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Internet Distribution of Intellectual Property Protected Works in the United States, in Japan, and in the Future

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I. INTRODUCTION

Attorneys will face increasing demands to provide practical answers to legal problems that have international law and foreign law questions built into them. Clients will need legal advice that is well informed concerning their own national laws and the laws of other nations where they do business. The attorney giving advice will want to be as accurate as possible under the circumstances. Yet, the client will scarcely have time or resources to get detailed legal advice on both foreign and domestic law on all matters. How much legal advice a client can afford to obtain depends on expenses and time. Some clients possess large economic resources they can devote to legal opinions and proceedings. Others do not.¹ Even clients with a lot to spend, however, often cannot afford the time to do all legal inquiries, which can proceed at a snail’s pace.

The practicing attorney will need to guide the client on the use of legal resources. When must one obtain detailed foreign legal information? On the other hand, when will more general concepts suffice? Practicing attorneys handle these kinds of questions of priority in their domestic practices all the time. In many respects,

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¹ The expense and delay of litigation has become a definite problem of fairness in the United States. Parties with large legal “war chests” (money) can afford to bring and defend even very weak cases. Opponents with less money may have to give up. Pre-trial matters, such as discovery, especially make this a problem. Fairness is denied because of expense.
prioritizing in the international arena involves applying the same skills of judgment to new situations.

Many of the international questions that arise will have to do with inventions and intellectual property. Today, neither inventive processes and their use and distribution nor commercial transactions are well confined by physical boundaries.2

In November and December 2000, while serving as a visiting researcher at the Institute of Intellectual Property of Japan (the “IIP”), I investigated some questions concerning the legal problems arising when inventive or creative works are distributed or used in an Internet environment. This Article draws upon that work and republishes a substantial portion of a report that I prepared for the IIP.3

A. Distribution in the Internet Environment

Computers take on lives of their own. They have become indispensable in scientific research, in engineering of all kinds, in many business processes, even in some homes. Recent widespread use of computers in connection with electronic communications such as the Internet has expanded the impact of computers even further.

Current use of the Internet is based on a combination of old and new technologies. The Internet itself has been around for decades. It was originally created as a system of communications set up by the United States government’s Defense Department.4 The use of the Internet was largely restricted to research and industry communications until recent years. The basic technologies involved are computers linked by telephone lines and wireless links. Various protocols enable the communication and computer technologies to work together smoothly. Some of the more recent innovations include such things as data compression, which allows rapid

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2. Our national boundaries are man-made in the first place. The lines we draw on maps can never be seen on the ground. The Internet has penetrated and erased one of the practical abstractions of the world.

3. The work in Japan resulted in a report issued by the IIP. That report examined general rules or “channel markers” that would guide practical decisions in matters involving distributed works. The second aspect of that report looked to the future and commented on the likely role of Japan in the creation of international intellectual property institutions. See Howard C. Anawalt, Internet Distribution and Use of Inventive and Creative Works, INST. OF INTELL. PROP. OF JAPAN (2001). The report is available by contacting the IIP through e-mail at support@iip.or.jp. The Journal Editors and I gratefully acknowledge the permission of the IIP to republish substantial portions of the report verbatim in this article.

communication of information. The combination of computer and communication technologies has created one big computer, which knits the world together commercially and socially.

The computer network aids businesses when they search for materials and expertise. It facilitates "just in time" deliveries and offers other efficiencies. The last several years have brought the development of the commercial use of the Internet and its offspring, the World Wide Web. This use has been sensational. It has ushered in discussion of a "new economy" and an obligatory identification of businesses as "dot coms." 5

The network of computers also blurs some distinctions between business and personal transactions. In the past, one assumed that businesses would have a definite physical presence—an office, an inventory or factory, a staff. It is now possible for a person or entity to function, or appear to function, as a business with little more than a computer connection and a small room to cover one's head.

The Internet encourages people to use whatever is available "on the Web." That is, the very existence of this networked world invites the users to download information, post files, and link themselves together in a whole range of activities. The Internet user will quite naturally suppose that he or she is at liberty to use information if it is not controlled by something like a password. The assumption is often legally incorrect, because the laws of copyright, and in some instances laws concerning confidentiality and privacy, may not permit such use. However, the general expectation of users of a right to use and exchange information seems to be a fact about our networked world.

The server or remote computer, which handles e-mail and Web traffic, brings with it a range of problems that soon become legal problems. A server may allow someone in Finland to copy or use a process or creative work that was originally conceived in Japan or Morocco or anywhere else. The creator of a patented or copyrighted work may complain that the server's actions in Finland violate his legal rights. Furthermore, the server may be providing information or processes to users in the creator's own country, or anywhere else in the world.

5. The recent discussions of a "new economy" and "dot coms" have often been equated to "high tech." This is mistaken. Some methods used may involve new technologies, but the major function of the dot com phenomenon is speedy and efficient communication. Most of the activity involves "high hype" rather than "high tech" if, by the latter, one means new technologies.
We now begin discussion of the networked world with a hypothetical case, the Happy Hamster.6

B. The Happy Hamster

Let us suppose that a small company named “Animals Galore” (AG) develops a very powerful search engine. AG is a small private corporation with all its personnel located in Quiet Swale, California. A search engine is a computer program (software) capable of searching huge amounts of binary data effectively. The search engine is called “Hamster.” Hamster has several features. It analyzes the syntax and structure of language in a unique way. For example, it is able to identify grammar structures. It can distinguish linguistic differences such as past and future. It can search for things such as nuance and alliteration. It can recognize contextual aspects of situations. Hamster has also been designed to take advantage of digital compression technology so that it can readily be used in uploading and downloading files from the Internet. The Hamster is actually a very small program (200 kilobytes) whose main feature is a computer algorithm (or “mathematical algorithm”) called “Nest.” Nest comprises the inventive core of Hamster.

Hamster was first applied in academic work, such as university research. More recently, Animals Galore has released a version that searches musical contexts (rhythms, pitches, keys, etc.). It is called “Happy Hamster” (“HH”). Animals Galore now provides a service that allows users to use Happy Hamster to search any music files on the Internet, and allows users to upload, download, and mix music any way they wish.7

The Hamster scenario presents some factors, which will appear in many other situations in a computer networked world. The invention harnesses knowledge. Essentially, it compresses that knowledge into a usable core: a computer algorithm. One can readily copy the program, use it, study it, and adapt it. The entire product can be sent around the world instantaneously. The product itself facilitates copying and modifying other information-based products.

