



# NEWSLETTER

Research Center for the Legal System of Intellectual Property

## ❖RCLIP Workshop Series No.29

### “Global Expansion of Droit de Suite and Its Background”

(2010/1/29)

【Speaker】 Akiko Ogawa, Research Associate,  
Waseda University Global COE



At the RCLIP Workshop Series No.29, a report was made on global expansion of Droit de Suite and its background.

Droit de Suite (right to follow) is a right granted to artists to receive a part of profit on the resale of their works after the initial sale of the works. Since its adoption in France in 1920, it has expanded to more than 50 countries in the world.

The works which were sold at a low price when the artist was young, obscure and poor are later traded at a higher price in many cases. Despite this, the artist received only the value of the initial sale. Reflecting such a fact, this legal system was designed to enable artists to receive a part of profits on the resale of their works.

Behind the birth of such a right, there was a concern that authors of art works do not receive the same right as others under the Copyright Law because they are rewarded by selling the original works instead of copies, in comparison with authors of literature or music. The works of literature or music are protected for 50 or 70 years after the author's death. In comparison, the sale of original art works is completed at the transfer of the works. Therefore, unless they

receive revenues by copyright, the authors of artworks have no source of income in reality. They cannot earn their bread and butter without creating works continuously. Droit de Suite is a right to improve the artists' condition as such.

In EU, Directive 2001/84/EC required member states to implement Droit de Suite by the end of 2006.

Among common law countries, UK has already adopted it in 2006 as an EU member state. In the US, although there was no history to admit the right in Federal Law, the state of California implemented Droit de Suite legislation in the state law in 1976. In Australia, the bill passed Congress in November of 2009 and Droit de Suite legislation will be implemented in 2010. In Japan, there is no sign of implementing Droit de Suite until now. However, there is a new movement in 2010. It is deeply related to the introduction of Article 47-2 by the revision of the Copyright Act in 2009.

Article 47-2 stipulates the restrictions of author's right for artistic works and so forth. It allows “the owner of the original work” to make reproductions or public transmission of the work only “for the purpose of application” necessary to transfer or lend the original work. In particular, it is allowed to publish the image of the original work on the Internet auction without the author's consent. Also it is allowed to make reproductions of the original work without the author's consent and free of charge for a auction catalogue pre-distributed for a usual auction which an auction house invites customers. There are the following issues in implementing this Article.

#### ①The purpose of restrictive regulation at auction

Restrictive regulation of Japan's Copyright Law exceptionally restricts author's right mainly to protect of the weak or educational purposes. What is recognized in Article 47-2 as the

freely-used subject, however, means neither education nor the weak, simply the commercial purposes of conducting trades smoothly.

### ②The balance with other restrictive regulations

Article 47 of the Copyright Law stipulates that it is allowed to publish works in pamphlets for the purpose of explaining or introducing them to viewers in exhibitions. Judicial decisions, however, indicate that the use which is equivalent to art books available in the market should not be identified as pamphlets. It is necessary to ask permission even for the purpose of explaining or introducing the works in exhibitions if the use is not identified as a pamphlet and is equivalent to a book for sale. In the case of an auction which is for commercial purposes, free use is allowed merely on the grounds of trade convenience.

### ③Cultural development and restrictive regulation

It is indicated that sufficient attention is lacked for non-Internet auction. In adoption of Article 47-2, that was examined to respond to the difficulty of buying products at Internet auctions without seeing the actual goods. Then, it also included non-Internet auction sales.

Reproduction of the works is allowed “free of charge” for the (non-Internet) auction catalogue which sells the actual goods. In addition, the catalogue is resold as the past record after it is delivered as a book. Disadvantage for authors will be created by limiting author’s reproduction right for an auction catalogue which is equivalent to an art collection book and made “for the purpose of application” of high reproduction.

From a global standpoint, EU has the same regulation by EU Directive 2001/29/EC. In Article 5-3(j), the use of copyrighted works is allowed in the case of “use for the purpose of advertising the public exhibition or sale of artistic works, to the extent necessary to promote the event, excluding any other commercial use”. On the other hand, the fore-mentioned Directive 2001/84/EC coexists in EU. A system is established to return a part of profit to authors when sales is conducted. In short, EU permits

restrictive free use of copyrighted works at auctions by Directive 2001/29/EC. On the other hand, EU harmonizes the differences among member states by requiring the implementation of Droit de Suite in 2001/84/EC.

