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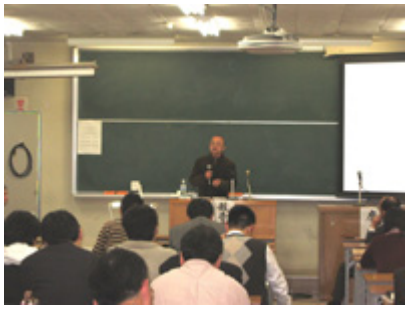
Newsletter

21COE-WIN-CLS RCLIP

RCLIP Workshop Series No.5 (12/15/04)
"Direction of Copyright Law Revision – Reaction to a Parody Work"

Kensaku Fukui, Attorney at law, Japan and New York, Kotto-Dori Law Firm



In his lecture, Attorney Fukui defined parody in a wider meaning as "a work that, using as its subject matter another work that is already in existence by changing its context or relative meanings, or by adding a different taste or element, brings a new perspective or comic effect into the original work." Based on this definition, he gave the following four characteristics that distinguish a parody from a plagiarism or a pirate: (1) A parody is usually directed towards an audience that is familiar with the subject being parodied (by knowing the original, an audience can understand the funny aspects of the parody); (2) In many cases, a parody work needs to use a part of the original work to be effective; (3) In many cases, it is difficult to get permission from the copyright owner of the original work for the purpose of using it for a parody, and (4) Apart from most counterfeits, a parody work does not overlap or substitute the original work in the market because its style is different from the original (a parody work does not compete with the original work). Particularly in connection with (4), a counterfeit will hinder the sales of the original work, but generally a parody cannot substitute for the original because the audience can enjoy it only when they recognize the original. He pointed out that the uniqueness of a parody work existed here.

Attorney Fukui also introduced the case of the Parody Montage Picture (Supreme Court, Japan, 3/28/1980, Minshu 34・3・244) as a case relating to a parody work. The decision of the Supreme Court indicated that it was difficult for such a parody work to meet the following requirements of quotation because the work appeared to be in the shape of a mixture of a quoted work and a quoting work. The requirements of quotation consist of: ①a clear differentiation between a work that quotes an original work and the original work that is quoted, ②a principal and accessory relationship between two works, and ③no quotation that infringes the moral rights of the copyright owner of the original work. Again, he took up the recent case of "Where did the cheese go?"（Tokyo District Court, 12/29/2001）. The decision stated "although a parody, as a way of expression, is permitted in literature, there are always limitations and it is impermissible to infringe the copyright of an original work through a parody". He criticized that the decision did not make a clear judgment on whether the parody work was an infringement of the copyright or not.

Next, offering legislative examples in foreign countries, Attorney Fukui introduced a so-called parody rule in French Copyright Law and Spanish Copyright Law and referred to the fair-use rule in Section 107 of the Copyright Act of the United States. He made an overview observation of the four fair use factors which are (1) the purpose and character of the use, (2) the

nature of the copyrighted work, (3) the amount and substantiality of the portion used in relation to the copyrighted work as a whole, and (4) the effect of the use upon the potential market for or value of the copyrighted work. Then, he explained how the fair use rule functions for a parody work, describing in detail several related cases including the case of *Walt Disney Productions vs. Air Pirates*, 581 F.2d 751(9th Cir. 1978) where the court affirmed that the Underground Comics using Disney characters such as Mickey Mouse were substantial copies "more than is necessary to 'recall or conjure up' the original;" the case of *Rogers vs. Koons*, 960 F.2d 301(2d Cir. 1992) where the court denied fair use claim from defendant who created a sculpture entitled "String of Puppies" after a plaintiff's photo "Puppies" without plaintiff's consent, modeling a smiling middle-aged couple with eight puppies and sold as a postcard; and the case of *Campbell vs. Acuff-Rose Music* 510 U.S. 569 (1994) where the court ruled that a parody song called "Pretty Woman" originally composed by Luther Campbell but put into parody by the rap music group "The 2 Live Crew" was fair use of the original famous tune, "Oh, Pretty Woman".

Lastly, Attorney Fukui presented some recent issues arising in the interpretation of quotation rules and classified quotations into two types; a traditional type and a mutating type, to deal with a parody issue under interpretation of the current law. Then he proposed to determine the legality of a parody, of a mutating type, on the basis of provision itself instead of applying requirements such as clear differentiation or a principal and accusatory relationship. Furthermore, he examined a possible law revision for coping with this issue in a more practical approach, giving three methods: ①adaptation of the rules for a parody work (France and Spain type), ② adaptation of the fair-use rule (U.S. general rule type), and ③revision of quotation rules（which includes a parody work). He also indicated that applying the Copyright Law, 20-2-4（exclusion from right of preserving the integrity） should be considered when dealing with the moral rights of the original works for a parody issue. He concluded that a law revision or law interpretation relating to a parody should take into consideration a ①clear explanation of original work's source to possible readers/audience, ② reproduction of original works from a new perspective, ③no substitutive nature of original works, ④reasonable usage within a limitation necessary for the purpose, and ⑤quite limitative effect on original works in the market.