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6. Some of the issues examined in connection with the Happy Hamster were presented to the IIP and its guests at a lecture held at the Shufu Kaikan on December 15, 2000. Materials for that presentation are available on the IIP website at http://www.iip.or.jp/e/index.html (last visited Apr. 12, 2002).

7. The hypothetical bears a strong similarity to the Napster case, which is commented on briefly later in the text of this Article.
Patent, copyright, and trade secret laws may apply to the software and its uses. Also, purely technological approaches, such as digital control and locking devices, may protect the invention and control its uses. These include encryption, disabling software, and use of passwords. Increasingly, laws back up these devices, making circumvention either a civil cause of action, a crime, or both. The applicable intellectual property laws may vary in content and procedure from nation to nation, and jurisdiction to jurisdiction.

Assume now that Animals Galore encounters three general circumstances that raise questions concerning the protection of the Hamster as well as its potential for encroachment on the claims of others:

1. Protecting its software

A large foreign-based software company, Nanosoft, is copying and using the Nest algorithm in a valuable software program. The copying is done in Japan and in the United Kingdom.

2. Defending against infringement claims

A recording industry group made up of European and Asian record companies has threatened to bring suit against Animals Galore for piracy of copyrighted songs. The group has threatened suit in the United States, in Japan, and in the United Kingdom.

3. Happy Hamster and Hyper Trooper

An important variation on the Happy Hamster story arises when a roving computer or server becomes involved. Let us assume that Hyper Trooper copies and uses the entire Happy Hamster program. Hyper Trooper is an extremely small company that does its business from a portable server, which hops between British Columbia and New Zealand depending on the weather and the inclinations of its personnel. Actually, Hyper Trooper's personnel consists only of a man and a woman, whose only common love is computers and software. They do business strictly for fun and not for profit, except they insist on enough profit to support their travels.

How will these three legal problem areas likely be treated under United States and Japanese law? We are concerned with: (1)
Nanosoft's use of the algorithm, (2) the industry group's "piracy" claims, and (3) the activities of the Hyper Trooper roving server.\(^8\)

II. DISTRIBUTION CONTROL IN THE UNITED STATES AND JAPAN

Advising inventors and developers who operate in international markets requires some familiarity with law beyond that of the United States. The depth of that knowledge will vary depending on the client's needs and circumstances. It also helps to recognize that, for the most part, basic substantive legal doctrines do not change merely because a work has been distributed by the Internet rather than by traditional physical means.\(^9\) For instance, as we now compare Japanese and United States law, we will find that the basic constraints of patent and copyright laws remain stable whether Internet distribution or actual physical shipping has occurred.\(^10\)

A. Protection of Happy Hamster


Could Animals Galore have protected Hamster by a Japanese or American patent? In the United States the answer would be "yes, but..." A critical factor here is the apparent desire of Animals Galore to protect the valuable underlying algorithm.

Patents for software have been available for twenty years or more in the United States. Patent protection should be available for the HH program, since it appears to be an application directed at solving a particular kind of problem. The protection allowed for software patents in the United States extends even to business practices that are carried out by computerized processes. These are the business methods patents.\(^11\) Thus, the creators of Hamster and its derivative Happy Hamster should consider the patenting of the processes in their product early in the invention cycle.\(^12\)

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8. The over-used term "piracy" should be reserved for those instances where an activity violates the laws of the nations having proper jurisdiction over the claim presented.

9. There are important exceptions to this generalization. The main point, however, remains—the basic concepts and doctrines remain largely intact.

10. The comments on Japanese law are based in large part on the wonderful assistance provided to me by Matsudaira Mitsunori-san and his colleagues at the JIP from November 2000 through March 2001. The comments on Japanese law and practice have not been updated since that time, as it has been impractical to do so.


12. A decision on whether to patent involves two distinct considerations. First, is a patent available? Second, is it a good idea under the circumstances to seek a patent if one is available?
A patent can be employed to protect functional aspects of the software, but it is unlikely that any patent will fully protect the underlying algorithm.\textsuperscript{13} If Animals Galore has applied for and received a patent, other companies will remain free to adapt the Nest algorithm to other uses, so long as those uses do not trespass on the actual claims of any patented process.\textsuperscript{14} In the example, it appears that Nanosoft is copying and using only the algorithm. If Nanosoft is adapting the algorithm alone to other uses, it will have an excellent defense to a patent suit in the United States. A defendant in a patent infringement action may raise the defense that the patent is invalid.\textsuperscript{15} The attorneys on both sides will have to examine the claims of any patent that Animals Galore may have obtained to see whether the use falls within the scope of the claims, and also whether the claims go beyond the permissible claims for an algorithm.

Japanese law would likely arrive at a similar answer, but for different reasons. HH would be patentable subject matter since it is memorized in a computer readable memory. However, the algorithm, standing by itself, would likely be viewed as failing to meet the requirement that it \textit{utilize} a law of Nature, as required by the Patent Act, article 2-(1).\textsuperscript{16}

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\textit{See} Howard C. Anawalt \& Elizabeth E. Powers, IP Strategy (IPS) §§ 3.03, 3.04 (2000). The client needs to make the choice on whether to patent or not.
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\textsuperscript{13} One of the most helpful cases with respect to the issue of patenting software in the United States is Arrhythmia Research Tech., Inc. v. Corazonix Corp., 958 F.2d 1053 (Fed. Cir. 1992). United States patent law requires that the patent applicant show that any claimed application of the algorithm is new, useful, and not obvious. 35 U.S.C. §§ 101-103 (2000).


\textsuperscript{15} A patent is presumed to be valid once issued in the United States. “A patent shall be presumed valid. . . . The burden of establishing invalidity of a patent or any claim thereof shall rest on the party asserting such invalidity.” 35 U.S.C. § 282. The presumption of validity is very powerful, but the code assures, indeed invites, the litigants to spar about validity in the courts. The presumption has its basis in the idea that the U.S. Patent \& Trademark Office, as an administrative agency, has done its assessment work properly. See Lannom Mfg. Co., Inc. v. U.S. Int’l Trade Comm’n, 799 F.2d 1572 (Fed. Cir. 1986) for a helpful discussion. See also Donald S. Chisum, Patents: A Treatise on the Law of Patentability, Validity and Infringement § 19.02 (1991).

