

NEWSLETTER

Research Center for the Legal System of Intellectual Property

❖ The JASRAC Open Lecture of 2011 No.3 (2011/11/19)

Part I: Employees' Inventions and German Copyright Law- Encounter of the Third Kind?



【Moderator】 Toshiko Takenaka, Professor of University of Washington School of Law

【Keynote Speech】

“Employees' Inventions and German Copyright Law – Encounter of the Third Kind?”

Prof. Dr. Christoph Ann, Professor of Munich Technical University

【Comments】

“Comments from U.S. Patent Law Perspective”

Toshiko Takenaka, Professor of Washington School of Law

“Comments from U.S. Copyright Law Perspective”

Kazuhiro Ando, Visiting Researcher of Waseda IIIPS-Forum

“Comments from Japanese Law Perspective”

Ichiro Nakayama, Professor of Kokugakuin University

(1) Theme

Japan's system of employee inventions is sad to be influenced by German Employees' Invention Law (Gesetz über Arbeitnehmererfindungen). German Employees' Invention Law has had no

major changes for a long time since its enactment. However, it has revisions twice as to employee invention ownership recently. The provision on employee invention in Japan's patent law was also revised in 2004 concerning the method for calculating reasonable remuneration. But there exist some opinions of requesting an additional revision because the risk of being judged as unreasonable remuneration remains depending on courts even after the revision. In order to understand the significance of remuneration in Japan's employee invention system, we invited Professor Ann who is known as an expert of legal protection of technology under German and EU law, to examine the history of German Employees' Invention Law and employees' rights including the right to claim remuneration, comparing to the rights of authors and design creators. Based on her speech, we discussed on ideal shapes of Japan's system on employee invention and work, with IP experts in Japan and the U.S.

(2) Professor Ann's Speech

In 1879, the German Imperial Patent Office decided that the right to patent inventions that an employee had made as part of his work should be attributed to his employer – without any remuneration on top to the employee's regular salary. The movements of various employees' associations to secure inventors' rights started from the beginning of the 20th century. Through the movements, the way of thinking on employees' invention as such was forced to head toward expanding the employees' rights including the right to claim remuneration when the Reich's Collective Agreement for the Chemical Industry's Academically Educated Employees was enacted in 1920. After that, several regulations were issued and drafts were



discussed, affected by the Collective Agreement. Then, in 1957, the Germany's Employee's Invention Act was enacted. As lessons to learn from the history of German Employees' Invention Law, Professor Ann stressed that the emergence of good law did take time and sustainable law needed to be fair.

The existing Employees' Invention Law guarantees inventor's moral rights for the inventions that fulfill patent requirements. Based on such moral rights, the right to patent inventions is originally attributed to employee inventors and employers can only claim the right to succeed the right to obtain patent. In addition, the inventors' strongest moral right under German patent law is the inventor's principle. German patent law adopts the first-to-file principle. This principle does not contradict the inventor's principle. It only exists in order to relieve the patent office from needing to scrutinize whether the first applicant really had invented first. Furthermore, inventor's moral rights fulfill an important function to promote incentives by attributing the right to patent inventions to original inventors and giving the right to claim remuneration to employers in succeeding the right.

As such, Professor Ann examined inventor's moral rights under German Employees' Invention Law and Patent Law and then, compared the inventor's moral rights to moral rights of authors and creators of design. In conclusion, she raised a question why the right to claim remuneration was not admitted in succeeding copyright or design right to employers concerning the rights of employee inventors although the latter moral rights are wider and stronger than the former inventor's moral rights. Professor Ann suggested that the reason for these different treatments of employees were in part historical and in part the result of successful lobbying and concluded that the inconsistencies should be eliminated in the future.

(3) Discussion

Based on the keynote speech as such, first, Takenaka introduced the recent Supreme Court's decision on *Stanford v. Roche* to explain about employee invention in the U.S. patent law. In this decision, the Supreme Court stressed that the right to patent all inventions including employee inventions should be originally attributed to inventors and the right was succeeded to employers only when a succeeded contract existed by applying the principle of freedom of contract. Therefore, under the U.S. law, while employers do not have the right to claim the succession of the right to obtain patent stipulated in German Employees' Invention Law, they have no obligation to pay remuneration even when they succeed the right to obtain patent. From a historical perspective, in the U.S., the right to patent employee inventions has been attributed to employee inventors since the establishment of patent system and thus, inventors have been protected. In contrast, in Germany, the right was attributed to employers and the protection of inventors was weak at first and later, inventor's moral rights expanded. Not only invention ownership but also the right to claim remuneration was given to employees. It is interesting to see that the protection of employees in Germany became stronger than that in the U.S.