The biggest problem in Japan’s Copyright Law revision is that, although the Law has exceptional regulations at the same level of EU Directive in Article 47-2, Japan falls far behind Europe in terms of protecting author’s right through Droit de Suite or other legislations.

Some kind of system is needed to protect the right of authors of fine arts who have limited reproduction right restricted by Article 47-247. One possible solution would be adoption of Droit de Suite. In other words, the enactment of Article 47-2 might become one reason why the adoption of Droit de Suite is necessary in the future.

(Research Associate Akiko Ogawa)

## ❖RCLIP Workshop Series No.30

(2010/2/26)

【Speaker】 Professor Tadashi Ishii, Dean of Intellectual Property at the Osaka Institute of Technology



RCLIP Workshop Series No.30 on February 26, 2010 invited Professor Tadashi Ishii who was former Deputy Commissioner of Japan Patent Office and had a detailed knowledge of historical development of the patent system, to report on the theme of “Patent in History - Design and Development of Modern Patent System -”.

First, his report introduced the background of the establishment of the patent law in the



Republic of Venice as the origin of patent system. The 15<sup>th</sup>-century Venice was in the midst of shifting from a country of trade to a country of trade and processing industry. Based on the guild's tradition giving protections such as confidentiality and special funding to an inventor of new technology, Venice enacted the Patent Law in 1474 having fundamental factors of patent system including examination system and exclusive right for a certain period. Then, he introduced the process of establishing the UK Statute of Monopolies which formed the basis of modern patent system. The 16<sup>th</sup>-century UK created the patent system as exceptional measures of guild in order to invite craftsmen necessary to the policy of domestic production. Kings and queens facing the reduction of tariff revenue overissued patents to courtiers and merchants to obtain profits by granting patents. Consequently, monopoly of commodities led to chaos in civil economy. In 1601, Elizabeth I declared to revoke major criticized patents and let the Court decide the validity concerning other patents. However, after that, the debate on limiting King and Queen's power of granting patent still continued in the Parliament and in 1624, the Statute of Monopolies was enacted to prohibit monopolies and set out patent holders' right as an exception.

Next, he reported on the process to conquer anti-patent movement. In 19<sup>th</sup> century, European countries adopted patent system one after another with the political concerns such as introducing foreign capital and new technology. However there were negative opinions against the patent system including criticism that only foreign countries use the patent system to secure export market. The abolition of patent system was strongly advocated, stating that it should be appropriate to give reward rather than exclusive right to inventors. As one of strong anti-patent movement, the patent law was repealed in Holland from 1869 to 1910. Professor Ishii pointed out that what determined the future of the patent system in the midst of such a movement

had been an international conference on industrial property which was held after the Vienna Exposition in 1873. At the conference, believer in the patent system won a victory, claiming that in the patent system, those who gained profit from inventions made efforts to realize the inventions and commercialization of invention would be easy by patent transfer or a use as collateral while those who obtained reward for inventions had less motivation of commercialization. At the second resolution of the conference, participating countries shared common understanding on the issues becoming a key part of modern patent system. For example, an examining authority conducts preliminary examination and it makes description available to anyone. This agreement led to Paris Convention for the Protection of Industrial Property (1883).

Last, the report mentioned an impact of the Western situation to Japan's patent system. In Japan, Summary Rules of Monopoly was enacted in 1871 but the execution was suspended after a year. According to the speaker, Japan was forced to reassess the patent system, learning about the anti-patent movement in Europe at that time. He pointed out that the fore-mentioned resolution in Vienna was timely to Japan that was designing the system. Then, Statute of Monopolies was proclaimed and became effective in 1885. The establishment of the Statute was not an easy job. There was a concern that the patent system might work against Japanese industry which was in the stage of copying and an opposing opinion claiming that honor and reward should be given instead of exclusive right.