In 1975, the Japanese Patent Office (JPO) addressed the matter of software patents in a set of guidelines.\textsuperscript{17} Under these guidelines, software may be patented when it is incorporated in an apparatus or system. The software-driven process would then meet the requirement of utilization of a law of Nature under the Patent Act, article 2-1.\textsuperscript{18} Patentability of software in Japan is currently governed by the "Examination Guidelines for Computer Software-Related Inventions."\textsuperscript{19} In order for a software-related invention to be awarded a patent, the Guidelines require that the invention shall consist of an idea utilizing the law of Nature for such implementation of data and information processing so that: 1) the computer software controls hardware resources, (2) the computer process data and output are governed by the physical or technical characteristics of the object, or (3) the computer software of such invention is used to control hardware resources.

On December 28, 2000, the JPO Examination Standards Office issued revised Examination Guidelines for Computer Software-Related Inventions. Under these Guidelines, process patents may include software "[w]hen a software-related invention is expressed in a sequence of processes or operations connected in time series, namely procedure, the invention can be defined as an invention of a process (including an invention of a process of manufacturing a product) by specifying such a procedure."\textsuperscript{20} The Guidelines include an example of unclear claimed inventions that would not qualify: "An order-receiving method using a computer, comprising the steps of: accepting a commodity order from a consumer, checking the

\textsuperscript{17} \textbf{JAPANESE PATENT OFFICE, EXAMINATION GUIDELINES FOR PATENT AND UTILITY MODEL IN JAPAN, PART VII: EXAMINATION GUIDELINES FOR INVENTIONS IN SPECIFIC FIELDS, CHAPTER 1. COMPUTER SOFTWARE-RELATED INVENTION (1975) [hereinafter EXAMINATION GUIDELINES], available at http://www.jpo.go.jp/infoe/Guidelines/PartVII-I.pdf (last updated Mar. 8, 2002).}

\textsuperscript{18} See \textbf{EXAMINATION GUIDELINES, supra} note 17, § 2.2, at 11. The result is strikingly similar to a pair of United States Supreme Court cases. In \textit{Parker v. Flook}, 437 U.S. 584 (1978), the Court rejected patentability for the computation of certain alarm limits in a process. However, three years later, in \textit{Diamond v. Diehr}, 450 U.S. 175 (1981), the Court upheld a very similar type of claim for the application of a formula in the actual process of determining when to open a mold and end a rubber curing process. This pair of cases, along with \textit{Gottschalk v. Benson}, 409 U.S. 63 (1972), still reflect the limits of patentability in the United States, as they are the precedents decided by the United States Supreme Court. No lower court decision can overrule the holdings or governing rationale of United States Supreme Court cases. Thus, no matter what the current views of the Federal Circuit, attorneys must take into account the rationale of the United States Supreme Court cases and be well aware of them.

\textsuperscript{19} \textbf{EXAMINATION GUIDELINES, supra} note 17.

\textsuperscript{20} \textit{Id.} § 1.1.1(1), at 3.
inventory of the ordered commodity, and responding to the consumer as to whether the commodity can be delivered or not depending on inventory status."\textsuperscript{21}

In Japan, a defendant in a patent case may now dispute the validity of a patent. In a case decided in April 2000, the Japanese Supreme Court decided that "accused infringers can raise the defense of invalidity in Japanese courts if the reason for invalidity is obvious."\textsuperscript{22} Professor Takenaka explains that the scope of the Japanese practice regarding an invalidity defense remains uncertain. She notes that the Supreme Court did not give any specifics with respect to the level of obviousness that is required. Also, "the effect of a finding of invalidity is unclear, as Japanese courts do not have a broad collateral estoppel doctrine . . . ."\textsuperscript{23} The Court did state that, "if a patent contains an obvious reason for invalidity, . . . it is unreasonable to permit a patentee to request injunctive relief and damages."\textsuperscript{24} The Court noted three reasons for its decision: (1) enforcement of an obviously invalid patent improperly benefits a patentee and unfairly harms an accused, (2) it is desirable to resolve a dispute in the initial proceeding, and (3) it is not unreasonable for the court to stay an action for infringement where an obvious reason for invalidity of the patent exists.\textsuperscript{25} "If the court finds a reason for invalidity, it should deny a request for injunctive relief and damages and thus deny the request as being an abuse of right unless there is any special reason for not doing so."\textsuperscript{26}

2. Copyright Protection of Happy Hamster.

HH would be protected by copyright in the United States, because it is a program which is expressed and fixed in a medium, that is, in a memory. However, the basic building blocks used to make up the program are not protected. Nor can a system be protected by copyright. So, in the United States, the heart of HH, the Nest, will not receive effective protection by copyright. Nanosoft will

\textsuperscript{21} Id. § 1.1.3(1), at 4–5.
\textsuperscript{23} Id.
\textsuperscript{24} Id.
\textsuperscript{25} Id.
\textsuperscript{26} Id.
most likely be free to adapt the Nest to its own works. In Japan, the answer would be the same, as would be the reasoning, though the statutory sources would be different. The basic building blocks, especially the algorithm, would be an "idea," rather than an expression. Copyright protection, while available and very likely applicable, will be weak in many respects.

B. Copyright Infringement by Happy Hamster.

The second problem area has to do with the Happy Hamster being used to reproduce others' works, namely sound recordings. In general, if one copies or distributes someone else's copyrighted work, then the copyright is violated, unless there is a limitation of right or a defense. However, HH does not itself do any copying. Users of HH do the copying. Thus, in the United States, Animals Galore would be held liable only for something like contributory infringement. So long as there are substantial fair uses of HH, then Animals Galore can present defenses against liability claims by the record companies under U.S. law. U.S. law will balance the privileges of publishers with those of the public with regard to searching and downloading works and processes from the Internet. A leading case on this matter is Sony Corp. of America v. Universal City Studios, Inc.

A recent case in the United States has curbed the fair use defense in connection with downloading and reproducing copyrighted works. A&M Records, Inc. v. Napster, Inc. involved a computer file-sharing system which allowed users to link themselves together through the Napster service and share selected musical works with each other. This provided an easy means for users to download and copy songs for which copyright owners might otherwise charge fees, for instance

27. See ANAWALT & POWERS, supra note 12, § 1.03[10].
29. The conclusion that protection is weak must be qualified. Even a weak or ultimately losing claim may triumph, especially in the United States. This is because an economically strong entity with a weak claim may have the money and resources to continue a suit in the courts where an economically weaker entity may not be able to persevere in a meritorious defense.
through the sale of CDs. The Napster system was routinely used to circumvent the payment of fees and was roundly enjoined by the trial court. Quoting the trial court, the court of appeals stated: "The district court further determined that plaintiffs' exclusive rights under section 106 were violated: 'here the evidence establishes that a majority of Napster users use the service to download and upload copyrighted music. . . . And by doing that, it constitutes—the uses constitute direct infringement of plaintiffs' musical compositions, recordings.'" The court of appeals affirmed the heart of the injunction and remanded in part, as the lower court's order was "overbroad because it places on Napster the entire burden of ensuring that no 'copying, downloading, uploading, transmitting, or distributing' of plaintiffs' works occur on the system."

