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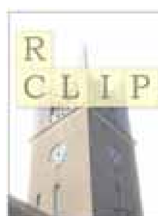

Newsletter

21COE-WIN-CLS RCLIP

RCLIP Workshop Series No.21 (2007/6/29)

"Theoretical Study on Copyright Duration - In Accordance with Argument of Europe and the United States -"

Tetsuya Imamura, Lecturer, Meiji University

At the RCLIP Workshop Series No. 21 on June 29, 2007, I had a report entitled "Theoretical Study on Copyright Duration - In Accordance with Argument of Europe and the United States-"

At the outset of my report, I referred to Japan's current progress on copyright duration. Whether or not copyright duration should be extended is a major issue in the field of copyright law. Specifically, right-holders groups are making a proposal that the term of protection should be extended from the life of the author and fifty years after the author's death under the current law to seventy years in the case of the works whose term of protection shall run from the date of the author's death. On the other hand, right users or user groups have a growing concern that too long copyright protection may harm cultural promotion. Meanwhile, Agency for Cultural Affairs also clearly stated that while they bore in mind balancing protection duration of all copyright works, they would examine the possibility to extend the term of protection from fifty years after the author's death to seventy years, considering the global trend that the term of copyright protection is seventy years in several Western nations. Currently, the issue is discussed at "the Subcommittee on protection and exploitation of past copyright works" of the Copyright Committee of Cultural Council.

Next, I explained about the perspective of copyright duration and limitations of legislation. Basically, it would not be unconstitutional to extend copyright duration by several decades in the light of the constitutional issue judging from the current circumstances such as the US Supreme Court decisions. It would not be unconstitutional also if the extension applies to the copyright works which preexist before enforcement.

As for the theory of copyright duration, I illustrated the reason why a permanent copyright is not granted (why the term of copyright is limited). Substantial factors for finite nature of copyright are: (1) the difficulty to track and specify the person who owns copyright with the course of time, (2) the nature of property which does not require possession, and (3) the significance to set the created work in the cycle of creation of wisdom. The grounds justifying copyright are: (1) instrumentalism based on utilitarianism, (2) theory of personality, and (3) property theory (natural right theory). As for utilitarianism, I quoted the words of Dewey (Reconstruction in Philosophy (New York: Henry Holt, 1920), 145, 156), " [all] notions, theories, systems... must be regarded as hypotheses.... They are tools.... Their value resides not in themselves but in their capacity to work, shown in the consequences of their use". Also, the report specifically focused on the aspect of political issues. That might have given an impression that the lecturer abandoned a theoretical explanation of substantial grounds for this issue. However, I do not entirely take a

position of utilitarian. I retain theoretical substantial grounds for other issues on copyright.

Of all the various issues in the field of copyright law, I just pointed out specifically as to the issue of copyright protection term that it would be difficult to deductively explain about the reason why a certain term must be specified from the range between a permanent term and zero term of protection, based on the fundamental theory related to substantial grounds of copyright.

So I introduced an article by Professor Ricketson (Sam Ricketson, *The Copyright Term* (1992) 23 IIC 753). In his article, he pointed out that there were a series of possible time range of protection duration from very short to very long term and it would be only possible to clarify a factor finding grounds that a certain protection term is better than other terms.

As measuring factors to specify concrete term of protection, Professor Ricketson pointed out and examined the factors including (1)The Need to Provide for Dependents (as the reason to admit the protection after the author's death), (2)The Apparent Inequities in a Term Based on the Author's Life (vagueness of protection duration after the author's death) , (3)The Time Needed to Recoup Investment Costs: The Investor's Perspective (an issue raised related to (1) and (2)), (4)Identification of Entitlements)(as the reason why it is negative to have a long term protection), (5)"Post Mortem Auctoris" Suppression of Works (as the reason why it is negative to have a protection after the author's death), (6)New Claimants for Protection: The Impact of New Technologies (suggesting the possibility of various protection terms), (7) Special Factor Affecting the Issue of Duration: War Losses and Other Disasters (as an example of irrational rules), and (8)The Problem of Uniformity (what should be unified). However they do not encompass all measuring factors.

I also refereed to international trends and dynamics. Introducing the terms of copyright duration in multilateral treaties such as Berne Convention, WTO-TRIPS Agreement, and WIPO-WCT, I explained about the current conditions that the issue of copyright is now shifting to a different forum such as FTA because it has been facing the limitation of consensus-building at multilateral treaties. In addition, in the case of EU, EU directive harmonized EU member states to have seventy-year protection duration. However, it seemed that any significant grounds of argument were presented after all other than the request by the Treaty establishing the European Economic Community (EEC Treaty) in terms of removing the barriers of the internal market. This report originally planned to introduce the U.S. theories after the case of Eldred (*Eldred v. Ashcroft*, 537 U.S. 186(2003)) in details. But I only touched some related articles because of lack of time.