There was a QA session after the report. Responding to the question why the international conference after the Vienna Exposition resulted in advocating the patent system, the speaker pointed out that from the beginning, participants included government officials, researchers, and practitioners who were interested in the patent system. In addition, an active discussion took place on the issues such as the relationship



between the differentiation of patent law and antitrust law and industrial policy of each country. The workshop successfully ended.

(Visiting Researcher Takatoshi Kudo)

### ❖IIPS Forum IP Symposium

**“Arts and Sciences: Confrontation to Cooperation – Exploring the Integrated Way of Exploiting Intellectual Property”**

(2010/3/20)

【Moderator and Commentator】

Professor Ryu Takabayashi, Faculty of Law, Waseda University

Professor Toru Asahi, Faculty of Science and Engineering, Waseda University

【Speakers】

Professor Syuji Nakamura, University of California, Santa Barbara (UCSB)

Yoshio Kumakura, Attorney at Law, Nakamura & Partners

Professor Tetsuya Osaka, Faculty of Science and Engineering, Waseda University

Professor Naoki Koizumi, Keio Law School

This symposium was held on March 20, 2010, organized by Waseda University Institute for Interdisciplinary Intellectual Property Study Forum; IIPS Forum and co-organized by RCLIP and others. It invited Professor Syuji Nakamura as a keynote speaker who is known as an inventor of blue LED and other leading researchers and practitioners from “arts” and “sciences” fields, aiming at “exploring the integrated way of exploiting intellectual property” to mark the start of IIPS Forum.

#### 1. Part I

(1) Keynote Speech: “Experiences as an inventor and researcher in Japan and the U.S.”

First, Professor Nakamura presented with the title of “experiences as an inventor and researcher in Japan and the U.S.”.

He stated that he was sued for revealing the trade secrets in his research by his previous

company when he was conducting research in the U.S. after his resignation and that incident led him to file a lawsuit in Japan for employee invention compensation. Through two lawsuits, he gained firsthand knowledge of differences in judicial system between Japan and the U.S.



In the U.S., discovery is fully conducted because failing to provide discovery equals to losing lawsuit. In contrast, we cannot expect an argument based on full evidence in Japan because no penalty is imposed for not revealing evidences against oneself. While plaintiff, defendant, and judge have a fierce argument in the court in the U.S., a trial often ended with written submission in court in Japan.

He said that Japanese trial system as such made him have the suspicion that there must be many compromise decisions in Japan, considering the balance of benefits.

He also mentioned business startup by researchers. In the U.S., the backup system for researcher’s business startup is prepared and the trend is that they take action first and then, if problems are found, seriously work on them. In Japan, legal restrictions are tight and related authorities including MEXT force researchers to be very careful to avoid any troubles. That discourages researchers from starting businesses.

As to the patent system, he pointed out that Japanese patents were not credible because descriptions were often exaggerated and it seemed the exaggeration was not corrected in a patent lawsuit.

(2) “From the perspective as an attorney handling Japan-US IP disputes”

Next, Attorney Kumakura spoke from the perspective of how arts should support research development of sciences.



Mr. Kumakura outlined the typical and traditional response to collaboration on joint research between research bodies like universities and companies. Then, he stated that the license policy of research bodies was shifting to a request of higher royalty, further funds on R&D, and an emphasis on incentives to inventors.

Based on that, he pointed out that while US research bodies were highly aware of cost management and investment recovery, Japan's research bodies had many issues to be improved. For example, researchers are personally involved with contracts, legal budget is not enough, and budget is handled on a single-year basis in Japan.

As the scene where the cooperation of arts is especially expected, he pointed out the support of joint research contract, the support of obtaining intellectual property, and the establishment of compliance, business ethics, and so on.

(3) Comments from researchers of arts and researchers of sciences

As a researcher of arts, Professor Takabayashi commented on Nakamura's report. Judicial role and judicial system are not necessarily the same between the U.S. which is a common-law country and Japan which is a continental law country. In the comment as a researcher of sciences to Mr. Kumakura's report, Professor Asahi stated that it was necessary to build trust relationship between researchers and legal staffs to realize full support from legal staffs.

## 2. Part II

(1) "Cases of R&D and commercialization through university-industry collaboration"

First, Professor Osaka made a report. He introduced the university-industry collaboration on the development of coated magnetic head including technological background at the start of R&D, the process of granting patent, patent execution, and an impact of R&D result.