Next, Researcher Ando spoke on the purposes, characteristics, and effects of the employee work system in the U.S. As the especially-important purpose, he introduced, in comparison with Germany law, that the U.S. provided financial aid to creation by directly attributing works to users and gave incentives to corporations which took risks to broadly provide works to the public. Also, he mentioned that decreasing transaction cost was often raised as the reason of justifying employee work in the U.S. Different from Japan, transfer of copyright and conclusion of exclusive license agreement are required to be done in writing. He explained that the system was made to attribute the right to users in order to reduce the



procedural burden and respond to the possibility of exercise of the termination right by employees.

Last, concerning employee invention and employee work in Japan, Professor Nakayama examined the difference between the ownership and the right to claim remuneration. In Japan, we also discussed why employee's rights related to employee work were so weak. As to the difference of ownership, the reasons of attributing rights to employers were raised. If the authorship was originally attributed to employees, the use of works would be later restricted due to reduction of transactional costs and inalienability of authors' moral rights. In addition, an opinion was introduced that the Japan's employee invention system easily approved succession by working rules and so forth and therefore, it would have no difference from employee work in terms of that the ownership was basically attributed to employers. On the other hand, as to the presence or absence of the right to claim remuneration, it was pointed out that it might be attributed to the difference of policy goal between patent law and copyright law. Last, Professor Nagaoka at Hitotsubashi University mentioned the survey of inventors in Japan and the U.S. and introduced the interesting result that what ranked high in both countries were the incentives unrelated to monetary rewards such as satisfaction derived from solving technical problems or contribution to science.

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

Part II: Copyright Contract Law in Germany: Author's Rights to Fair Remuneration



【Moderator】Tatsuhiko Ueno, Professor of Rikkyo University

【Keynote Speech】

“Copyright Contract Law in Germany: Author's Rights to Fair Remuneration”

Prof. Dr. Jan Bernd Nordemann, Professor of Humboldt University, Attorney at law, BOEHMERT & BOEHMERT

【Comments】

“Comments from Japanese Law Perspective”
Tatsuhiko Ueno, Professor of Rikkyo University

“Comments from U.S. Law Perspective”
Kazuhiro Ando, Visiting Researcher of Waseda IIIPS-Forum

“Comments from Practitioner's Perspective”
Dr. Masayuki Matsuda, Attorney at law

(1) Theme

In European copyright laws, provisions on contract law are widely seen. Copyright Contract Law in Germany has drastically changed the original provisions and has been drawing attention. In addition, there is also a growing interest in copyright contract law in Japan.

So, we invited Prof. Dr. Jan Bernd Nordemann from Germany. Prof. Nordemann is co-editor of “Fromm=Nordemann”, the German copyright law commentaries, and wrote many parts of this commentary including provisions concerning copyright contract law and provided detailed comments. After Prof. Nordemann introduced German Copyright Contract Law including the



recent precedents, we examined its significance and the future shape of Japanese law from the perspectives of Japanese law or the U.S. law.

(2) Professor Nordemann's Speech

According to Sec. 32 of German Copyright Act that was revised in 2002, if remuneration has been agreed by contract, but this can no longer be seen as "equitable" (angemessen), the author shall have a claim against his contracting partner to alter the agreement to guarantee the author fair remuneration (Sec. 32 Par.1 sentence 1 of German Copyright Act).

In fact, on the case of equitable remuneration for a translator of German version of a book named "Talking to Addison", the German Federal Supreme Court (BGH) concluded the decision on October 7, 2009 that the "standard" remuneration was not always "equitable" and lump-sum payment in general did not represent a fair remuneration. It decided that the translator in the case could claim for further compensation.

If joint remuneration rules exist between authors and users, the remuneration based on the rules should be considered as equitable. However, there are only two cases in fact, so far.

Also, even if a fair remuneration is agreed at the point concluding contract but the exploiter is so successful that the originally fair remuneration is clearly disproportionate to the revenues and benefits from the use of the work, the author may demand a further fair participation (Sec. 32a Par. 1 of German Copyright Act). The so-called modified Bestseller Section as such stipulates that the author must be compensated even if such success was predictable in advance (Sec. 32a Par.1 sentence 1 of German Copyright Act).

For example, in the case of the motion picture "The Boat" (original title: Das Boot), the remuneration that the chief cameraman of the picture received was considered "fair" at that time. But the movie turned out to be a long-seller, being aired on German TV 20 times between 2002 and 2009, being aired on TV abroad, and

being sold on video/DVD extensively. Munich High Court's decision in 2010 judged that the cameraman had a right to a further remuneration.

