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NEWSLETTER

Research Center for the Legal System of Intellectual Property

RCLIP Special Workshop: Doctoral Degree Commemorative Speech by Dr. Kazuhiro Ando and Dr. Lea Chang (2012/05/19)

【Moderator】Ryu Takabayashi, Professor of Waseda University

【Speech (1)】Research on Record Protection in Copyright Neighboring Rights

Dr. Kazuhiro Ando, Waseda University IIIPS-Forum, Visiting Senior Researcher

【Speech (2)】Users' Right - Securing a Fair Balance of Interests through Fundamental Rights approach -

Dr. Lea Chang, Associate Professor of Tokyo City University

At the RCLIP Workshop on May 19, 2012, Dr. Kazuhiro Ando, Visiting Senior Researcher of Waseda University IIIPS-Forum and Associate Professor Lea Chang at Tokyo City University delivered speeches on their doctoral theses, commemorating receiving of doctoral degree.

First, Dr. Ando made a speech on “Research on Record Protection in Copyright Neighboring Rights” and focused on the legal issues surrounding music sampling, which has received attentions in the music industry. After introducing its background and major infringement cases in the US, he criticized a bright-line test, which was established by The US Court of Appeals for the Sixth Circuit in the Bridgeport case（it is unnecessary to have analysis by substantial similarity or de minimis doctrine in the lawsuit of sound recording infringement and the judgment is made based on whether other’s sound recording is used or not）. He proposed a new criterion that “a sampling is in violation of record creator’s reproduction right if the sampling phrase duplicates the original to the extent necessary to identify the original and, on the contrary, it should be considered in no violation if it is altered completely to make it difficult to identify the original”. He raised the following four points as its theoretical grounds.

First, if the sampling is altered to the extent that is impossible to identify the original, legal protection will be unnecessary, concluding that the sampling does not harm the market for the original work (including the licensing market). Second, under the recent development of digital technology, persisting in the route principle will impede the society from receiving benefits from new inexpensive and high-quality methods to create music through technology advancement such as music sampling or from the spread of sampling technology. Third, in the through route principle, an act shall be deemed to constitute infringement in the case where it is impossible or extremely difficult to find copyright infringement. Thus, the safety of business will be extremely harmed. Fourth, as a negative ground, preventing the original creator from enforcing the prohibitive right to their records that lost the original form and nobody cannot identify will not decrease their motivation to create records.

He also mentioned the issue of whether the act of creating copies of sound recordings for using them in commercials constitute infringement of publicity rights or not. Concerning a famous singer’s copy used in commercials, he presented a conclusion that the infringement of publicity rights should be found only when (1) the singer’s

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voice has unique features enough to constitute his/her identity, (2) the third party intentionally copies the singing for promoting products or services, (3) consumers mistakenly perceives the copied singing as the singer's singing and explained a theoretical basis.

Next, Dr. Chang made a speech titled "Users' Right - Securing a Fair Balance of Interests through Fundamental Rights approach -". She explained the current situation where the freedom of copyright users is restricted by strengthened copyright and changes in the ways of handling copyright infringement, focusing on changes in the status of copyright users in the digital network age as well as analyzing the causes of strengthening rights. The existing law has measures to protect interests of copyright users. Legislative efforts have been made to add exceptional provisions and courts have had flexible interpretations of exceptional provisions for copyright restriction. The discussion of the adoption of fair use is also an extension of those movements. Considering the recent conditions, however, there seems to be limits in the existing laws. Copyright users also act as potential creators. In the digital network environment where receiving information is premised on freedom of expression, the existing law which does not recognize the role of copyright users cannot fully protect the act of creating works possibly contributing to cultural development and the act of using copyrighted works leading to potential creation. A gap exists between the existing copyright system which succeeded modern thought and the current situations.

To solve these issues, Dr. Chang illustrated that both author's rights and copyright user's rights originated from constitutional fundamental rights, trying to reach a balanced conclusion by balancing interests between both rights. With the reasons why copyright user's freedom should be further protected now, she explained, as to interest balancing between authors and copyright users in fundamental right approach as protection measures, 1) from which fundamental rights author's rights and copyright user's rights are concretely derived, 2) the position of this thesis on "applying fundamental rights to relations between individuals" to balance both fundamental rights, and 3) concrete measures of balancing interests and considerable factors.

Last, as the future issues, she proposed a) adopting fundamental approach at courts, and b) revising the Copyright Act. Under the existing law that does not protect interests of copyright users fully, adjustments must be made by judiciary at first. If court's interpretative theories are accumulated on balancing interests between fundamental rights, we can expect a response of revising the Copyright Act in the future.