Japan's Copyright Law has no general defense of fair use. However, Animals Galore might defend by arguing that if the uses made by consumers are for family members, then a private use defense under Copyright Law article 30 applies. Also, Animals Galore might successfully argue that indirect or contributory infringement should not be recognized under existing law. Animals Galore might have to defend against a claim as a joint tortfeasor under more general tort law, Japanese Civil Code, article 709 (Torts). Other Copyright Law-specific defenses to be examined would include: articles 23, 30-(1), 49-(1), and 113-(1).

C. Digital Locks and the Roving Server.

The third set of questions connected to the Happy Hamster arises from use of a roving computer. Hyper Trooper, a very small company, hops from place to place copying and using the entire Happy Hamster program.

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32. *A&M Records, Inc.*, 239 F.3d at 1013–14 (quoting *A&M Records, Inc. v. Napster, Inc.*, 2000 WL 1009483 (N.D. Cal. July 26, 2000), at *1 (transcript of proceedings)). The facts of the case are very interesting and worthy of further study by any concerned with its broader issues. The Napster technology is a combination of rather old technology (file searching) and new technology (data compression). The system can be viewed as simply a search engine with data compression. The user (not the Napster service) can then copy the music that is found. Thus, when compared to the famous case of *Sony Corp. of America v. Universal City Studios, Inc.*, 464 U.S. 417 (1984), Napster is less than the defendant's Betamax recording machine, for it does not copy at all! On the other hand, it can be viewed as doing more than the defendant, for the defendant's Betamax machine was completely inert when it came to searching for content.


34. See *SAITO*, supra note 28, at 211–25; *HANDA*, supra note 28, at 148–53. See also COPYRIGHT RESEARCH AND INFORMATION CENTER, supra note 28.
Animals Galore can protect against this type of activity by using a digital locking device to protect its program. A digital lock is a method of securing information in a computer or network environment. One uses means such as passwords, encryption, identification, firewalls, or other electronic means to protect against intrusion. These are used commonly in Internet distributions today. Anyone who has used the Web or used a bank automated teller machine (ATM) has encountered these measures. If you log on to a Web site to purchase a book or use a fee-based service, your entry of passwords and the like constitute use of one of these methods.

Use of digital control devices presents primarily client factual choices, rather than legal questions per se. The client choices are rather like the decision of whether to lock one’s apartment or to put an alarm on one’s car. These are important items for the client to think through: what is the effect of the protection technology on performance, on my customers, on the public and on goodwill? What is the cost? What aspects of protection work best for this product? Is encryption the better solution? Do we benefit more from the protection, or are there downsides that outweigh it? While digital control technologies are becoming more powerful and relatively inexpensive, the client should think through the matter, rather than automatically “lock up.”

There are also substantial legal consequences that stem from using or circumventing digital locking devices. Recently, the United States enacted a federal law that provides for both civil and criminal penalties for circumventing such technologies. While the U. S. legislation is part of the Copyright Act, it has much more in common with trade secret protection in its concepts and practical operation.

The amended Copyright Law of October 1999 punishes the acts of selling, lending, and transmitting to the public equipment or programs when the primary use is to circumvent technological means of protection (article 2-1(1)(xx)). At the same time, the amended law now provides for exceptions to copying for private use (article 30-(2)) and condemns the act of intentionally adding or deleting rights management information (article 2-1(1)(xxi) as a violation of a copyright (article 113-(3)). In addition to these amendments of the Copyright Law, some amendments to the Unfair Competition Prevention Law also were made and became effective on October 1,

36. See ANAWALT & POWERS, supra note 12, § 1.03[6][b].
1999 (article 2-(1)(x), (xi)).\textsuperscript{37} Japan's Unfair Competition Prevention Law\textsuperscript{38} defines unfair competition to include delivery of anti-circumvention devices.\textsuperscript{39}

III. INTERNATIONAL DISPUTES AND CHANNEL MARKERS

The Internet penetration of international boundaries creates questions such as those illustrated by the roving server example. Patent, copyright, or other claims may arise anywhere. They may be claims pursued by Animals Galore, or claims pressed against it. In the Hyper Trooper roving server example, one may need to address a range of questions at the outset of any case. For one thing, it is not all that easy to decide where an alleged violation occurs if the Hyper Trooper server is operating in Canada, a song is uploaded in Korea, and a user downloads in Japan.

We can identify three sets of practical questions:

1. what is the subject matter of the law (definitions of substantive legal rights);\textsuperscript{40}
2. where has a claimed violation of right occurred; and
3. what court (or jurisdiction) should decide the case.

These questions are intertwined in their effects. The definition of legal rights will be crucial for both the plaintiff and the defendant. For example, if Animals Galore claims patent violation, Hyper Trooper will wish to put forth defenses of scope of claims or


\textsuperscript{38} Unfair Competition Prevention Law No. 47 of 1993 (Ja.) as amended by Law No. 33 of 1999.

\textsuperscript{39} \textit{Id.} art. 2-(1)(x), (xi). The English translation states that delivery, etc., of "devices and/or programs having solely a function to prevent illegal reproduction" are unfair competition. Japan's Copyright Law appears to exclude those measures that would be used by authorized persons. The language of the translation seen by the author is very difficult and requires native language study. Long-time practitioner in Japan, Rex Coleman, who is bilingual, has cautioned the author that English translations of legal texts in Japanese are often not sufficiently accurate for parsing and construction.

\textsuperscript{40} Most legal systems distinguish between the substantive law, for example, what is patentable subject matter, and the procedures for obtaining or enforcing rights, for example, applying for a patent or seeking a remedy for infringement.
patentable subject matter. Similarly, the defense will seek to interpose defenses in any copyright case as indicated in the earlier discussion. The definition of legal rights will depend on what court takes the case and which laws it applies.