Thus, the provisions in German Copyright Contract Law break the constraint of contracts, i.e., break the rule of "agreements must be kept" (pacta sunt servanda), in order to protect authors.

(3) Discussion

In response to this, first, Prof. Ueno made comments from the perspective of Japanese law. Japanese copyright law has almost no provision of the nature of contract law. There is a provision that when a contract for the transfer of copyright makes no particular reference to the rights to create and use secondary works, these rights shall be presumed to be reserved to the transferor (Article 61(2) of Copyright Law). But this is an only presumptive stipulation. It is easy to transfer all copyrights including the right of secondary works if these rights are particularly referenced. In addition, this provision protects copyright owners but does not always protect authors.

Also, the related parties can freely decide license fees or the consideration of copyright transfer since Japan's copyright law has no provision on the consideration of contract. Even when the consideration is quite low and lump-sum payment or the said work unexpectedly sells million copies, it is normally impossible to ask for changes of the license fee or the consideration of copyright transfer that were once agreed.

Considering from the Japanese law as such, it might seem strange to find various provisions and the author's right to have considerable payment in German Copyright Contract Law. However, what is strange might be Japanese Copyright Law. From the global perspective, Japanese Copyright Law might have a tendency to ignore the position or the right of creators as natural persons who conduct the act of creation.

Next, Researcher Ando commented on the right of termination that occupies an important part in



the U.S. Copyright Contract Law. Under the U.S. Copyright Law, the right of termination enables authors and the bereaved to retrieve copyright by exercising the right of termination after 35 years from the date of the copyright transfer or of granting the license and so forth. By this right, when a work becomes a big hit, authors can retrieve the copyright after 35 years by sending a notice of the right of termination to the publisher.

Actually, Germany examined to adopt the right of termination like the U.S. However, the right of cancellation in the government's draft was weaker compared to the right of termination in the U.S. In addition, this draft of provision was eliminated from the object of revision at the final phase of legislation.

Also, Dr. Matsuda introduced the arguments surrounding Copyright Contract Code in Japan. He served as Chairman of the Committee of Copyright Contract Law established at Copyright Research and Information Center from 2007 to 2010. The outcome was published as a report. The report set out "Copyright Contract Code" of shaping an ideal contract law based on the traditional discussions. For example, he introduced Article 74 of the Copyright Contract Code "additional request of royalty fee" stipulating that, in the case of copyright transfer contract intended for publishing, "the royalty of the said work beyond publication can be demanded to the transferee when the transferee uses the said work beyond this intention, except in the presence of special agreements".

Based on the comments stated above, all participants including Prof. Nordemann and Prof. Ann had a discussion. Many people attended to the event and we believed we had a fruitful discussion going over the scheduled time. The reception after the session was also very successful.



❖The JASRAC Open Lecture of 2011 No.4
(2011/12/03)

Part I: Various IP Issues

Surrounding Cloud Computing



【Moderator】

Ryuta Hirashima, Professor of University of Tsukuba

【Speakers】

Koji Okumura, Associate Professor of Kanagawa University

Masanori Kusunoki, National Standards Officer, Microsoft Japan

The JASRAC Open Lecture of 2011 No.4 was held at Room 106, Bldg 8, Waseda Campus on December 3, 2011.

At the beginning of the symposium, Professor Ryuta Hirashima at Tsukuba University, who served as moderator of Part I, spoke on “Cloud Computing and Copyright Law – Appearance and Direction of Legal Challenges”. Professor Hirashima pointed out that the definitions of cloud computing and cloud environment were not clear, but, from the legal perspectives, there were the following characteristics. First, user autonomy is high while information sharing and management is strengthened along with resource pool. Second, because it is ubiquitous, it has two aspects of cross-border such as physically crossing borders and crossing frames of individual machines by system virtualization. Third, it covers every service from versatility to

customization.

Legal Issues surrounding cloud computing can be roughly divided into four areas such as security, governance, intellectual property rights, and taxation. From the perspective of IP law, they are further divided into the issues of patent law, copyright law, and trade secret (unfair competition prevention law). However, cloud environment is not accompanied by “revolutionary” changes comparing to the traditional Internet-based services. From the perspective of general theory, Professor Hirashima pointed out that the issues would be extensions or developed types of the challenges that had been traditionally discussed concerning copyright use surrounding the Internet.