Various ways can be expected in revising the existing law in order to clarify the purpose of the Copyright Act that is "cultural development" through protection of authors and copyright users. The article proposes on; 1) adopting general clauses of interest balancing as a fundamental principle penetrating through the whole part of the copyright law, 2) making readjustment on the scope of author's rights such as making part of author's right compulsory license or remuneration right, and making a provision to grant a exploitation right for part of copyrighted works on the condition that indemnification is paid, 3) adopting a provision on parody or newly creating the right of copyright users such as the right to request negotiation with authors or the right to request arbitrament to national organizations, 4) exploiting secondary measures in parallel with legislation such as copyright registration and license management by third parties.

After that, Professor Shoichi Kidana, professor emeritus at Waseda University, Visiting Professor Tetsuo Maeda at Waseda University, and Professor Tatsuhiro Ueno at Rikkyo University respectively made comments. The workshop ended very successfully.

(IIIPS-Forum Visiting Senior Researcher Kazuhiro Ando / RC Lea Chang)

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Global Patent Strategy Conference

(2012/06/30)

<Part I>

【Moderator】

Christoph Rademacher, Assistant Professor of Waseda University

【Keynote Speaker】

Mark Lemley, Stanford Law School

【Panelists】

Paul Meiklejohn, Partner, Dorsey & Whitney, Seattle, USA

Tilman Müller-Stoy, Partner, Bardehle Pagenberg, Munich, Germany

Felix Einsel, Partner, Sonderhoff & Einsel, Tokyo

Mark Lemley, Professor of Law, Stanford Law School

The first panel focused on issues, which patentees should consider prior to filing a patent enforcement lawsuit. The keynote speech, delivered by Prof. Mark Lemley, illustrated how patentees are selecting courts to enforce their patents. After identifying the currently most popular US district courts in patent litigation, Prof. Lemley explained what factors patentees should consider when selecting the forum. The most important factors include the overall patentee win rate, the likelihood of reaching trial, and the speed of the court. Another factor is the likelihood of obtaining an injunction after demonstrating infringement of a valid patent. While the likelihood of obtaining an injunction in district court differs substantially based on the category of the patentee, no such difference can be seen for patentees enforcing their patents at the International Trade Commission (ITC), which is one of the reasons of the recent popularity of the ITC.

Professor Lemley continues with an examination of the nature of infringement and defendants, presenting evidence that the majority of defendants didn't actually copy the technology of the patent, but rather independently invented technology covered by a patent of a third party. Such theory is supported by an industry-specific analysis of cases, according to which copying does play an important role only in the pharmaceutical industry. In other industries such as electronics or software, copying is rarely alleged and hardly ever found.

After such analysis of the nature of defendants in US patent litigation, Prof. Lemley provides an analysis of the types of plaintiffs, concluding that an ever-increasing ratio of plaintiffs are NPEs. He presents evidence that an even more dramatic increase can be found in the number of assertions of patent infringement by NPEs. NPEs rarely prevail in patent litigation. The win rate is particularly low in the area of software patents. That said, most of the cases brought by NPEs settle, even more than cases brought by practicing entities. Professor Lemley therefore concludes that the NPE business remains a profitable business in the US, and questions whether such result should be welcomed or not.

The first panelist, Mr. Meiklejohn, supplemented the key note speech by providing an overview of US patent litigation issues. He examined the merits and risks of sending warning letters, and explained the mechanism of an declaratory judgment action (DJA). A DJA gives the alleged infringer the possibility to become the plaintiff and choose the venue of the litigation. Mr. Meiklejohn emphasized why the role of a plaintiff is in principle favorable, and therefore why the tool of the DJA can be very important in patent litigation. Mr. Meiklejohn concluded by introducing recent developments in the evidence collection process, such as limitations on the scope of electronic discovery, aiming to reduce the cost of litigation.

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The second panelist, Dr. Tilman Mueller-Stoy, introduced the German perspective of patent litigation. Comparing Germany to the US, Dr. Mueller-Stoy explained the risk of the declaratory judgment action in the European framework, a procedural risk referred to as a "Torpedo." In this constellation, a person who receives a warning letter alleging infringement of a German patent can file a lawsuit, asking a court outside Germany, which is known to be slow, to decide on the issue of infringement. Depending on the court addressed, such decision can take up to a few years, during which a German court cannot commence an infringement proceeding. Therefore, Dr. Mueller-Stoy advised to not file warning letter, but rather directly file a court case to smoothly enforce a patent in Germany. He also explained the process of evidence collection in Germany, which is not as extensive as US discovery, but also significantly less expensive.