A 1999 U.S. case illustrates the potential complexity of international intellectual property problems, and the expense of their resolution. In *Bridgeman Art Library, Ltd. v. Corel Corp.*, the plaintiff was an English company that marketed faithful reproductions of public domain works through the media of transparencies and CD ROMs. The trial court granted the defendant's motion to dismiss, and in a second proceeding reaffirmed that order. In the second proceeding the court commented: "Everything plaintiff has submitted on this motion should have been before the Court earlier, which is more than sufficient reason to deny its motion as an unwarranted imposition on the Court and, indeed, its adversary." The basis of the dismissal was that under United States law, a mere reproduction of a public domain work does not have sufficient originality to qualify for protection. The court explained: "In this case, plaintiff by its own admission has labored to create 'slavish copies' of public domain works of art. While it may be assumed that this required both skill and effort, there was no spark of originality—indeed, the point of the exercise was to reproduce the underlying works with absolute fidelity. Copyright is not available in these circumstances."

To reach its decision, the court, with the aid of counsel, had to resolve a range of questions in the following areas:

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41. These questions deserve careful examination. In the United States, much of the discussion of such questions falls under the label "conflict of laws." One of the most critical questions for either plaintiff or defendant is what court will take and hold onto the case. That decision determines expense, and ultimately what rules apply. In the United States, one can usually litigate that issue two times. First, a federal or state court will determine if it has jurisdiction (power) to act over the subject matter and over the particular parties. Second, a federal or state court may determine if it is proper under the circumstances to exercise the power it possesses. This second question is usually called "forum non-convenience" in the United States. Generally, a defendant must raise either of these two defenses.

42. *Bridgeman Art Library, Ltd. v. Corel Corp.*, 25 F. Supp. 2d 421 (S.D.N.Y. 1998), aff'd on reh'g, 36 F. Supp. 2d 191 (S.D.N.Y. 1999). Bridgeman is an English company which has an office in New York. It is in the business of acquiring rights to market reproductions of public domain works of art owned by museums and other collections, which it obtains either from the owners of the underlying works of art or from the freelance photographers it hires. Bridgeman maintains a library of those reproductions in the form of large format color transparencies and digital files. Additionally, Bridgeman attaches a color correction strip to each transparency to ensure that the image is a genuine reflection of the original work as it existed in the circumstances in which it was photographed.


44. *Id.* at 197.
1. Does the court have jurisdiction? To what claims does that jurisdiction extend? The court determined that it had jurisdiction over the United States copyright claims, but that it had no independent jurisdiction over claims of violation of British or Canadian law. It also declined to exercise federal court discretionary jurisdiction under 28 U.S.C. § 1367 over related or pendent claims.

2. What copyright law should apply? The court observed: "Bridgeman argues that its rights are to be determined entirely under British law on the theory that the copying and initial infringement occurred in England. The matter is not quite that simple. In view of the United States’ accession to the Berne Convention and the Universal Copyright Convention (‘UCC’), a foreign national such as Bridgeman may seek copyright protection under the Copyright Act although the source of its rights lies abroad."45

3. What is the effect of the Berne Convention and the implementing federal legislation? One of the aspects of that inquiry was whether the Convention was “self-executing.” That is, did the convention itself provide a rule of decision for the case? The court found that it did not.46

4. Finally, the court addressed the scope and reach of copyright protection in United States courts. These issues included: 1) the scope of United States copyright law, including the effect of the American constitutional requirement that a work be “original”;47 2) whether United States copyright law applies beyond the nation’s borders;48 and 3) a discussion of the potential scope of the treaty power to extend the scope of copyright protection.49

47. Id. at 196–97 (citing Feist Publ’ns, Inc. v. Rural Tel. Serv. Co., 499 U.S. 340, 350–53 (1991)).
49. The court found it did not need to resolve the issue, as the Berne convention only requires that a foreign claimant be treated the same as a United States claimant on the matters in question. “Hence, the Conventions make clear that the holder of, for example, a British copyright who sues for infringement in a United States court is entitled to the same remedies as holders of United States copyrights and, as this Court previously held, to the determination of infringement under the same rule of law.” Bridgeman Art Library Ltd., 36 F. Supp. 2d at 194.
A. Treaties as Channel Markers.

Treaties are contracts among nations. Treaty provisions do not usually bind individuals or businesses. Thus, for example, the World Trade Organization (WTO, the successor to GATT) allows a member nation to complain that another nation has impaired its benefits under the intellectual property provisions of the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement).\(^5\) However, TRIPS will not give an individual or company a remedy. In order to obtain an intellectual property remedy, a party will have to bring an action against another party using some national legal system or an arbitration provision of a contract.

The *Bridgeman* case, discussed above, provides an example of the function of treaties. In that case, the court applied the United States statute enacted pursuant to the treaty, rather than the treaty itself, to resolve the case.\(^5\)

However, treaties may provide guidance for intellectual property transactions and disputes. HH’s rights and liabilities will depend on the law of the nation, Japan or the United States in our example. Still, the World Intellectual Property Organization (WIPO) Copyright Treaty may assist in planning or interpretation of law. For example, at some point in a controversy such as the Happy Hamster cases above, legal professionals might refer to the WIPO Copyright Treaty.

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50. In 1995, the WTO was established. By 2001, the WTO had 134 members. Membership in the WTO has become a practical necessity for international trade today. The TRIPS Agreement is a mandatory part of the WTO system. See Agreement on Trade-Related Aspects of Intellectual Property Rights, Apr. 15, 1994, Marrakesh Agreement Establishing the World Trade Organization [hereinafter TRIPS Agreement], Annex 1C, LEGAL INSTRUMENTS—RESULTS OF THE URUGUAY ROUND vol. 31, 33 I.L.M. 81 (1994) (entered into force Jan. 1, 1995), available at http://www.wto.org/english/docs_e/legal_e/27-trips.pdf. The TRIPS Agreement constitutes Annex 1C of the Marrakesh Agreement Establishing the World Trade Organization, and “integral parts of this Agreement, [are] binding on all Members” of the WTO. Final Act Embodying the Results of the Uruguay Round of Multilateral Trade Negotiations, Apr. 15, 1994, LEGAL INSTRUMENTS—RESULTS OF THE URUGUAY ROUND vol. 1 art. II.2 (1994), 33 I.L.M. 1125 (1994) (entered into force Jan. 1, 1995), available at http://www.wto.org/english/docs_e/legal_e/04-wto.pdf (last visited Apr. 12, 2002). The TRIPS Agreement reaffirms the principle that nations must provide the same degree of protection of intellectual property for foreigners as they do for their own nationals. However, the TRIPS Agreement’s primary thrust is to mandate the content of intellectual property laws and to require particular enforcement mechanisms. A salient feature of the TRIPS Agreement is that comprehensive intellectual property rights obligations are linked to membership in the worldwide trade system. The TRIPS Agreement is part of a more general movement to standardize both the substance and procedure of intellectual property rights on a worldwide basis. This movement represents a departure from the predominant approach, which had been to leave substance and procedure primarily up to the various nations.