Furthermore, based on general characteristics of cloud, concrete issues can be separated between cloud users and cloud providers from the perspective of particular theory. As the issues at the side of cloud users, the problems were pointed out related to public transmission, first. It is whether the effect of the right of public transmission reaches user’s act of transmitting data to his own private area within cloud and at the same time, it is whether how to evaluate the act of transmitting from cloud to users. Second, the issue is the relation with reproduction right. In other words, the issue is whether the act of uploading data to cloud could be evaluated as reproduction for private use if the user is an individual user (Article 30-1 of Copyright Act). In addition, there is an issue whether the scheme of consisting cloud is deemed as “an automatic reproduction machine installed for the use by the public” stipulated in Article 30-1 (i) of Copyright Act.

On the other hand, as the issues at the side of cloud providers, first, the issue is whether the act of transmitting data which is stored at cloud to users can be deemed as the act of cloud providers. Also, there are the issues such as evaluating the agent of copyright infringement or validity or invalidity of indirect infringement. On the



premise of the judgment on MYUTA case (Tokyo District Court's Decision on May 25, 2007, Hanrei Jihou No.1979, p.100), he stated that the act of transmitting data from cloud to particular users could be deemed as the public transmission. Next, the issue is how to evaluate user's act of storing other's work at multiple servers within cloud. There is an issue whether it is possible to apply Article 47-5 of Copyright Act in association with this issue.

As to the Supreme Court's decisions on MANEKI TV (judgment of the third petty bench on January 18, 2011, Minshu Vol.65-1, p.121) and on ROKURAKU-II (judgment of the first petty bench on January 20, 2011, Minsyu Vol.65-1, p.399), he pointed out the "input reference theory" which was adopted in the decisions. It should be noted that cloud providers should intervene as little as possible in the information which was "input" under the provided services.

As other issues, he raised the issue of applicable law and international jurisdiction on copyright infringement and the issue of evaluating the act of accessing to cloud.

Last, as the direction of resolution that Copyright Act should aim to, he pointed out: ①it is necessary to review the concept of "public and private" and redraw a boundary between them in using copyrighted works because, in light of common sense, major changes had been occurring with the changes of technology environment since the enactment of Copyright Act, ②the imagination of Copyright Act should be enhanced for what is technically possible, ③it is necessary to clarify legal evaluation on the position supporting other's copyrighted work.

The second speaker, Professor Koji Okumura at Kanagawa University spoke on the theme of "Various Issues under Copyright Law Surrounding Cloud Computing - Consideration on the Important Related Precedents in Japan and the U.S. -".

Professor Okumura compared the recent

judgment of MYUTA in Japan and the judgment of MP3tunes in the U.S. and then, pointed out the differences surrounding cloud computing under Copyright Act between both countries. First, as to the case of MYUTA, he introduced the facts and explained that the said judgment decided whether it should be deemed as a normative infringement agent comprehensively by taking into consideration other factors in addition to two requirements of Karaoke-doctrine such as "control and business interests".

Next, as to the case of MP3tunes, he introduced the facts and then, explained the case, focusing on Article 512 of the DMCA Safe Harbor. Concerning the application of Article 512 (c) (iii) and (d), regarding the notice to identify the access of infringing site, the said judgment applied the rule of Safe Harbor to the fact that MP3tunes deleted the address from sidelode.com but rejected to apply the rule to the fact that it did not delete it from user's locker. In other words, he pointed out that, in order to get the DMCA's protection when allowing users to search copyrighted works uploaded on the Internet and to store them at their private accounts, providers like MP3tunes must record the original site and its web address of the stored works and delete the stored works if copyright owners specify the original site by giving notice complying with the DMCA for the rest.

Also, regarding the notice that cannot specify the target of infringement, it is insufficient as a notice. As far as finding infringement is a burden of the right owner, general perception of assuming infringement proliferation is not deemed as perception of reality or danger sign. MP3tunes lacks control ability. The liability of MP3tunes was rejected due to these reasons.

Then, in the judgment of copyright infringement concerning the part that is not within the scope of the DMCA Safe Harbor, the U.S. law takes dependent doctrine. User's act of sideloading without permission the plaintiff's music identified during giving notice is deemed as



direct infringement. When MP3tunes does not delete infringing music from user's locker despite the notice of requesting deletion, it must be aware that users can freely download the infringing music. With this fact, the judgment concluded contributory infringement was found.

After giving the above-mentioned explanation, from the perspective of comparative law, he examined the source of the difference between Japanese law and the U.S. law. First, because there is the DMCA rules in the U.S., whether to be protected by the DMCA or not is a big difference. Next, as to indirect infringement, the U.S. takes the dependent doctrine. In other words, in determining whether the act of service providers of common digital locker constitutes infringement, provider's act is not judged as indirect infringement when user's act is deemed as fair use. He analyzed that there was possibility of applying DMCA if it was judged as indirect infringement.