Finally, Mr. Einsel introduced the Japanese perspective of patent litigation. He began by introducing recent difficulties for Japanese patentees in enforcing patents in Japan. Such difficulties include the rather low speed of preliminary relief, the high costs of enforcement when compared to the damages awarded, and the high rate of invalidation during the enforcement process. He concludes that a large number of Japanese patentees are attracted by foreign venues, including German courts, as German courts are taking a more pro-patentee stance and make it easier to enforce a patent.

(Christoph Rademacher, Assistant Professor of Waseda Institute for Advanced Study)

<Part II>

【Moderator】

Toshiko Takenaka, Professor of University of Washington School of Law

【Keynote Speaker】

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

【Panelists】

Jan Krauss, Partner, Boehmert & Boehmert, Munich, Germany

Christof Karl, Partner, Bardehle Pagenberg, Munich, Germany

Douglas F. Stewart, Partner, Dorsey & Whitney, Seatle, USA

Hiroyuki Hagiwara, Partner, Ropes & Gray, Tokyo Yoshihiro Endo

The Second part started with the speech by Mr. Endo who has experiences to enforce the patents in Europa and the US. After introducing the structure of Honda's IP department and the overview of IP management by showing slides, Mr. Endo explained about the background of the international lawsuits that he had actually experienced. Generally speaking, patent litigation in Europe concentrates on Germany and the ratio is said to be more than 80 %. However, Honda chose France as their forum. To the moderator's question asking its reason, he said that Honda had a business headquarter in France and France had the size of the market. Those were the important elements of their decision. Lawsuits were also filed in the US, which is a big market for Honda. However, no lawsuit was made in Japan due to the smaller size of market compared to Europe or the US. He introduced very informative practical experiences including the ways of collecting information of the litigation systems in different countries and selecting procurator till the forum is decided, and further, the ways of controlling and coordinating the lawsuit in Europe and the US after the lawsuit was filed.

Based on Mr. Endo's speech, the US and German patent attorneys respectively introduced

characteristics and merits of their systems. The remarkable difference in patent litigation between the US and Germany is whether to conduct the same procedure in both judging patent validity and judging infringement. Traditionally in the US, patent validity is referred to as invalidity defense in infringement litigation. Except grounds for invalidation concerning a prior invention, the USPTO did not have the authority to judge validity until Ex-Parte Reexamination was adopted by the revision of 1980 to the Patent Act. After that, Inter Partes Reexaimination was adopted by the revision of 1999 and the USPTO's power over the judgment on patent validity was extended. Post-Grant Review and Supplemental Examination were adopted from September 16, 2012 by the America Invents act enacted last year. The name "Inter Partes Reexaimination" is changed to "Inter Partes Review". Mr. Stewart, who is the US patent attorney and a Partner in IP litigation group of a major law firm in the US, compared the new review to the traditional Ex-Parte and Inter Partes Reexamination concerning the time for request, the grounds of invalidation to be requested, evidence standard, and so forth. Also, he introduced the advantages in using Supplemental Examination.

Based on Mr. Stewart's speech, Mr. Hagiwara, who is a Partner in patent litigation group in a major law firm in the US and had many experiences to serve as an agent for Japanese companies, introduced the advantages of deciding patent validity by reviews and reexamination at the USPTO, comparing to infringement lawsuits and lawsuits for Declaratory Judgment of Patent Invalidity, from the perspective of Japanese companies that often stands as a defendant more than plaintiff in patent litigation. Especially, for Japanese companies, they can avoid jury trial and have expert judgment on validity by Patent Administrative Judges at the USPTO. On the other hand, the filing fees for Post-Grant Review and Inter Partes Review are considerably expensive, compared to the JPO or the EPO. There is no reduction for smaller businesses. At the panel discussion, there was a discussion that only major businesses could use the Review.

After introducing the US system, patent litigation and claims for invalidation in Germany were introduced. Because Germany is a member of European Patent Convention (EPC), most of German patents are examined by the EPO and granted as one of European patents that is a bundle of patents of Contracting States. The validity of patents granted by the EPO is questioned by the opposition procedure at the EPO or patent invalidation litigation system at the German Federal Patent Court: Bundespatentgericht. The most significant difference is that, when a patent is judged as invalid, the former procedure invalidates all patents granted to the all Contracting States and, in contrast, the latter system only invalidates German patents. However, the request period in the former procedure is limited to nine months from the issuance. Also it takes long to determine the judgment and the related parties can only have a limited involvement compared to invalidation litigation.