In fact, treaties, such as the WIPO Copyright Treaty, may provide useful "channel markers" that allow practitioners to give effective guidance to clients. There are limits to the effectiveness of treaties as channel markers. Much of that effectiveness depends on some degree of cooperation between parties to a transaction or even those proceeding to dispute resolution. The parties had a choice in the Bridgeman case. Rather than proceed in court, they could have negotiated the case based on the apparent meaning of the Berne Convention. That might well have led the plaintiff to drop the claim without the long, and ultimately futile, litigation. One can imagine reasonably informed counsel discussing as follows:

Plaintiff's counsel: "We have a valid claim, etc.!

Defendant's counsel: "Can we just talk a bit—'off the record,' if you will? We have had a look at the Berne Convention. We are pretty sure that it only allows your client to receive the same protection as an American claimant would receive under U.S. law. Now, what if we share the expense of just putting that question to a neutral party . . . ."

A treaty may also function as an indicator of general fairness. One cannot always predict how an element of fairness (as distinct from pure legality) will influence a court in the United States. Nevertheless, a showing that one’s position is fair under general principles usually will influence favorably a decision-maker toward one’s position. An appeal to fairness under a treaty may have a positive influence wherever a dispute arises.

One should also take into account the time and expense of litigation. In the United States, the sheer expense of a proceeding can dictate an outcome. This is especially true in intellectual property cases. "The American Intellectual Property Law Association reports, based on a survey of its members, that the median cost of patent litigation to each side is $799,000 through the end of discovery, and $1,503,000 through trial and appeal." Often, parties will find that they must give up a good claim of right or a defense and settle a case


53. A channel marker is a buoy floating in the water and warning ship captains of the limits of safe water. Sometimes dangers are posed by other ships and sometimes by physical features like rocks.

due to the expense of litigation itself. Expenses surely increase when one must litigate in foreign courts, as well.

It is often difficult to deal with the powerful and well-heeled adversary when that economic reality translates into courtroom power. It is the weaker of the adversaries that usually must take this factor into account and accommodate to it.

Let us turn now to a treaty that deals with digital and Internet-related claims. Article 6 of the WIPO Copyright Treaty obliges member nations to establish what it calls "distribution rights" in favor of software authors or owners. It provides: "Authors of literary and artistic works shall enjoy the exclusive right of authorizing the making available to the public of the original copies of their works through sale or other transfer of ownership." 55 It also provides for exceptions to authors' rights that "do not unreasonably prejudice the legitimate interests of the author." 56

Both Japan and the United States are parties to the WIPO Copyright Treaty. Neither nation has an explicit copyright provision establishing generic distribution rights. The Japanese Copyright Act grants a copyright holder an exclusive right of control over "communication to the public." The U.S. Copyright Act grants the copyright holder a general exclusive right "to reproduce the copyrighted work in copies or phonorecords" and "to distribute copies or phonorecords." 57 Whether a particular communication of data amounts to an infringement of a protected work under the laws of either country can entail strenuous efforts of interpretation and factual explanation if litigated. Rather than engage in those efforts, counsel might explain to the client the option of using a treaty as a guideline. The client can then choose how to proceed. When the legal advisors discuss the principles of the WIPO Copyright Treaty, they may then arrive at a mutual understanding or agreement. 58

Perfect advice will be very difficult to achieve. This is true, also, in any purely domestic practice. However, practitioners do have some tools that provide a basis for sound planning advice in transactions that involve Japan and the United States. The basic concepts of patent and copyright overlap a great deal in the two nations. Also, the two nations have adhered to the same copyright

55. WIPO Copyright Treaty, supra note 52, art. 6(1).
56. Id. art. 10(1).
58. Note, a court sitting in the United States will follow U.S. statutes and not the treaty language.
treaties, and those treaties offer negotiators a kind of neutral ground for negotiations.

In summary, the Internet does not change the laws. It does make assessment and enforcement issues more difficult. Litigation of international disputes becomes complicated and expensive, as illustrated by the Bridgeman case. Careful negotiation of international arrangements can involve the expense of engaging counsel from another country in addition to counsel in one's own country. Establishing a detailed contract covering the applicable law may be desirable, but it will usually involve a large transactional effort. 59

Treaties may provide a useful means of planning transactions or resolving disputes, even where they do not bind parties. Using a treaty as an agreed guideline may minimize expense and facilitate the ability of parties to proceed ahead with reasonable development and respect of each other's interests.

IV. INTERNATIONAL DISTRIBUTION RIGHTS IN THE FUTURE: JAPANESE VIEWS

Uncertainty with regard to international intellectual property transactions and rights has spurred a movement in recent years to create various forms of harmonization or even worldwide unity regarding intellectual property obligations. Practicing attorneys, as well as government and private policy-makers, can benefit by becoming aware of these movements. Critical public interests are at stake. International treaties on intellectual property matters will have a large impact on future commercial and other arrangements.

Harmonization of intellectual property should be viewed in a sufficiently large context of national and international public needs. As a general proposition, intellectual property doctrines have been guided over time by certain general principles. Basic policies have remained constant in many respects. 60


60. See ANAWALT & POWERS, supra note 12, § 1.01[4].
centuries of experience with intellectual property doctrines.\textsuperscript{61} The active use of patents and copyrights has increased steadily over the past two hundred years, and has escalated phenomenally within the past three decades. Intellectual property use, legislation, and practice have increased in a proportion that mirrors the development of silicon-based computer technology. However, intellectual property law has a relatively short history. Still, it has been a relatively stable history.

This concluding section presents a glimpse of Japan’s likely participation in creating international rules on the subject of distribution rights. The discussion is based on the work I did when I was a guest of the IIP in Tokyo at the end of 2000. For my work in Japan, I brought my background as a practicing American lawyer and law professor to bear on both the current practical matters and the questions concerning the future. In addition, I have used information that I have gained about Japan and its legal culture. Colleagues at the IIP have supplied translations and explanations of Japan’s intellectual property laws. The IIP also introduced me to officials in ministries of the Japanese government, and to academics and company officials. Those introductions enabled me to conduct a series of interviews with individuals concerning intellectual property practices in Japan.\textsuperscript{62} In

\textsuperscript{61} The first legislation was the English Statute of Monopolies of 1623, 21 James I, c 3, which “by a general sweeping clause demolished all existing monopolies, with certain exceptions, and declared them to be contrary to law and void. Among the exceptions were included... patents granted for a limited time...” \textit{ERNEST BAINBRIDGE LIPSCOMB, III, LIPSCOMB’S WALKER ON PATENTS} § 1:3, at 15–16 (3d ed. 1984).