On the other hand, in the case of Japan, the theory of normative infringement agent is taken. Whether user's act is private copying or not does not become a determining factor to judge the existence of provider's liability. So, even if user's act is not deemed as infringement, it is possible that provider's act is deemed as infringement. Considering on the premise of "TVbreak case", it is possible that Provider Liability Limitation Law is not applied. After making comparison, he pointed out the U.S. law had smaller scope of provider's liability.

Last, as an afterthought, he examined the scope of the Supreme Court's decisions on ROKURAKU-II case and MANEKI TV case.

The third speaker was Mr. Masanori Kusunoki, Microsoft Japan. First, he reviewed the history of cloud services. Cloud services started as a service to gather a large amount of data into one place and search information, along with the spread of the Internet in the late 1990s.

Then, companies started to provide a large volume mailbox service from 2004. Later, they

began to aggressively work on this service. It is said that the background of the spread of cloud services is advancement of technology to make many personal computers servers instead of using traditional large-scale computers as servers.

Massive data centers existed only in the U.S. at first. Later, they started to be established in Europe and Asia also. However, in Japan, due to the problems such as corporate tax, Copyright Act, and so forth, it remains at the stage of discussion. Especially, after the last year's earthquake, it is said that Microsoft is wondering how they should develop the future plan because of the planned outage.

Cloud computing provides services through various devices. As the characteristics, you can buy only for the services you use. Therefore, companies need not to buy expensive servers. It is an advantage especially for venture companies.

At the last year's earthquake, Microsoft copied the prefectural government's website which was broken by the earthquake by using cloud technology and provided information. This had the issue of copyright. However, it provided the information because it is a high priority to provide information at the earthquake. In addition, it could not provide the information of safety confirmation because publishing the list of the victims to the web might violate the Personal Information Protection Law. However, it provided the information of pet animals that got separated at the earthquake.

Actually, among cloud services, some services such as Google music can be used in the US, but not in Japan. Regarding this, some consumers seem to have an opinion that Japanese Copyright Act should adopt the provisions like fair use of the U.S. In fact, as the background that services as such are not adopted in Japan, he pointed out the profit issue caused by the difference of market size due to language difference, the issue of different business environment in terms of industrial structure between Japan and the US, in addition the issue of Copyright Act.

Last, a panel discussion took place, moderated by Professor Hirashima. Various discussions were held among speakers including the scope and significance of the decision on MP3tunes, the possibility of becoming a normative infringement agent in the case when businesses like MP3tunes are done in Japan, the issue of provider's response in the case when copyright owners do not know the infringement of their works, and the topics to consider from the perspective of providers in developing business in the US that has Safe Harbor and Japan that does not have it.

(RA Fei Shi)

Part II Provider's Liability Relating to Copyright Infringement – the Recent Trends and Reconstruction of Theories



【Moderator】 Yasuto Komada, Professor of Law, Rikkyo University

【Speakers】

Yoshiyuki Tamura, Research Institute for Information Law & Policy, Hokkaido University

Lea Chang, Lecturer at Tokyo City University

Toru Maruhashi, General Manager, Legal Division at NIFTY Corporation

In the Part II, first, Professor Yasuto Komada at Rikkyo University, who was a moderator, introduced the recent trends of ISP liability legislation and then, spoke on the purpose and contention of this symposium Part II.

Professor Komada stated that about 10 years had passed since the enactment of provider liability legislation in Europe, the U.S. and Japan and in the middle of 2000s, the changes of web world had occurred such as so-called “Web 1.0 to Web2.0”. He stated that the information transmission or sharing was conducted by Internet users in dramatically more sophisticated manner in Web2.0 than Web1.0. Moreover, with drastic changes of web environment as such, ISP activities become diversified. ISPs are now becoming more than the role of mere mediator for information distribution. Players on the Internet has been called content provider but nowadays it is difficult to call them so. He



commented that it was also difficult to see them as common carrier or an extension of common carrier.

As stated above, contents related to various IP are distributed over the Internet by those mediators. Along with such current conditions, infringements of IP including copyright are occurring on the Internet at unprecedented scale. Right owners of intellectual property are calling for stricter legal liability of ISP. Recently, especially in Europe, such movements by right owners become intensified. Various litigations against ISPs have been raised and various decisions have been made. Therefore, in IP related journals in various foreign countries, many discussions on ISP's legal liability are being made. Now it is a kind of hot topic in the IP field. Professor Komada stated that the Part II of this symposium aimed at considering Japan's provider liability legislation again in response to those movements in the late 2000s.