Also, on the issue of copyright duration, I introduced briefly a hypothesis based on empirical research by Professor Paul J Heald.

After the report stated above, an active QA session took place with the participants.

(RC Tetsuya Imamura)

UW Law School-RCLIP Seminar(2007/7/2)

On July 2 of 2007, RCLIP and CASRIP, the IP Law & Policy LL.M. and Asian Law LL.M. programs of UW Law School (Seattle, the U.S.) co-hosted a seminar entitled as “Corporate Legal Affairs at the Age of Cross-border M&A” at Waseda Ono Memorial Hall. The program included two discussion panels. The first panel examined the M&A practice under the revised

Japanese corporate law and the issues in terms of IP and Tax Code. In the second panel, as the panelists, corporate legal affairs professionals told of their experiences of studying abroad, with the theme of cultivation of human resources for cross-border legal affairs. The first panel started with the keynote speech by Professor Tatsuo Uemura, the Dean of the legal faculty at Waseda University and a leading expert in the field of corporate law. Then, moderated by Mr. Osamu Hirakawa, Anderson Mouri & Tomotsune, the panel discussion took place. The panelists included Mr. Keisuke Sadamori (Counselor, Cabinet Secretariate) who was actually involved with the revision, Mr. Kunizo Suzuki (Texas Instruments Japan) who had many experiences to handle IP matters related to M&A, Professor Hidetoshi Masuda (Senshu Law School) who had expertise in Tax Code of Japan and the U.S., and Mr. Jody Chafee (a part-time lecturer of UW Law School, Starbuck's coffee) who taught global M&A in the joint class of UW and Waseda.

In his keynote speech, Professor Uemura explained that, with expansion of intensive stock investment by utilizing capital market, the way of viewing corporate law in Japanese society had changed, leading to a high requirement to disclose information to current and future stock holders. That was a background of the recent corporate law revision related to takeover. The shape of governance or the way of looking at corporations had been changing and therefore, it was necessary to change the legal theory of the new corporate law fundamentally. He raised doubt on the public perception of considering a takeover as good when it increased corporate value. In conclusion, he stressed that it was important to establish a better corporate legislation for Japanese companies which Japanese people run.

In the panel discussion, Mr. Sadamori explained about the history of corporate law revision related to M&A since the late '90s. He introduced some examples of intensifying reorganization in the major industries after they accepted friendly takeover. He also introduced three principles of the takeover guidelines published by Ministry of Economy, Trade and Industry and Ministry of Justice in May of 2005, responding increasing hostile takeover bids after 2000. Then, Mr. Suzuki illustrated how Texas Instruments had utilized M&A as a corporate strategy. As a result, Texas Instruments broke out of the slump in the late '90s and concentrated on a specific technology, then, it came back to an excellent company with a high benefit. He described the experience from aspects of management and IP. Professor Masuda briefly expounded from the fundamental concept of corporate-tax code regarding corporate organizational restructuring to the points in the 2007 revision because many of the participants would not be experts of tax code. Traditionally, taxation on liquidation through merger was an impediment to organizational restructuring in Japan. However, like the U.S., the revision in 2001 allowed deferment of taxation under certain conditions. The tax-code revision stipulated the requirements of deferment in the case of triangular merger adopted by this corporate law revision. Last, Mr. Jody Chafee mentioned the problems caused by the differences of legal system among various countries when Starbucks Coffee Company was expanding its business globally through M&A. Also, there was an unexpected encouraging comment to Waseda students by Mr. Tsubasa Matsuo, a renowned corporate legal professional and Waseda Alumni.

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Moderated by Professor Toshiko Takenaka (Professor of Law School, University of Washington, Visiting Professor of Law, Waseda University), the second panel took place with Mr. Yutaka Nakamura (NTT Docomo) and Mr. Yukihiro Terazawa (Lawyer, O'Melvany Myers) as panelists. They introduced their experience of studying in the U.S. and how the experience was useful to their practices in the dialogue form. In the last half of the panel, they replied to the questions from Waseda students about how they should prepare for studying abroad.

Nearly 100 people including legal affairs professionals and IP experts as well as students aiming to study abroad, law school students and legal trainees participated in the seminar. About forty of them came to the "Seihoku-no-kaze" restaurant after the seminar to attend the reception. Although the second panel was conducted at limited time such as only twenty minutes, many of those who were interested in studying abroad attended the reception and had a chance to talk to the panelists and UW graduates. Professor Daniel Foote, former Professor of UW Law School and present Professor of University of Tokyo came to the reception after his class. He enjoyed the night view of Waseda Forest and had a pleasant hour with the Alumni.