\textsuperscript{62} Particularly wish to thank the following colleagues at the IIP: Matsunda Mitsunori, Matsushita Yukihiro, Taura Sokono, Kimura Takashi, and Takano Toru for their direct hard work in researching and analyzing Japanese law and for providing countless services and opportunities. I wish to thank Yoshida Toyomaru, Executive Director of the IIP, and Asami Setsuko, Director, Research Department of the IIP for their invitations and opening the doors of the IIP to me. As well, I wish to thank Yoshida Toyomaru, Executive Director of the IIP; Asami Setsuko, Director, Research Department of the IIP; Suzuki Masabumi, Director, Intellectual Property Policy Office, Ministry of International Trade and Industry (MITI); Ishino Toshikazu, Director, International Copyright Division, Agency for Cultural Affairs; Kihara Yoshitake, Director of Patent Policy Planning of the Japanese Patent Office/MITI; Houda Masahiko, Manager, Planning Department, Intellectual Property Center, Matsushita Electric Industrial Co. Ltd.; Ishida Yoshiharu of Nippon Roche (retired); Koichi Sumikura, Ph.D., Department for Intellectual Property, Research Center for Advanced Science and Technology, University of Tokyo; Ken-ichi Kumagai, Associate Professor, Faculty of Law, Kyushu University; Rex Coleman, Pacific Law Group; Wakabayashi Yasuyuki, Wakabayashi and Watanabe Law Office; Harahata Kenji; and Nakano Kiyoshi, Visiting Professor, Global Information and Telecommunication Institute, Waseda University, for taking time and patience to answer my questions.
most instances, I have summarized the interview information and have not attributed opinions to individuals.63

The interviews and consultations have included more than ten professionals at the IIP and a number of Japanese law professor colleagues. I also have consulted technical experts, attorneys and business people both before and during my period of study at the IIP on the subjects covered in this Article.

With this background in mind, let us examine a snapshot of Japanese attitudes toward change of international intellectual property in the future.64

A. Harmonization.

I found great acceptance of the need for harmonization of intellectual property laws among the interviewees. "Harmonization" means the creation of general international agreement on intellectual property norms, but agreement that falls short of a uniform and obligatory international regime. In general, the acceptance was based on pragmatic considerations:

(1) commerce needs a greater degree of certainty;
(2) legal costs of determining rights and enforcing them should be minimized; and
(3) flexibility should exist to accommodate national goals.

63. The ministers and professionals have spoken to me in ways that appeared candid and forthcoming. The officials from ministries bear policy-making responsibilities that in some ways resemble responsibilities in United States federal and state agencies. In some ways, however, the responsibilities go beyond those. The professionals at the IIP bear similar responsibilities in many instances. Thus, it seems best to summarize my genuine understanding of what has been told to me without attribution to individuals. The summaries of opinion have all been based on what I heard or read. Nothing has been made up of whole cloth. I wish to add a note to encourage others to take such an approach. The world of intellectual property moves fast. If we plod along always and seek to footnote everything, we will miss opportunities to make meaningful and timely comment on important matters.

64. I have read and heard dozens of statements about Japanese cultural habits that involve a willingness to act together as groups. These statements come from foreigners and from Japanese. They come in scholarly garb and in quiet statements, such as "we Japanese love plants." They span matters ranging from the use of persuasion by government agencies to comments on religious matters. In this later regard, I came across the following comment on willingness to follow the spirit of Soto-zen standards set up centuries ago by Dogen: "Participation in communities based on Dogen's standards may still perhaps be more natural for modern Japanese people, who so readily accept group identification and who seem to thrive amid group ego." DOGEN ZENJI, DOGEN'S PURE STANDARDS FOR THE ZEN COMMUNITY: A TRANSLATION OF THE EIHEI SHINGI 29 (Taigen Daniel Leighton & Shohaku Okumura trans., State University of New York Press 1996). While cultural observations have value, it is also important to recognize that all cultures contain individual personalities, and each culture changes.
The question of flexibility came up in most every interview. Rigidity of intellectual property enforcement requirements would be counterproductive. One interviewee stressed the need to be flexible in order to accommodate three aspects of society: the industries, the consumers, and overall social good.

B. Levels of Harmonization.

In keeping with the pragmatic approach, it became apparent in interviews that policy makers are aware of very different problems concerning definition of substantive rights, administration of rights, and legal enforcement. In general, international uniformity appeared very acceptable, and even necessary, with regard to defining the substance of intellectual property rights and administration prior to enforcement. However, international requirements with respect to enforcement procedures present real difficulties. This is easy to understand when one reflects on degrees of litigation. Americans are always rushing off to court. In Japan, disputes in court are avoided.65

Many of the interviewees agreed that policy makers should be concerned with the three sets of practical questions presented by the roving server example earlier in this Article. Many of the interviewees agreed that when an intellectual property case arises in cyberspace the questions previously considered with regard to the Hyper Trooper need to be considered. These are:

(1) the subject matter of the governing law (definitions of substantive legal rights);

(2) identification of where a claimed violation of right occurs; and

(3) what court (or jurisdiction) should decide the case.

Some interviewees expressed grave reservations concerning all three of these matters, but the latter two particularly raised doubts. Care will be needed to assure that national courts have flexibility with regard to the enforcement mechanisms (item (1)). Courts should have flexibility to determine where a claim arises (item (2)). Finally,

65. The generalization is often repeated in literature comparing the two countries. "Much has been written, especially by Westerners, about the attitude of the Japanese people towards litigation in Japan. For some time, the conventional wisdom has been that the Japanese do not consider litigation to be the preferred method of dispute resolution. Is that attitude changing? Are there real cultural inhibitors to litigation?... The reader will quickly learn that many theories are espoused by extremely knowledgeable and wise students of these subjects." JOSEPH W.S. DAVIS, DISPUTE RESOLUTION IN JAPAN 5 (1996).
courts should not be too aggressive in asserting jurisdiction (item (3)).

C. International Policy Making.

The policy-making officials expressed a degree of assurance that international intellectual property policies would emerge, and that they would be successful for both the international marketplace and the healthy development of cultures and human good. Before describing the responses on international policy making, I wish to offer some brief comments about my own concerns.