Furthermore, Professor Komada sorted out the keynote issues of the Part II. The issue of ISP's legal liability could be positioned as one of indirect infringement of copyright and so forth in the context of copyright law. Development of practice in Japan relating to infringement subject of copyright started from the theory of limbs and went through Karaoke doctrine, modification of Karaoke doctrine, and now it is shifting from Karaoke doctrine to comprehensive judgment. If it is only based on comprehensive judgment, decisions to recognize the subject of use in individual cases might become seriously unstable. Professor Komada pointed out that it would be necessary to clarify what could be generalized or categorized to a certain extent. Then, he explained that, after the Supreme Court's decision on ROKURAKU-II, a point of contention at first would be what the way of thinking on ISP's liability of infringement should be. In addition, as to ISP's monitoring obligation, Professor Komada pointed out that ISP's general monitoring obligation was rejected as a common

rule among Japan, the US, and Europe, however, there had been criticisms. Some have criticized that minus incentive might occur to make ISPs uninterested in distribution of information in question. He pointed out that it was necessary to reconsider the criticism at that time since the environment surrounding providers had drastically changed in the late 2000s. Then, under the legislations of various countries, special monitoring obligation (or duty of care that is reasonably expected) is not rejected. Also, since 2007, several judicial decisions were made in Europe to put monitoring obligation on ISPs as part of injunction. In the case of Japan that has no regulation on ISP's liability of obeying injunction order, it is another point of contention that filtering and blocking of the contents specified to be suspended by copyright owners should be accepted to what extent. With that statement, he ended his speech.

Next, Lecturer Lea Chang at Tokyo City University spoke on "Movements in the US and Europe on the Limitation of ISP's Liability". She introduced the recent movements of practices in the US and Europe, focusing on precedents on and the legislative movement of blocking.

Concerning the requirements for the limitation of liabilities of hosting providers and access providers, first, she raised three precedents concluding that the US's ISPs should be governed by the DMCA's Safe Harbor rules¹ and one precedent concluding that the ISP should accept liability of copyright infringement, based on the incentive theory of the Grokster decision². Next, as to the European precedents, she raised a French precedent concluding that the hosting provider should take technical measures to prevent infringing contents from being repeatedly uploaded³ and a French precedent concluding that if a notice from the right owner is insufficient

¹ UMG v. Veoh (2009); Viacom v. YouTube (2010); EMI v. MP3tunes (2011)

² RIAA v. LimeWire (2010)

³ Zadig Production v. Google Video (2007)



to specify infringing contents, the hosting provider could not realize the actual infringement, thus the hosting provider should not have liability⁴. In addition, concerning approval or disapproval of access blocking, she raised eight precedents⁵ approving access blocking in Europe and four precedents rejecting it⁶.

Furthermore, as to ISP's monitoring obligation, she introduced the European Court of Justice's decision rejecting general monitoring obligation: "EU law precludes national courts from ordering an internet service provider (ISP) to install, for all its customers, as a preventive measure, at its own cost and for an unlimited period, a system for filtering electronic files transmitted at its services"⁷. Then, she mentioned the review on site blocking by the Ofcom in the UK and raised a question asking the existence of effective technical measures to conduct monitoring obligation as an injunction. Last, Lecturer Chang introduced the adoption of three strikes law in France, Korea, and the UK, raised the U.S. bills such as HEOA, COICA, PROTECT IP and SOPA. Introducing the movements of blocking by legislation in various nations, she ended her speech.

Next to Lecturer Chang, Mr. Toru Maruhashi at

NIFTY Corporation talked on "Data-Matching Technology and Provider's Liability for Omissions".

First, he introduced data-matching technologies and their examples of adoption such as "MD5 hash" and "audio and video fingerprints". MD5 hash is a data-matching technology that checks the hash value generated from a certain data against the hash value of original contents using hash function called "Message Digest 5" and determines whether both values are matched. On the other hand, audio video fingerprint matching is a data-matching technology that check fingerprint of audio or video against fingerprint of original contents, using audio wave shape called "fingerprint" or characteristic information extracted from video data, and determines both fingerprints are matched(or similar). These two matching technologies are already used as the websites such as "Decoget", "You Tube", "Niconico Live" or "Bay TSP".