With the help of RCLIP staffs and Ms. Murazumi, Asian Law LL.M. programs of UW Law School, who flew from Seattle for the event, the seminar and the reception successfully ended. Based on the participants' feedbacks at the reception, UW Law School would like to have opportunities to hold seminars/round table discussions related to the U.S. laws as well as to provide information to those who want to study in the U.S., with the help of RCLIP.

(Professor Toshiko Takenaka, Law School, University of Washington, Visiting Professor of Law, Waseda University)

RCLIP Workshop Series No.20 (2006/7/20)

"Limitations of Trademark Rights – With Focus on Article 26 (1) (ii) (iii) of Trademark Law"

Shigeki Chaen, Professor of Law,
Osaka University

The RCLIP Workshop Series No.20 invited Professor Chaen of Osaka University to deliver a report about "Limitations of Trademark Rights".

This report was originally planned in May, but postponed due to a school close forced by the outbreak of measles at Waseda University. Although the date was changed due to the reason stated above, not only experts or researchers but also a number of interested business persons from various industries attended the seminar probably because of a high level of interest in trademark. The number of participants reached sixty.

This report examined the relations between Article 26, which is about Limitations of Trademark Rights, and so-called theory of trademark usage, or defense of limitation on the exercise of rights (Mutatis mutandis application of Article 104(3) of the Patent Act in Article 39 of the Trademark Law), or so-called Kilby defense.

As to the relations between Article 26 and defense of limitation on the exercise of rights or Kilby defense, Article 26 focuses on trademark usage by a defendant while defense of limitation on the exercise of rights and Kilby defense focus entirely on registered trademarks and do not pay attention to defendant's use of trademarks. The defenses focus on invalid grounds in registered trademarks. In addition, Article 26 has rules responding to Article 3(1)(i) or (iii) but no rules

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responding to (iv) or (vi). However, in the case of the execution of trademarks which have invalid grounds violating Article 3(1)(iv) or (vi), Kilby defense can be used in the court. (Tokyo District Court, October 11, 2005, Hanrei Jihou 1923.92, the case of Gerovital)

Next, as to the relations between Article 26 and the theory of trademark usage, the theory of trademark usage seems to be considered as an expansion of Article 26 in the case of Popeye (Osaka District Court, February 24, 1976, Mutaisyu 8.1.102) or the case of UNDER THE SUN (Tokyo District Court, February 22, 1995, Chisaisyu 27.1.109) . However, it is not clear whether "a common manner" stated in Article 26 has the same meaning of "the usage which is not the trademark usage". Also no reason was specified why such an expansion was permitted. Professor Chaen pointed out that, whatever Article 26 meant, if the use was not the use as trademark, it should be considered as non-infringement by the theory of trademark usage.

In contrast to Professor Chaen's view, Mr. Katsuhiko Mise, a lawyer, has an opinion that "the cases to which Article 26(1) can be applied or mutatis mutandis applied should not be judged based on a vague criterion of proving whether the use is trade usage or not. Instead, they should be judged as beyond the effects of the trademark right by applying Article 26(1) of the Trademark Law".

(Katsuhiko Mise, "The Effects of Trademark Right in Trademark Infringement Litigations – with Focus on the Interpretation of Article 26 (1) to (3) of the Trademark Law" in "Theories and Practices of IP Law, Vol.3, Trademark Law and Unfair Competition Law" (Toshiaki Makino et al. eds., Shin Nihon Houki, 2007) .

With regard to this opinion, Professor Chaen pointed out that in the case of the defendant's mark with a common name or quality stipulated in Article 26, only when the mark was used in "a common manner", it was considered as non-infringement. When the mark was not used in "a common manner", it could be considered as infringement even if it was not used as a trademark. He said that it should be reasonable to limit the effects of theory of trademark usage in relation to Article 26.

However, in order to judge "a common manner" stated in Article 26, Mr. Mise tried to judge based on "relative relations with registered trademarks" including a judgment to see whether the mark is similar to the registered trademarks and the similarity makes people confuse the origin (Mise, P.65 in the article cited above, Masaki Hirao, p.347 in "Trademark Law, the first revised edition", Gakuyo Shobo 2006, and Yoshiyuki Tamura, p.198 in "Introduction to Trademark Law, the second edition", Koubundo 2000). Therefore, it does not say that the judgment reach an unreasonable conclusion. For example, a mark was a common name but could be registered as a trademark because it had a unique font style. If a defendant uses this trademark in a common font style, the font is not similar to the registered trademark and no one get confused the mark with the registered distinguishing trademark. Therefore, it is not a trademark infringement because it is "a common manner"

Professor Chaen pointed out that including the judgment of similarity does not fit in sentences and that it might be ineffective because it is necessary to see the validity of registered trademarks whenever a case is judged in the light of Article 26(1).