In addition, as the important essence of the collaboration, he pointed out that universities should focus on educational research, the research should be contributable to the development of related academic field even if it cannot be commercialized, the research should be attractive not only to businesses but also students, and the leading role in the research should be clarified.

(2) "From the perspective as a legal scholar"

Next, Professor Koizumi spoke on the topics in the scenes where arts and sciences are confronting including judge and technology, employee's invention and contract, compensation for non-execution.

He introduced the argument on the adoption of technical judge system as to the issues whether judges can understand technology.

As to employee's invention, he mentioned the historical background that the framework of modern system had been created during the period of Taisho Democracy when the awareness of protection of laborer's right had increased. He also showed a critical opinion against employee's invention system.

Furthermore, he mentioned the compensation for non-execution which often becomes an issue between research bodies and businesses. He stated that universities could ask divided purchase of its allotment to businesses. Therefore, the "compensation for non-execution" would be paid in exchange for not asking divided purchase.

(3) Panel discussion

Last, a panel discussion took place with the speakers and commentators.





In the panel discussion, heated debate took place from various perspectives based on the discussions in Part I and II. The topics included the consequence of intellectual property right created through the collaboration between universities and companies, the argument concerning technical judge, the problems associated with employee's invention system, and the differences of judicial system between the U.S. and Japan from user's perspective.

Judge Tomokatsu Tsukahara, Chief Judge of the IP High Court made a comment from the floor to Professor Nakamura. He stated that in Japan, judges had actively participated in the discussions in the case of civil lawsuits for years. He hoped to hold frank discussions in which the related parties can see judge's face and mind in IP lawsuits just like general civil lawsuits. With his comment, the symposium ended with the great success.

(RC Motoki Kato)

### ❖IIPS Forum IP Symposium

#### “Departure from the Void between Arts and Sciences – Exploring the Nature of Design and the Future of Legal Protection” (2010/3/28)

As the second symposium of the IIPS startup symposia, the IP Symposium “Departure from the Void between Arts and Sciences – Exploring the Nature of Design and the Future of Legal Protection” (co-organized by RCLIP) was held on March 28, 2010. In the Part I, Professor Kazuo Kawasaki of Osaka University made a keynote speech with the theme of “Design Value as the Right to Create”. In the Part II, a panel discussion was held with the panelists: Professor Yoshiyuki Tamura of Hokkaido University, Mr. Yoshitaka Kawasaki, Director, Design Division of JPO, Mr. Tadao Mine, Patent Attorney, and Mr. Gomi Asuka, Patent Attorney. Professor Tetsuya Obuchi of University of Tokyo moderated.

The use of Isho system has been reduced recently. This symposium aimed to figure out the cause and explore how we should change the Isho system and what perspective we should have in doing so. The concept of design is ambiguous, causing discrepancy in the definition of design among related parties. Based on the fact that the discrepancy tends to be a major obstacle in the discussion of legal protection, this project asked Professor Kawasaki who is one of leading designer in Japan to make a keynote speech on the issue of “what the design is”.



In the keynote speech, Professor Kawasaki emphasized the following points concerning design. The first is that a sense of distance has been substantially increased between “design” and “Isho” which is translation of design during a long history. We cannot say that “Isho” is “design” anymore. The second is that design includes all the elements of “Isho”, “decoration”, “pattern”, “layout”, “planning”, and “resources”. We do not precisely see what the design is when we take appropriation (e.g., adopt the shape of phone receiver to shower head) or a mere decoration like putting patterns on stockings, as design. The third is that design is not “added value” but “overall value”. Next, Professor Kawasaki mentioned legal protection of design as “overall value” as such. We could not see enough value in Design Act when we only make an issue of the similarity in shape by simply drawing a picture of product. Then, on the premise that modern business models which are supported by copyright or patent have abandoned the responsibility of returning profit to the society and have lost morality, he proposed that we should place design right in the background of copyright or patent quite macroscopically and get back the lost ethics or aesthetics in profit structure by questioning ethics or aesthetics through design right. To illustrate his proposal, he introduced his recent product development as an example. After that, Professor Takabayashi who is an overall moderator made a comment. To respond to the comment asking what “ethics” in design is, Professor Kawasaki answered that it was “honesty” or “honest craftwork”.