After Mr. Krauss examined the length of procedures at the EPO and German Federal Patent Court, Mr. Karl, who holds both qualifications of a patent attorney of Europe and Germany and an attorney at law of Germany, explained how infringement lawsuit and patent invalidation lawsuit are concurrently proceeding in Germany. First, he introduced the overview of the system of the Federal Court of Justice: Bundesgerichtshof where the both lawsuits were eventually judged. Next, he presented the timetable of the typical first trial for infringement lawsuit and invalidation lawsuit and examined the strategy to exercise rights concerning the timing of filing an invalidation lawsuit and the choice of courts within Germany. The most impressive part was that infringement lawsuit in Germany was very speedy and in many cases, infringement judgment was made before the

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judgment was made in invalidation lawsuit. Furthermore, Mr. Karl introduced his experience: when it is judged as an infringement, an order of injunction is immediately issued. Therefore, many cases result in settlement in favor of patent users. Among German courts, Düsseldorf has been known as being favorable to patentees for a long time. But many patent users choose Mannheim recently more than Düsseldorf because Düsseldorf takes more time due to the increasing number of cases. As to Munich, it was introduced that they were trying to attract patent users by revising their procedures. In the panel discussion, to the question asking about the measures as a defendant, the answer was that even if the invalidation trial is pending, courts do not suspend the judicial proceedings except the exceptional cases where patent invalidation is obvious and therefore, there are not many measures. To the question asking about the effect of correcting the claim when the invalidation trial is pending, different practices in Düsseldorf, Mannheim, and Munich were introduced.

What impressed me through this seminar was that the speakers from the US and Germany were very proud of their systems and obviously, they believed it is possible to conduct the most effective patent enforcement when they file lawsuits at the courts in their countries On the other hand, it was a shocking fact that Honda, a Japanese company, did not file a lawsuit in Japan. They said that the decision was made based on business reasons. However, who else files a patent lawsuit in Japan if Japanese companies do not choose Japan as a forum? Mr. Einsel, the speaker at the Part I, also introduced that the win rate and the invalidation rate in Japan came to be known among foreign companies. Thinking that, at the next seminar, I want to hear Japanese lawyers introducing the merits of choosing Japan as a forum, I ended the Q&A session and left the seminar.

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

Events and Seminars

Please visit RCLIP's webpage for the detail.

The JASRAC Open Lecture of 2012

Host: Waseda Faculty of Law
Co-host: Waseda Global COE, Research Center for the Legal System of Intellectual Property (RCLIP)

No.1

【Date】October 6, Saturday 13:30～17:45
【Venue】Waseda University, Waseda Campus, Bldg 8, Room B101(TBA)

Part I

【Theme】International Consideration on Public Transmission Right in the Age of Cloud
【Moderator】
Tatsuhiro Ueno, Professor of Rikkyo University
【Speakers】
Shigeki Chaen, Professor of Osaka University
Koji Okumura, Associate Professor of Kanagawa University

Part II

【Theme】The Acceptable "Minor" Use of Copyrighted Works within Companies
【Moderator】Tetsuo Maeda, Attorney at law
【Speakers】
Yoshiyuki Miyashita, Attorney at law
Hiroki Saito, Attorney at law

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No.2

【Date】October 13, Saturday 13:30～15:30
【Venue】Waseda University, Waseda Campus, Bldg 8, Room B101(TBA)
【Theme】Criticism, Commentary and Just for Laughs: Fair Use and Humor in US Copyright Law
【Moderator】Akiko Ogawa, Research Associate of Waseda University
【Speaker】Jane C. Ginsberg, Professor of Columbia University
【Commentator】Yasuto Komada, Professor of Sophia University
[Japanese-English consecutive interpretation]

No.3

【Date】October 27, Saturday 13:30～17:45
【Venue】Waseda University, Waseda Campus, Bldg 8, Room B101(TBA)
Part I 13:30～15:30
【Theme】The Current Conditions and Challenges in Music Copyright Business
【Moderator】Kazuhiro Ando, Visiting Senior Researcher, Waseda University IIIPS-Forum
【Speakers】
Kazuo Munakata, SEPTIMA LEY
Kazuhiro Hara, Media Pulpo
Part II 15:45～17:45
【Theme】The Issues and Future Challenges in Criminalization of Downloading
【Moderator】Ryuta Hirashima, Professor of Tsukuba University
【Speakers】
Toshimitsu Dan, Attorney at law, bureau chief of lawyers for the Winny case
Taro Komukai, Senior Consultant, Infocom Research Inc.