In his conclusion, Professor Chaen stated, after all, "a common manner" is the manner which is used in practices of products and services. That understanding is sufficient. Therefore, Article 26 is the rule that emphasizes the defendant's benefit such as indicating origin of products and allows the defendant's use. Even though the use might be similar to others and could cause confusion regarding origins, it is allowed as far as the use is in "a common manner".

A QA session followed the report above actively with the participants.

（RC Taro Hirayama）

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The RCLIP's
Asian IP Precedents Database Project

※ The database is available in English, free of use at: http://www.21coe-win-cls.org/rclip/db/

IP Database Project: China

For Addition to the Chinese DB, RCLIP will be steadily keep working with collaborators of Peking Univ., Tsinghua Univ., Renmin Univ., Zhongshan Univ., and Higher People's Court of Shanghai. (RA Yu Fenglei)

IP Database Project: Thailand

Currently 316 Thai precedents have already been placed at the database. More 50 cases will be added this year. (RC Tetsuya Imamura)

IP Database Project: Indonesia

We are now discussing with the related parties in Indonesia about the additional precedents of FY 2007.

. (RA Akiko Ogawa)

IP Database Project: Taiwan

We are now discussing with the related parties in Taiwan about the additional precedents of FY 2007.

(RA Akiko Ogawa)

IP Database Project: Vietnam

Aiming to add a number of precedents like last year, we have started to make adjustment with the local collaborators. (RA Asuka Gomi)

IP Database Project: Korea

In addition to the sixty precedents at the DB, additional sixty new precedents will be placed. Currently, Lawyer Lee Soowan (patent), Dr. Woo Jongkyun (trademark), and Professor Nam Hyungdoo (copyright) are selecting precedents and adding comments. At the end of September, we are going to the stage of English translation.

(COE Research Associate Lea Chang)

Events and Seminars

RCLIP Special Seminar: Substantial Research Report on Extension of Copyright Duration

【Date】September 19, 2007, 18:00-21:00
【Place】Waseda Univ. Bldg 8, Room B-107
【Co-Sponsor】Simul International

【Lecturer】Paul Heald, Professor of University Georgia, School of Law
【Commentator】Junghoon Kim, Associate Professor of Research Institute for Digital Media and Content, Keio University
【Moderator】Tetsuya Imamura, Lecturer, Meiji University
【Chairperson】Ryu Takabayashi, Professor of Waseda University

【Theme】
Substantial Research Report on Extension of Copyright Duration
【Abstract】
Based on an article: "Property Rights and the Efficient Exploitation of Copyrighted Words: An Empirical Analysis of Public Domain and Copyrighted Fiction Bestsellers" by Professor Paul Heald, the seminar introduces the findings of the empirical analysis about the effect which the extension of copyright duration in the US gave to the production and distribution of bestsellers. His conclusion based on the empirical analysis will cause a stir to the discussion about the extension of copyright duration in Japan.

Consecutive Interpretation (Japanese) is provided.

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RCLIP International Symposium
RCLIP International IP Seminar Series

(1)Taiwan/Indonesia & Japan Special Seminar
【Date】November 23, 2007, 10:00-13:00
【Place】Waseda University
Ibuka International Conference Hall

(2)IP Enforcement in Asia Part II
【Date】November 23, 2007, 14:00-17:00
November 24, 2007, 10:00 – 17:00
【Place】Waseda University
Ibuka International Conference Hall
(Simultaneous interpretation, Japanese-English)

【Program】
Day 1
14:00-17:00
Group Session #1: Korea, Thailand, Japan
Day 2
10:00 — 13:00
Group Session #2: China, Vietnam, Japan
14:00 — 17:00
Conference of Asian Judges: Comparative analysis of a hypothetical case by the Asian judges.
18:00 Reception

【Overview】
This seminar is a series of large scaled international seminars inviting Asian scholars, practitioners, and judges to discuss about Intellectual Property Right in Asia.

In the morning of November 23, Taiwan, Indonesia and Japan Special Seminar will be held. Then, from the afternoon of November 23, "IP Enforcement in Asia Part II" will be held. In the afternoon of Day 1, three-country sessions will take place with a group of Korea, Thai, and Japan and then, a group of China, Vietnam, and Japan. This session will have reports on specialized themes as well as discussions.

In the afternoon of Day 2, the RCLIP invites IP specialized judges from Asian countries which have collaborated with the RCLIP to establish the IP precedents DB. The judges will make a decision on a hypothetical IP dispute case in the session.

The RCLIP International IP Seminar Series this time has a meaning of summarizing our effort of the Asian IP Precedents Database Project. (http://www.21coe-win-cls.org/rclip/db/index.html). Also, it will be a precious opportunity to share the most updated information of each country from well-known scholars, practitioners, and judges of seven Asian countries. We hope many people will attend the seminar.

We will post further information about the theme and program at our website in the near future.

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