In the Part II which took place after the Part I, the main themes were ① significance and purposes of design protection, ② right or wrong to establishing non-examination system, and ③ the issue of the nature of an article.



First, as to the fore-mentioned three themes, Mr. Gomi pointed out that ① although the Design Act has traditionally functioned as a tool against counterfeit, the role has decreased recently and as a result, this becomes the main cause of decreasing the use of the design (Isho) system. We should face the aspect that the Design Act has a proactive significance of strengthening design development capability in addition to the role as countermeasure against counterfeit. He concluded that it was necessary to fully consider the role as a measure to recover investment of design. In addition, he pointed out that ② in order to secure the opportunity of market testing for design and to provide better protection on designs by freelance designers, we should establish non-examination protection system in addition to the traditional design protection based on the absolute examination principle, and ③ as to the issue of the nature of an article, we should not adhere to an interpretation of traditional tangible property and should make an interpretation especially focusing on the use function designed for shaping in order to appropriately protect new field of design such as GUI.

Then, Mr. Kawasaki, Director of Design Division, mainly explained about the current condition of the operation of the design (Isho) system. He emphasized that the Design Act had the purpose to encourage creation in addition to simply preventing counterfeit. Through his experience of examination, he said that he had realized many followers who were sneaking up on the first runner’s design. He stated that, by



rejecting the following designs as such, an examiner intended to send the message asking the followers to do design development in a different orientation instead of sneaking up on the popular designs. In addition, he said that designs were diversified in the market as a result of such a traffic control and that will lead to spiritual wealth of people's living. Furthermore, he stated that we should consider how to protect designs by freelance designers and how to increase suggestive or disseminating designs as the future political subject.

As to the issue of establishing non-examination system, Professor Tamura made a report focusing on the interpretation of Article 2-1-(3) of Unfair Competition Prevention Act which possibly conflicts with the issue systematically. Especially, to respond to Mr. Gomi's report pointing out that (3) is not appropriate for securing an opportunity of market testing because it is a regulation on dead copy, he showed his opinion that the scope of "substantive similarity" stipulated in the section (3) includes the alterable scope on creator's basis. Also, to the part pointing out that the section (3) cannot protect freelance designer's designs which is not published in the market, he said that three years from the appearance in the market only determines the point of starting protection period and thus, even the designs which are not in the market could be protected if they are able to be copied. Based on that, we should examine the response by Unfair Competition Prevention Act in addition to considering the establishment of non-examination system in the Design Act. However, Unfair Competition Prevention Act has some weaknesses such as insufficient response to partial copying or the difficulty to include designers in parties who claim rights. He concluded that it would be possible to set up a new system if we need to address these issues.

As to the purpose of Design Act, Mr. Mine pointed out that the Design Act aimed at neither being a countermeasure against counterfeit nor

protecting the aspect of demand creation of designs and it aimed at strengthening the power of design development and activating design development, instead. Specifically as to the relations between design and demand, he emphasized that in recognizing the purpose of Design Act, we should face the fact that design is not a design purporting to differentiate simply to increase demand, not a design which is consumed, but something aiming at people's affluence and improvement of people's living. Next, as to the establishment of non-examination system, on the premise that designers have no right to claim and the protection for designers is not enough under the Unfair Competition Prevention Act, he stated that in order to facilitate design works by freelance designers and so forth, it was necessary to have a framework to protect their works easily and inexpensively. As one of such frameworks, he introduced his idea of establishing the right of design creation with multiple bundles of rights. Last, as to the issue of the nature of an article, he showed his opinion that it would be possible to handle the issues like the protection scope of GUI by making a flexible interpretation through a focus on the use function.

After the fore-mentioned reports, the panel discussion took place, moderated by Professor Obuchi. Opinions were exchanged on various issues such as the relations between design and demand, the issue of Isho's visual, aesthetic or functional aspect, and the concept of article and immovable property. Among these issues, panelists reached an agreement on the point that design is a shaping considering consumer's utility rather than a mere demand creation and flexible interpretation would be possible for the nature of an article.

