

# INTELLECTUAL PROPERTY

## PRIORITY ISSUES REGARDING INTELLECTUAL PROPERTY ACTIVITIES

Bridgestone's Intellectual Property function is working on three priorities. These were highlighted as important issues regarding intellectual property, in pursuit of intellectual property that makes a true contribution to business.

### 1 Strategic intellectual property activities that support value chain operations

Within the Bridgestone Tire and Diversified Products as a Solution (Bridgestone T&DPaaS), a platform that provides value to customers and society, the Group is moving forward with comprehensive intellectual property activities that are mindful of every link in the value chain.

Furthermore, to respond to the popularization of the Internet of Things (IoT) and the increasing negotiations regarding intellectual property rights across different industries, the Group is continuously enhancing the relevant management systems to protect the Group's trade secrets and manage contracts with third parties, in accordance with global standards.

### 2 Foreseeing of overall trends via intellectual property information analysis

Market conditions surrounding the Group have been changing at a faster pace and on a larger scale. In the automotive industry, changes in how the Group looks at mobility, including developments in self-driving vehicles and the shift to electric vehicles, are taking place as well. Within these conditions, we are utilizing intellectual property information analysis (IP landscaping) to take a proactive approach to monitor the activities of our competitors and within certain areas of technology. IP landscaping allows the Group to foresee global trends that extend beyond our typical tire competitors to cover these other emerging technologies. The analysis of technology areas beyond the tire industry provides management with a full view of the various influences on these other emerging industries.

### 3 Strengthening Groupwide and global intellectual property systems

The Group strengthens intellectual property governance on a Group-wide and global level to increase the integrity of the Group's management strategies and intellectual property activities regarding business, technology, and innovation.

The Group clarifies the functions and responsibilities of the Intellectual Property Department at each SBU, builds and strengthens the cooperative structure, and promotes efficient and effective intellectual property activities.

## RISK-RELATED INFORMATION

The Group considers intellectual property as a fundamental management resource for increasing industry competitiveness.

In cases where the intellectual property rights of the Group are infringed upon by third parties, the Group may suffer lost product differentiation or competitiveness. In light of this risk, the Company is committed to protecting its numerous intellectual property rights and defending these rights from infringement.

The following are examples of the Group's actions for infringement of company intellectual property rights.

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### **Bridgestone Wins Trademark Infringement Lawsuit in China**

Bridgestone Corporation received a favorable ruling in its trademark infringement lawsuit against Chinese tire manufacturer LIANGSHAN WATER MARGIN TIRE CO., LTD. (WATER MARGIN), in the Suzhou Intellectual Property Court.

In June 2018, Bridgestone filed the lawsuit claiming that tire manufacturing and sales activities conducted by WATER MARGIN, under the FULISITONG brand, infringed on

the Company's trademark rights by utilizing a brand mark that resembled the Company's BRIDGESTONE registered trademarks. In May 2019, the Suzhou Intellectual Property Court found in favor of Bridgestone and ordered WATER MARGIN to cease tire manufacturing and sales activities that are in violation of the Company's trademark rights. They were also required to pay damages to the Company in the amount of roughly 3,300,000 Chinese yuan (approximately 52.8 million Japanese yen\*).

### **Bridgestone Wins Studless Tire Design Patent Infringement Lawsuit in China**

Bridgestone Corporation received a favorable ruling from the Intermediate People's Court in Qingdao, China in its design patent infringement lawsuit against major Chinese tire manufacturers SHENGTAI GROUP and SHANDONG SHENGSHI TAILAI RUBBER TECHNOLOGY CO., LTD. ("SHENGTAI").

In March 2018, Bridgestone filed the lawsuit claiming

that tire manufacturing and sales activities conducted by SHENGTAI used the patented tread pattern of the Bridgestone BLIZZAK VRX studless tire for passenger cars, and that these activities were therefore in violation of the Company's patent rights. In July 2019, SHENGTAI was ordered to cease activities, dispose of the dedicated molds, and pay Bridgestone damages in the amount of 800,000 Chinese yuan (approximately 12.8 million Japanese yen\*).

### **Bridgestone Wins Design Patent Infringement Lawsuit in China**

Bridgestone Corporation received a favorable ruling in its design patent infringement lawsuit on July 5, 2019 against major Chinese tire manufacturers GUANGZHOU SOUTH CHINA TIRE & RUBBER CO., LTD. and WANLI TIRE CO., LTD. ("WANLI TIRE").

In October 2015, Bridgestone filed the lawsuit claiming that tire manufacturing and sales activities conducted by WANLI TIRE utilized the tread pattern of the Bridgestone DUELER A/T REVO 2 tire for sport utility vehicles, and that

these activities were therefore in violation of the Company's patent rights. In May 2017, the Shanghai Intellectual Property Court found in favor of Bridgestone. WANLI TIRE appealed the decision to the Shanghai High People's Court, which upheld the lower court's decision.

As a result of the decision, WANLI TIRE was ordered to cease tire manufacturing and sales activities that are in violation of the Company's patent rights and pay damages to the Company in the amount of roughly 600,000 Chinese yuan (approximately 9.6 million Japanese yen\*).

\* Converted at a rate of 16 Japanese yen to 1 Chinese yuan

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Bridgestone takes any unauthorized use or infringement of its patents, trademarks, or any other intellectual property very seriously. Through such activities, Bridgestone is prioritizing the safety and reliability associated with its products and maintaining and enhancing its hard-earned brand value.