Next, Mr. Maruhashi showed the relations between data-matching technologies and violation of provider's obligation of acts to avoid infringement, raising the case of "TVBreak" as an example. Then, he explained about the position of data-matching technologies under the DMCA as well as ACTA of the U.S. Data-matching technologies can be used for search of infringing data and deterrence of posting on the Internet. However, if it is data-matching at uploading by transmitting providers, the matching might falls under infringement of communications security or precensorship and violate Telecommunications Business Act or the Constitution. He stated that it was impossible to use it for these situations.

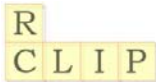
In conclusion, the data matching by access providers could possibly fall under censorship of communications or infringement of communications security. Therefore, this kind of data matching cannot be allowed even if it is a private voluntary effort. In addition, the use seems to be difficult, to begin with, from the

⁴ Nord-Ouest production v. DailyMotion (2007, 2011)

⁵ IFPI Denmark v. Tele 2 A/S (Copenhagen City Court, 2006.10.25; SABAM v. Tiscali SA (Brussels Court of First Instance, 2007.6.29; IFPI Denmark v. DMT2 A/S (Frederiksberg Court, 2008.10.29; Bergamo Public Prosecutor's Officer v. Kolmisappi (Italian Supreme Court of Cassation, 2009.9.29; Columbia Pictures Industries Inc v. Portlane AB (Swedish Court of Appeal, 2010.5.4; Constantin Film v. UPC (Commercial Court of Austria, 2011.5.13; MPA v. British Telecom (British High Court, 2011.7.28); BAF v. Belgacom & Telenet (Appeal Court of Antwerp, 2011.9.26

⁶ Nordic Records Norway AS v. Telenor (Borgarting Court of Appeal, 2010.2.9; BREIN v. Ziggo BV (District Court of the Hague, 2010.7.19; EMI v. UPC (Ireland High Court, 2010.10.11; EMI v. HanseNet (District Court of Koln, 2011.8.31)

⁷ Scarlet v. SABAM (C-70/10, 2011.11.24)



aspect of technology and cost. In the case of data matching in uploading to CGM service providers such as video hosting sites, due to the cost issue, just a few of the leaders of the market share can adopt the technology. In addition, even if it is technically put to practical use, none of the technologies has yet satisfied the technical standards of the U.S. DMCA. Furthermore, concerning obligation of adopting data matching system to service providers and liability limitation by adoption, although there is no duty of acts basically, it is possibly a private voluntary effort. However, it is difficult to establish CGM services themselves such as video hosting and so forth, to begin with. Mr. Maruhashi commented that it would not be viable unless the right owners would prepare the matching system and provide it with providers for free or at a low price.

Professor Yoshiyuki Tamura at Hokkaido University, who took the rostrum at the end, talked on “provider’s liability concerning copyright infringement” and sorted out the speeches in the Part II.

Professor Tamura concluded the existence of the issues at the beginning of his speech, stating that, in the current condition of Japanese law concerning provider liability with conflicting discussions about various provisions and legal interpretations, now we should go back to the theory of policy for the issue of copyright owner’s duty to specify infringement and the issue of provider’s duty to investigate. Then, looking back the history of the U.S. DMCA and Japan’s Provider Liability Limitation Law, he introduced the discussions in the U.S. on adoption of the theory of strict liability in the 1990s and the positions of the DMCA and Provider Liability Limitation Law. After explaining about the characteristics and differences of both positions, he pointed out the two issues remained by the enactment of Provider Liability Limitation Law such as the issue responding the injunction demand, that is, the necessity of interpretation by copyright law and

so forth, as a remedy corresponding to “notice and take-down” in the DMCA, and the issue of driving stricter liability by the concept of “sender”, which is corresponding to claim for damages.

Furthermore, Professor Tamura analyzed three positions related to the theory of infringement subject and the hidden point of contention in the issue of injunction demand⁸. On the other hand, in the issue of claim for damages, he analyzed two difficult interpretational points generated by the definition of “sender” in the current Provider Liability Limitation Law. Last, in conclusion, he explained that the true point of contention surrounding provider liability would be to make a choice between two alternatives: alternative A “secure a remedy effective to copyright owners as well as release provider’s liability from duty of searching infringement and put the identification of infringement act on the burden of copyright owners” and alternative B “m concerning the providers who trigger infringement, put the identification of infringement act on the providers instead of copyright owners in order to provide more secure protection of copyright owners”. The current judicial precedents are heading toward the alternative B. In the light of the structure of Article 3-1 of Provider Liability Limitation Law, the alternative A is conformable as a theory of interpretation and the alternative B should be discussed as a legislative theory. With that comment, he ended his speech of the Part II.