Following the lecture stated above, opinion exchange actively took place among participants.

(RA Kazuhiro Ando)

RCLIP Workshop Series No.6 (1/31/05)
"Legislative Problems related to Moral Rights"

Tatsuhiro Ueno, Associate Professor of Law, Rikkyo University

The RCLIP invited Associate Professor Tatsuhiro Ueno, Rikkyo University, to present a report entitled "Legislative Problems related to Moral Rights" in front of about 70 participants at the RCLIP Workshop Series No.6. Legislative issues on moral rights are currently a topic of discussion in Japan. Some conditions that exist in the background of the discussion include the higher than minimum protection level of moral rights in Japan from the standards set by the Berne Convention, the uncertain validity of contracts having to do with moral rights, and the changing in the methods of utilizing works made with digital technology. Working off of this background, the Legislation Committees in

Copyright Panel in Cultural Council are trying to progress the discussion, responding to demands by the concerned parties in Japan.

Traditionally, there have been three approaches of legislative theory on moral rights. The first approach goes about limiting one of the moral rights: the right to control against modification. Article 6, number 2 of the Berne Convention allows for legislation within individual countries to set credibility requirements according to the minimum standard of protection. However, in Japan, there are no rules for the control against modification of moral rights relating to Article 20 of Copyright Law. Consequently, Japan has a wider scope of applications in the right to control modification, based on the rule in the provisions. In the related legislative theories, there is discussion over the exclusion of the right to modify works for private use and the requirement of credibility for the right to control modification. The second approach is a discussion to clarify legislatively the validity of contracts on moral rights. Moral rights of authors are of an exclusively personal nature, and they can never be transferred. Owing to the nature of these rights, they are essentially not appropriate to be put into contracts. Practices in copyright deal with this matter by having nonuse clause of moral rights in contracts. However, there has been no precedent to verify the validity of the special clause. Accordingly, the discussion remains that the legislation should clarify the validity of these kinds of contracts. The third approach is the discussion to deny moral rights in cases where moral rights should not be admitted. For example, the moral rights of a corporation should be limited to a certain extent because a corporation is not a natural person and does not engage in creating works directly. Also moral rights should not be admitted for functional works such as programs and databases.

Associate Professor Ueno's examination on these issues was as follows: First, in respect of limiting the right to control modification, it is possible in general to exclude personal modification from the right to control modification, by adding a new illustrative clause to the Article 20, Clause 2 of the Copyright Law. However it is also necessary to consider the ripple effect of that legislation. In respect of limiting rights by requiring credibility, the minimum standard in the Berne Convention that admits the way of limiting cannot necessarily be generalized to a legislative example and it also needs to be adjusted for problems occurring when the protection level is lowered from the current level. Furthermore, it is necessary to consider the repercussions of this kind of legislation. In this case, the direction to deal with this matter by the construction of general clause, the Article 20, Clause 2-4, needs to be sought. The second concern is the discussion that the legislation should clarify the validity of contracts on moral rights. More consideration is needed on the possibility to solve the issue by the construction of the Article 20 Clause 1 because the repercussions are large when the legislation is actually formed. A similar movement occurred in Germany, which Japan can relate to. The third is the discussion that there are some cases where moral rights cannot be admitted. From the standpoint that moral rights should be granted to whom actually engaged in creating works, as a fact it is possible to raise an argument that it is doubtful to validate moral rights belonging to a corporation in the first place. On the other hand, it is also needed to examine a way to applying the construction of the existing legislation to this matter. There is a way to conclude that it is difficult to admit moral rights of a corporation under the construction theory as well. Of the moral rights of functional works, it is possible to find a solution by considering such factors as the functionality and practicality of the work, applying the construction of the requirement of "the nature of a work", Article 20 Clause 2-4.

There are two possible directions for the revision of the laws on moral rights, a strengthening or a weakening. Whether or not the discussion finally bears fruit to an actual

legislation, it is important to clarify the possibilities and the limitations of the construction of the existing legislation through the process of examining direction. In this respect, Article 20 of the Copyright Law, which provides for the right to control against modification, adapts a rule combining a hard illustrative clause and a soft general clause. This section can be positively evaluated as an adjusting rule equipped with legal certainty and flexibility. In the meantime, developing the construction while maintaining flexibility by using general clauses might eventually lead to a solid construction. Then, it will be possible to adapt it as an illustrative clause. At this point, we cannot underestimate this kind of position.

