

Intellectual Property

Encouraging the Development of Intellectual Property

Nippon Kayaku develops and utilizes intellectual property to produce useful products, thereby building its businesses and contributing to society at the same time. To encourage our employees to produce intellectual property, we have established programs to compensate employee inventors and award them for their inventions.



1. Performance Compensation and Lump-sum Reward Programs for Employee Inventors

We provide “a reasonable amount of money or other economic benefits (reasonable benefits)” to employee inventors each time a patent application is made, as stipulated under Article 35, paragraph 4 of the Patent Act. In addition, when a patent for an invention made by a current or retired employee has contributed to sales, we provide performance compensation equivalent to a certain percentage of sales or royalties for each business year. This program was initiated in 1963, and has been implemented pursuant to our Regulations for Employee Inventions, etc., which have been revised every time the Patent Act was amended.



Employees whose patents have made a particular contribution to sales are eligible to receive a lump-sum reward in addition to performance compensation, which incentivizes the development of intellectual property.

2. Early Contributions to Financial Performance

Even for patents pending, employees can receive compensation commensurate with the degree of contribution their invention has made to the financial performance of our Group. This particular program was initiated in 2005 to properly recognize inventions of products with a comparatively shorter life cycle, and serves to complement the aforementioned performance compensation program. Providing sales-based compensation for patents yet to be registered is a progressive system that operates in a forward-looking manner.

3. Award Ceremony for Inventors

At the Company-wide Research Presentation Conference held every year, a commendation ceremony is held for employee inventions that have been patented or are patent pending where distinguished inventors are presented with monetary prizes and awards. These awards include the R&D Director’s Award presented at the recommendation of each laboratory head, the Patent Application Award for inventors who have applied for a high number of patents, and the Best Invention Award granted in recognition of highly advanced technological innovations and patent specifications of an exceptional quality. Award recipients deliver presentations to help encourage inventions by other employees.

Number of Patents Granted / Number of Patents Applied for