At the end of Part II, Professor Komada, Professor Chang, Mr. Maruhashi, and Professor Tamura had a panel discussion. It was about

⁸ Refer to the following publications: Karaoke Doctrine⇒ comprehensive equity theory (the Supreme Court’s decision on Jan 20, 2011, No. 788), composition of omission (Tokyo High Court’s decision on Mar 3, 2007, Hanrei Times 1893, p.126 [two weltering in sin, “fan book”, published in 2 channel]), theory of server standard (Yoshiyuki Tamura, “Copyright Infringement on the Internet and the Subject of Liability”, “Information, Order, and Network” (1999, Hokkaido University Press)



20-minute discussion, but covered various points including the significance of review of the UK Ofcom's site blocking, the relationship between technologies such as filtering and blocking and communications security/invasion of privacy, the content of the theory of server standard concerning the theory of infringement subject, and the relations between effectiveness and limitation of technologies such as filtering and blocking and legal policies on provider liability. The discussion put an end to the five-hour symposium.

(RA Po-Chun Chen)

The IP Precedents Database Project

❖ IP Database Project: China

This fiscal year, we are advancing the project to collect precedents as planned with the collaboration of Chinese Professors. Currently, translation of precedents in six regions is ongoing and will be completed by the end of February.

(Global COE Researcher Yu Fenglei)

❖ IP Database Project: Korea

In addition to the current 141 Korean IP precedents at the database, we are negotiating with Korean collaborators in order to add more precedents in the FY 2012.

(RC Lea Chang)

❖ IP Database Project: Thailand

Currently 462 Thai precedents have already been placed at the database. 40 cases will be added after preparation. More 21 cases will be collected in this fiscal year.

(RC Tetsuya Imamura)

❖ IP Database Project: Indonesia

With the help of the Supreme Court of Indonesia and Attorney Fiona Butar-Butar, we received 10 precedents in total for FY 2011.

(Research Associate Noriyuki Shiga)

❖ IP Database Project: Taiwan

We received 40 cases including 15 decisions of the Supreme Court from Taiwan DB Project Working Group.

(Research Associate Akiko Ogawa)

❖ IP Database Project: Europe

As the DB project of this fiscal year, we confirmed the collection of 50 cases for Germany, 85 cases for France, 50 cases for Spain, 30 cases for UK, and 25 cases for Italy.

(RCLIP Office Staff Chiemi Kamijo)



Events and Seminars

RCLIP Workshop Series No.33

【Date】 March 5, 2012 18:30~20:30

【Place】 Waseda University, Waseda Campus,
Bldg 8, Room 312

【Theme】 The Difference in Rights to Demand an
Injunction under the US Patent Law

【Speaker】 Christoph Rademacher, Assistant
Professor of Waseda Institute for Advanced Study

【Commentator】 Toshiko Takenaka, Professor of
University of Washington School of Law

The International Trade Commission (ITC) became the single most important patent litigation venue in the US, as its requirements for injunctive relief significantly differ from regular US courts. This presentation will compare the requirements for injunctive relief in patent infringement cases in US district courts versus the ITC, and will review the reasons and justification for different requirements.

Global Patent Strategy Conference

【Date】 June 30, 2012 13:30~18:10

【Place】 Waseda University, Ono Memorial Hall
<Part I>

Keynote Speech: Mark Lemley, Stanford Law
School

“U.S. Patent Litigation based on Empirical Data”

【Panel Discussion】

Pre-Filing Issues (Warning letter, evidence taking,
forum shopping etc.)

【Moderator】

Christoph Rademacher, Assistant Professor of
Waseda Institute for Advanced Study

【Panelists】

Paul Meiklejohn, Dorsey & Whitney, Seattle,
USA

Tilman Müller-Stoy, Bardehle Pagenberg,
Munich, Germany

Felix Einsel, Sonderhoff & Einsel, Tokyo
Mark Lemley, Stanford Law School

<Part II >

【Speech】

Yoshihiro Endo, Intellectual Property Dept. at
Honda Motor Co., Ltd.

“Global Patent Strategy Trends in Japanese
Industry”

【Panel Discussion】

Challenging Validity (Opposition, Reexam and
Invalidation Procedures and Their Impact on
Patent Procurement and Infringement Procedure)

【Moderator】 Toshiko Takenaka, Professor of
University of Washington School of Law

【Panelists】

Jan Krauss, Boehmert & Boehmert, Munich,
Germany

Christof Karl, Bardehle Pagenberg, Munich,
Germany

Douglas F. Stewart, Dorsey & Whitney, Seattle,
USA

Hiroyuki Hagiwara, Ropes & Gray, Tokyo
Yoshihiro Endo

Editor/issuer

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