No.4

【Date】November 17, Saturday 13:30～15:30
【Venue】Waseda University, Waseda Campus, Bldg 8, Room B101(TBA)
【Theme】Incentives for Creators' Creative Activities and the Copyright Act
【Moderator】Eiji Tomioka, Attorney at law
【Speakers】TBA

No.5

【Date】December 8, Saturday 13:30～18:00
【Venue】Waseda University, Waseda Campus, Bldg 8, Room B101(TBA)
Part I 13:30～15:30
【Keynote Speech Theme】
Online Copyright Infringement: ISP's Responsibility under the US Copyright Law
【Keynote Speech】
M. Margaret McKeown, federal judge on the United States Court of Appeals for the Ninth Circuit
【Moderator】Toshiko Takenaka, Professor of UW School of Law
[Japanese-English consecutive interpretation]
【Moderator of Panel Discussion】
Kazuhiro Ando, Visiting Senior Researcher, Waseda University IIIPS-Forum
【Discussants】
Takashi Shiroichi, Bandai Namuco Games
Yuko Yasuda, Capcom Co., Ltd.
Yasunori Koda, Procyon Studio
Part II 15:45～17:45
【Host】Waseda University Research Collaboration and Promotion Center
【Theme】Patent Lawsuit and Technology Transfer in China
【Moderator】
Qin Yu Gong, Attorney at law of China
【Speakers】
Kong Xiang Jun, Head of IP Court, the Supreme People's Court of China
Ziang Zhi Pei, former Head of IP Court, the Supreme People's Court of China, Law firm counselor)
Wu Han Dong, Professor of Zhongnan University of Economics and Law

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【Commentator】Ryu Takabayashi, Professor of Waseda University
[Japanese-Chinese simultaneous interpretation]

【RCLIP Co-hosted Seminar】
＜Brazil IP Seminar＞
【Date】 September 20, 2012 14:00～17:00
【Venue】Nippon Express Worker's Union, Conf. Room A (Nippon Express Kasumizaseki Bldg 8F)
【Host】Franklin Pierce Law Center, School of Law, University of New Hampshire
【Speakers】
Otto Licks, Attorney at law of Brazil, Licks Advogados Partner
Carapeto Roberto, Attorney at law of Brazil
【Moderator】Kazuhiro Ando, Visiting Senior Researcher, Waseda University IIIPS-Forum
【Closing Remarks】
Ben Hauptman, Professor of Franklin Pierce Law Center

≪Festschrift Conference in Honor of Prof. Haley, Law in Japan and its role in Asia: Between East and West≫
【Date】October 22, 2012 13:30～18:30
【Venue】Ono Memorial Hall, Waseda University
【Host】Waseda Faculty of Law
【Co-host】UW School of Law, Asian Law Center

【Opening Remarks】
Dean Waichiro Iwashi, Waseda University
Dean Kellye Testy, UW School of Law
Judge Atsuo Nagano, Director-General of the Civil Affairs Bureau, Supreme Court of Japan

<Role of Courts in Law in Japan and its Influence in Asia >
【Moderator】Prof. Kyoko Ishida, Waseda University
【Keynote Speech】
Prof. John O. Haley, Vanderbilt University, former Director of Asian Law Program, UW School of Law
Justice Emeritus Itsuo Sonobe, former Supreme Court Justice of Japan
【Commentators】
Prof. Shigeo Miyagawa, Waseda University
Prof. Daniel Foote, University of Tokyo
Prof. Yoshihiro Otsuji, National Graduate Institute for Policy Studies
Mr. Masahiro Iseki, Kyoei Law Office

<Judicialization in Asia>
【Moderator】Toshiko Takenaka, Professor of University of Washington School of Law
【Speakers】
Prof. Dongsheng Zang, Univ. of Washington
Prof. Clark Lombardi, Univ. of Washington
Prof. Jonathan Kang, Univ. of Washington
【Commentators】
Prof. Ryu Takabayashi, Waseda University
Prof. Masayuki Tanamura, Waseda University
Prof. Norikazu Kawagishi, Waseda University
Mr. Toshiaki Iimura, Intellectual Property High Court
Mr. Tsubasa Matsuo, Matsuo General Law and IP Firm)
【Closing Remarks】
Prof. Katuichi Uchida, Waseda University
Prof. Pat Kuszler, University of Washington

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