After the lecture stated above, discussions continued actively among participants.

(RC Tetsuya Imamura)

IP Database Project: China

For the Database Project of Chinese IP Precedents, the summarizing of the most important precedents is almost finished and translating the precedents into English has just begun. Professor Zhang Ping's team at Peking University has completed the summarizing of 50 patent related cases in the Beijing region, Professor Guo He's team at Renmin University of China has completed the 62 trademark related cases in the Beijing region, and Professor Wang Bing's team at Tsinghua University has completed the 64 copyright related cases in the Beijing region. Professor Zhang Naigen's team at Fudan University is working on the most important precedents in the Shanghai region and Associate Professor Li Zhenghua's team at Zhongshan University is working on the most important precedents in the Guangdong region. Both will finish the summarizing by the end of February.

The IP specialized translation company is currently translating the completed summaries into English. The first 10 precedents (patent related cases in Beijing region) will be available on the database by the middle of March. 283 Chinese IP precedents in total will be on the database by next fall. (RA Yuan Yi)

IP Database Project: Thailand

The RCLIP added 70 new Thai precedents to the database, thus, there are now 154 total Thai cases in the database. An additional 50 cases will be added next spring. To analyze the Thai precedents accumulated so far, a COE Research Associate will make a two-week visit to the IP&IT Court in Bangkok. (RC Tetsuya Imamura)

IP Database Project: Indonesia

In December of 2004, the RCLIP had a meeting in Jakarta with the project members in Indonesia in response to their notice that the members had been mostly decided. The project team consists of five members, including Mr. Parulian Aritonang of the IP Center of Indonesian University who kindly took leadership in forming this project team. The members consist of scholars, a prosecutor, and officers of IP, and are currently working on the list of precedents for the database.

The RCLIP is presently seeking to establish a cooperative relationship with the Indonesian Supreme Court. At the end of January 2005, Professor Takabayashi and Research Associate Yuka Aoyagi of the RCLIP met scholars from Indonesia and judges of the Indonesian Supreme Court when they visited Tokyo for a training trip. The meeting triggered a cooperative relationship between two countries. Indonesian scholars showed agreement to the motives of the RCLIP's database project and offered their support immediately. In response to their positive reaction, the RCLIP will visit the Indonesian High Court at the end of March to discuss the project team organization. (RA Yuka Aoyagi)

Please visit our database at:
http://www.21coe-win-cls.org/rclip/db/

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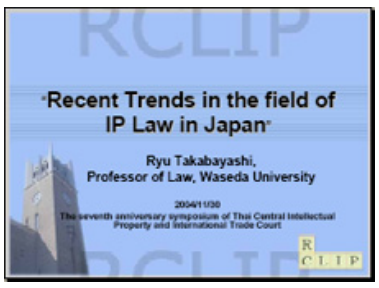
Regional Symposium to Commemorate 7th Anniversary of the Central Intellectual Property and International Trade Court

The Central Intellectual Property and International Trade Court (IP&IT Court) held an international symposium at the Merchant Court Hotel on November 30 of 2004 and December 1 of 2005, which was co-sponsored by the RCLIP. Professor Takabayashi and Yumiko Miura myself participated, as well as Mr. Ryo Maruyama of AIPPI Japan and Tetsuya Imamura, RCLIP Research Cooperator who were visiting Thailand for AIPPI research. The symposium invited more than 300 participants from in and out of Thailand.

At the beginning of the symposium, Hon. Chief Justice Supachai Phu-ngam, President of the Supreme Court set the premise by making a speech on the fundamental philosophy of IP law. The IP law grants exclusive rights to inventors/ creators for their inventions/creations only if the purpose of the inventions/creations meets public interests. It is always very important to be aware of harmonization or balance between exclusive rights and public interests. It is necessary to avoid an excessive monopoly by having a balance between appropriation and diffusion. The IPR is so dynamic that all concerned in the IP field should be aware of this harmonization.

Professor Takabayashi made a speech on the topic of "Current Issues in Intellectual Property Law" from Japanese perspective, and also introduced the database project of Asian IP precedents that the IP&IT Court and the RCLIP were jointly working on.



(Prof. Takabayashi's presentation can be viewed at: http://www.21coe-win-cls.org/rclip/2_20041130.pdf)

In addition, on the same topic, Dr. Christopher Heath, Head of the Asian Department of the Max Planck Institute in Germany talked from European perspective, and Mr. Weeranwit Weeraworawit, Minister of the Ministry of Commerce talked from the perspective from Thailand. A session was held to discuss the legal issues of GM Technology, as well as a session to discuss the Free Trade Agreement, and fruitful and meaningful opinions were exchanged.

