUBLIC DIPLOMACY

The 2021-2027 programming cycle will adopt a new approach to pooling, programming and deploying strategic communication and public diplomacy resources.

In line with the 2022 “[Communicating and Raising EU Visibility: Guidance for External Actions](#)”, it will remain a contractual obligation for all entities implementing EU-funded external actions to inform the relevant audiences of the Union’s support for their work by displaying the EU emblem and a short funding statement as appropriate on all communication materials related to the actions concerned. This obligation will continue to apply equally, regardless of whether the actions concerned are implemented by the Commission, partner countries, service providers, grant beneficiaries or entrusted or delegated entities such as UN agencies, international financial institutions and agencies of EU Member States.

However, action documents for specific sector programmes are in principle no longer required to include a provision for communication and visibility actions promoting the programmes concerned. These resources will instead be consolidated in Cooperation Facilities established by support measure action documents, allowing Delegations to plan and execute multiannual strategic communication and public diplomacy actions with sufficient critical mass to be effective on a national scale.

Appendix 1 REPORTING IN OPSYS

A Primary Intervention (project/programme) is a coherent set of activities and results structured in a logical framework aiming at delivering development change or progress. Identifying the level of the primary intervention will allow for:

Articulating Actions or Contracts according to an expected chain of results and therefore allowing them to ensure efficient monitoring and reporting of performance;

Differentiating these Actions or Contracts from those that do not produce direct reportable development results, defined as support entities (i.e. audits, evaluations);

Having a complete and exhaustive mapping of all results-bearing Actions and Contracts.

Primary Interventions are identified during the design of each action by the responsible service (Delegation or Headquarters operational Unit).

The level of the Primary Intervention chosen can be modified (directly in OPSYS) and the modification does not constitute an amendment of the action document.

The intervention level for the present Action identifies as:

Action level		
<input checked="" type="checkbox"/>	Single action	Present action: all contracts in the present action