Intellectual property laws create monopolies. These monopolies can sometimes advance public good. In some countries, the sole justification for such monopolies is that they should in fact aid the public good. For example, service to the public good is the sole justification for patent and copyright laws in the United States. The Constitution permits Congress to establish federal patent and copyright laws. It does not mandate such laws, as some American authors have stated. Congress may create these laws on the condition that these laws "promote the Progress of Science and useful Arts." The international treaty-making process offers a very powerful mechanism for corporations and other economic entities to impose their interests. It is very difficult for democratic voices to be heard in this treaty-making process. Treaties can be extremely helpful for both the intellectual property community and for the public good. However, this can only be the case when vigilant public interests are represented well and strongly at the treaty-making process.

The interviewees recognized that international harmonization had proceeded far further in the area of copyright than in patents. Those concerned with patent policy expressed hope and expectation

66. Unfortunately, the degree of specificity of these concerns did not come up in the earlier interviews.

67. U.S. CONST. art. I, § 8, cl. 8. Numerous Supreme Court cases have recognized this limitation. See, e.g., United States v. Paramount Pictures, 334 U.S. 131, 158 (1948) ("The copyright law, like the patent statutes, makes reward to the owner a secondary consideration."); Mazer v. Stein, 347 U.S. 201, 219 (1954) ("The economic philosophy behind the clause empowering Congress to grant patents and copyrights is the conviction that encouragement of individual effort by personal gain is the best way to advance public welfare through the talents of authors and inventors in 'Science and useful Arts.'").

that international patent application and substance standards would evolve. Economic factors appear to make this a necessity. The interviewees expressed concern that lesser-developed countries be treated with great fairness in the harmonization process. The interviewees appeared to believe that Japan bears a special responsibility in this regard.

D. Power of Ministries and Agencies.

The interviewees stated that the ministries and agencies, such as the Ministry of International Trade and Industry (the MITI) and the Agency for Cultural Affairs, have a powerful role in creating the substance of the intellectual property laws. These ministries propose intellectual property laws to the national legislature, the Diet, and, for the most part, the Diet enacts them. The ministries also establish policies and guidelines that carry forth the expressions in the statutes. Given the powerful role of these governmental entities in the creation of intellectual property laws, one wonders exactly what voices actually play decisive roles in the final decisions. When asked, the responses were uniform. The agencies and ministries establish consultative committees or advisory councils. These are composed of representatives of industry, lawyers, scholars, perhaps representatives of certain groups such as Keidanren, and some public members. The IPP itself was credited as influential in policy making. When asked whether the public members had much influence, some interviewees said that they did not, in fact, have much influence.

E. Areas of Harmonization.

The following is a listing of matters that, according to the views of interviewees, deserve international attention, together with an assessment of apparent importance:


The standards for patents generally need harmonization. Standard general ideas of what is patentable exist. A patentable item must be new, useful, and not preemptive of known processes or knowledge (i.e., not obvious). This was viewed as highly important.

69. The Appendix, infra, sets forth a question template that was used with some variation for a number of the interviews.
2. Software Patents.

Perhaps general standards for software patentability can and should be enacted. The interviewees assessed this as important, but were uncertain as to its practicality. Flexibility is needed.


These need international conformity. The price is too high to pay in order to establish true multinational protection. The costs are: separate application fees, translation fees, and attorney fees. The most burdensome of these is translation cost. Some interviewees discussed and recognized that the costs of translation might necessarily remain because national courts and the public need to understand exactly what the patent, which is an open communication of invention, means. These processes were assessed to be of high need to conform.

4. International Data on Prior Art for Software.

Japan already has a database that is collecting data on prior art in the area of software patents. The emergence of patents for business methods will create a strong need for such databases. Interviewees uniformly recognized the likely weaknesses of software patents, due to the likely incidence of obviousness. A database will help, and international cooperation should be of value. However, a number of interviewees expressed skepticism that a database would adequately address the related problems of prior art and obviousness. This was viewed as important.

V. CONCLUSION

A networked international environment places new demands on attorneys. Among these is the need to become informed about the requirements of legal systems other than the laws of one's own nation. The example of the Happy Hamster provides a vehicle for comparing United States and Japanese intellectual property doctrines as they would apply to Internet distributions. That examination shows that the substantive protection provided in those two countries is very similar.

Both transactions and litigation can demand detailed knowledge of specific national laws. However, international intellectual property treaties, such as the Berne Convention or the WIPO Copyright Treaty, can provide guidelines or "channel markers" with regard to claims of right and ownership. These guidelines can be especially useful in
situations where a complete assessment of foreign laws is not practical.

Finally, a summary of interviews and research conducted in Japan at the end of the year 2000 indicates that the general attitude portrayed by Japanese ministries indicates that international intellectual property harmonization is valuable. Japan is prepared to play an active role in working toward harmonization. The national emphasis appears to be: move ahead, but allow appropriate flexibility in international requirements.
The following template of questions accompanied some of the more formal interviews conducted by the author in Japan:

QUESTIONS:

**Patent rights and enforcement**

1. Does the use of the Internet create any particular problems concerning enforcement of patent rights?
2. Is there a need for uniform international rules on patentability of software?
3. Under the new draft Guidelines for Computer Software Related Inventions, will a “new” and “useful” software *algorithm* be patentable simply because the claims state that it is “a computer readable storage medium having a program recorded thereon”? (Draft Guidelines, page 4, perhaps especially Example 4.) I am concerned about the fact that an *algorithm* standing by itself may either:
   - Claim a very large or huge area of invention. (Data A plus Data B controls *any* system.); or
   - Simply convert one set of data into another. (Data A plus Data B yields Data C).
4. Do we need international rules on what amounts to patentable software? Is this kind of patentable subject matter more in need of rules than other fields of invention?
5. Should there be an international database on software patents to assure that prior art (and obviousness) can be detected?

**The costs and benefits of international patent rules**

1. Who should determine whether there should be international rules? How much influence should companies or groups of companies have?
2. Is there any conflict between company (or corporate) lobbying for patent rules and the benefits to the public?
3. Do software patents encourage or discourage innovation?
4. How should the public influence international rules?
5. How extensive should the international rules be? Should they mandate procedures?
6. Should nations be required to have a high level of patent protection in order to gain free trade status? (For example, TRIPS of the WTO.)

7. What if a nation chooses to give higher priority to using its legal resources on domestic violence, environmental protection, or protection of human rights?

8. What voice does the public have on intellectual property rules in Japan?

9. How does Japan go about determining what the patent rules should be?
   What is the process?
   What role do the agencies or ministries have? What role does your office have?
   What role does the Diet have?
   Does the public get involved?
   How does the public get involved, if it does?