(RC Yumiko Miura)

Private International Law Group

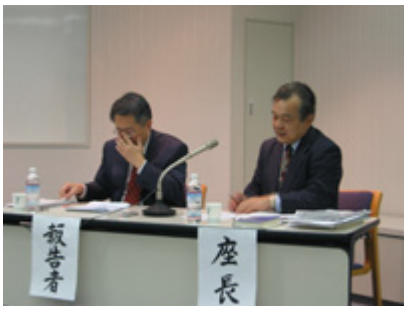
An international symposium was held at the Waseda University International Conference Hall on November 27, 2004, titled "International Adjustment of Private International Law Principles on Intellectual Property Right Litigations – focusing on Max Planck Institute Proposal and American Law Institute Principles".

Hosted by the 21st Century COE Waseda Institute for Corporation Law and Society and sponsored by the Suntory Foundation, the symposium invited Professor Annette Kur of the Max-Planck Institute for Intellectual Property, Competition and Tax in Munich, Mr. Kong-Woong Choe, President of Korea Private International Law Association, Dr. Kyung-Han Sohn, Vice President of Korea Private International Law Association, Dr. Kwang Hyun Suk, Professor of Hanyang University, Professor Tae-Ak Rho, Judicial Research & Training Institute of Korea and five Japanese researchers.

Professor Masato Dogauchi of Waseda University was the moderator for the first session the morning of the symposium. To begin, Professor Kur briefly introduced the MPI Proposal, explaining its background and current status, international jurisdiction, and choice of law. Following, in his presentation titled "Observation of the Max-Planck Institute Draft in regard to the International Infringement of Intellectual Property Rights," Professor Satoshi Watanabe of Ritsumeikan University Law School

examined the Japanese translation of the MPI Proposal, for which he in turn gave an overview and described its features, considered it in comparison to Japanese precedents, expressed some concerns about its context, and presented his proposals and future expectations. He pointed out that the MPI Proposal had caused some legal uncertainty because it had used unclear concept of the country with effect erga omnes for copyright from that it had used the concept of the country of registration for industrial property rights. He indicated furthermore in the case of ubiquitous infringement, that is, diffusive infringement, the judgment by weighing factors for their relative significance on the center of gravity theory in the particular issues also caused legal uncertainty. Professor Kur explained that the ubiquitous infringement is not only mere diffusive infringement, but it is defined as such when the infringement occurs in unspecifiable and multiple countries via computer networks.

In the afternoon, Professor Shoichi Kidana took over the role of the moderator in the second session. Professor Kwang Hyun Suk, Hanyang University began his presentation with the "Max-Planck-Institute Proposal on International Jurisdiction in Intellectual Property Matters: Some Observations from the Korean Law Perspectives", stating his careful and specific observations of the MPI Proposal.



Then, Professor Tae-Ak Rho of the Judicial Training Institute of Korea presented "Comments on Draft ALI Proposal from Korean Law Perspectives" and Mr. Takaya Ito, a Research Associate of Aoyama Gakuin University reported "The ALI Draft in regard to Resolution for International Disputes of Intellectual Property Rights". Professor Tae-Ak Rho examined the ALI Draft by comparing it with related articles in Korean case law and the precedents by the Supreme Court of Korea and pointed out that the ALI draft should not exclude patent rights. Furthermore, although the ALI draft was well designed with a focus on a digital environment, its jurisdiction was stretched to other points. Referring to the ALI Principles announced in January 2004 (Principles Governing Jurisdiction, Choice of Law, and Judgments in Transnational Disputes), Research Associate Takaya Ito pointed out that the draft admitted consolidation of actions on the jurisdiction widely for efficient and effective trials and based the law of the country of origin as an applicable law for the right which was originally granted. He also mentioned that the ALI draft which uniquely concerns digital environment over the Internet attached too much importance on the protection of the sender rather than on the receiver in terms of both jurisdiction and choice of law rules. Finally, the overall discussion was closed after the report "Rome II and Intellectual Property Right Infringement" by Dr. Kyung-Han Sohn, Vice President of Korea Private International Law Association. As a whole we could have substantial discussions on this symposium by the attendance of many researchers, especially Professor Kur who chairs MPI special working group.

(RA Yuichi Sasaki)

Upcoming Event

RCLIP Workshop Series No.7 will be held on 3/28/2005, 18:00-20:00, at Waseda University.
Title: Moral Rights of Performer (Japanese only)
For details, please visit our website.

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