Although the symposium was held on Sunday and featured creation which was less focused among intellectual property, the symposium successfully ended with a lot of participants.

(RA Asuka Gomi)





## **The IP Precedents Database Project**

※ The database is available in English at:

<http://www.globalcoe-waseda-law-commerce.org/rcclip/db/>

### ❖ IP Database Project: China

With the cooperation of Chinese Professors, we have successfully completed the collection of Chinese IP cases for FY 2009 and placed 100 cases at the database.

(Global COE Research Associate Yu Fenglei)

### ❖ IP Database Project: Indonesia

New 20 cases were newly added to the database in the fiscal year 2009.

(Research Associate Noriyuki Shiga)

### ❖ IP Database Project: Thailand

Currently 435 Thai precedents have already been placed at the database. (RC Tetsuya Imamura)

### ❖ IP Database Project: Taiwan

60 cases were added to the database in the fiscal year 2009.

(Research Associate Akiko Ogawa)

### ❖ IP Database Project: Vietnam

Unfortunately, no Vietnamese case was placed at the database last year. This year, we will collaborate with People's High Court of Vietnam, hoping to add Vietnamese cases at the database.

(RA Asuka Gomi)

### ❖ IP Database Project: Korea

20 cases were added in 2009. Currently 139 Korean cases in total were at the RCLIP database. We will continue negotiation this year to add new cases.

(RC Lea Chang)

### ❖ IP Database Project: Europe

In 2009, the second year of Europe DB, we collected 125 German cases, 85 French cases, and 50 Italian cases. We will place the cases which are translated into English at the database one after the other.

In addition, the collection of UK IP cases is also ongoing. We will link the data from our RCLIP database.

In the new fiscal year, we will work on the collection of Spanish and Canadian cases as well.

(RCLIP Office Chiemi Kamijo)

### ❖ IP Database Project: India

We have collected 40 Indian cases in 2009. They will be added to the database.

(RCLIP Office Chiemi Kamijo)





## Events and Seminars

### **RCLIP Workshop Series No.31**

#### **“The Future of Design System”**

Date: June 4, 2010, 18:30~20:30

Place: Waseda Campus Bldg#8, Room 308,  
Waseda University

Speaker: Kazuko Matsuo, Attorney at law,  
Nakamura & Partners

### **International Symposium: Medical Care and Intellectual Property**

#### **“Legal Issues Surrounding Medical Practice / Pharmaceutical Innovation: Update in US and Europe”**

Date: June 26, 2010, 13:00~17:30

Place: Tokyo Medical and Dental University

Program:

Part I “Legal Issues Surrounding Clinical Trial”

Moderator: Prof. Toshiko Takenaka, Univ. of Washington, Director of CASRIP

Speakers:

Prof. Patricia Kuszler, Univ. of Washington

Prof. Beth Rivin, Univ. of Washington

Prof. Waichiro Iwashi, Waseda University

Part II “Comparative Study of Patentability of Medical Methods: Impact on Life Science Ventures from Bilski Supreme Court Decision and Ariad Federal Circuit en banc Decision”

Moderator: Prof. Ryu Takabayashi, Waseda University, Director of RCLIP

Speakers:

Andrew Serafini, US Patent Attorney,

Partner, Fenwick & West LLP

Jan Krauss, German Patent Attorney,

Boehmert & Boehmert

Ryo Kubota, Chairman, President & CEO,  
Acucela Inc.

Prof. Masatoshi Hagiwara, Kyoto University,  
Visiting Professor of Tokyo Medical and Dental University

### **The Latest Trend of US Patent Lawsuits: An Impact of the Supreme Court’s Decision on Bilski and En Banc Hearing on Inequitable Conduct**

Date: July 9, 2010, 18:00~20:00

Place: Ono Memorial Hall, Waseda University

Moderator: Prof. Toshiko Takenaka, University of Washington, Visiting Professor of Waseda University

Speakers:

Paul Meiklejohn (US Patent Attorney, Dorsey & Whitney)

Douglas Stewart (US Patent Attorney, Dorsey & Whitney)

Commentator: Prof. Ryu Takabayashi, Waseda University

Editor/issuer

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