

Individual and Collective Enforcement of Copyright and Related Rights: Law and Practice in Japan

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I. Introduction

DIGITAL AND communication technologies have been dramatically changing the market structure for publishing and music industries. Despite much more easier cross border transmission of information brought about by Internet, the basic principle of territorial protection of copyright and related rights remain unchanged. The WIPO Copyright Treaty (1996), effective from March 6, 2002, incorporates by reference the basic rules of the Berne Convention for the Protection of Literary and Artistic Works (1886) (Paris Act 1971) and clarifies the interpretation of the Berne Convention and establishes new standards of protection. The WIPO Performances and Phonograms Treaty (1996), effective from May 20, 2002, does not affect the treaty relationships under the International Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations (Rome Convention) (1961).

The Copyright Act (Law No. 48, 1970) of Japan incorporates the standards of protection of literary and artistic works under the Berne Convention, as well the standards for the protection of performers, producers of phonograms and broadcasting organizations under the Rome Convention. To cope with new technologies and business practices, the Act has been amended successively since 1984. Along with developments in copyright legislation and publishing and music businesses, the courts have been building up the case law to a significant degree.

This paper will review major Japanese court decisions to discuss how copyrights and related rights are enforced individually or collectively in publishing and music industries.

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II. Court jurisdiction and capacity to sue

The Code of Civil Procedure (Law No. 109, 1996) Article 5 provides venues for domestic cases involving property rights. The courts follow these rules in exercising jurisdiction over international cases. The corresponding venue provisions are found in Articles 5 to 20 of the old Code of Civil Procedure (Law No. 29, 1890).

The Copyright Act Article 112 (1) provides that “an author, copyright owner, performer or neighboring rights owner may claim, against a person who infringes or is likely to infringe his author’s moral right, copyright, publishing right, performer’s moral right or neighboring right, cessation or prevention of such infringement.” Article 114 provides presumption of damages recoverable by a copyright owner or neighboring right owner. These provisions make clear who is entitled to file a civil action against an infringer.

In *K.K. Tsuburaya Productions v. Sompote Saengduenchai*¹, action was dismissed for lack of jurisdiction, because the defendant was a Thai national residing in Thailand and the dispute involves the plaintiff’s copyright in Thailand in its films.

*Mitsuteru Yokoyama v. Entorcolor Technologies Corp.*², The author of popular comic “Tetsujin Nijuhachigo” sued the defendant, California corporation, for infringement of the plaintiff’s U.S. copyright. The court dismissed the action for lack of jurisdiction because both the defendant’s domicile and the place of tort are not in Japan.

In *Y.K. Inoppu v. K.K. Another One*³, the plaintiff Inoppu concluded “Copyright Management Agreement with Taina Marjanen of Finland, Article 1 of which provided that “Marjanen entrusts to Inoppu, and Innopu accepts, the right to transfer her copyright to licensees in Japan on terms stated in this agreement.” The court dismissed Inoppu’s action against one of its licensees for breach of contract on the ground that Innopu was entrusted only to grant licenses and collect royalties on behalf of the Finnish author and had no power to sue for injunction on behalf of the copyright owner.

In *Nihon Herald Eiga K.K. v. Internlingual Television K.K.*⁴, Nihon herald, importer-distributor of foreign films, obtained an exclusive distribution right for a German film, “Der Schwarze Blitz” produced by Transit Film GmbH of Munich, Germany. Transit granted a worldwide distribution right to Omnia Deutsche Film Export in Much which in turn granted sublicenses to Nihon Herald for three years, from January 1, 1971, to show the film on

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1. Hanrei Jiho (No. 1681) 147 (Tokyo District Court, January 28, 1999).
 2. anrei Jiho (No. 1812) 139 (Tokyo District Court, November 18, 2002).
 3. Hanrei Jiho (No. 1818) 165 (Tokyo District Court, January 31, 2002).
 4. Chosaakuken Kenkyu No. 5 116 (Tokyo District Court, July 26, 1972).

television throughout Japan. The defendant Interlingual Television obtained a license from Omnia to show the monochrome film on Channel 12 educational television for two years from 1962. A copy of the film was still in the possession of Interlingual. Nihon Herald sued Interlingual for an injunction against distribution of the film on the ground of copyright infringement. Nihon Herald asserted that it had the right of subrogation to Omnia which in turn had the right to subrogate Transit Film. The court rendered a default judgment in favor of Nihon Herald without discussing conflict of laws aspects.

III. Protection and enforcement of moral rights of authors and performers

The Copyright Act protects authors' moral rights under Article 18 (right to make public unpublished works), Article 19 (right of attribution) and Article 20 (right of integrity). The Civil Code Article 709 (general tort provision) is available to protect an author against false accusation of plagiarism and other defamatory acts as well as his rights of privacy and publicity.

The 2002 amendment established Articles 90-2 and 90-3 to protect performers' right of attribution and right of integrity respectively. Article 709 of the Civil Code is also available for performers.

Protection of authors' moral rights

In *Masayuki Amano v. Yoshikazu Shirakawa*⁵, the Supreme Court held that, when damages for an infringement of copyright (property right) and consolation money for an infringement of moral right are claimed in a single action, they must be claimed separately and the amount of damages must be determined separately since copyright and moral rights are different subject matter of protection. In the first round of this case, the Supreme Court held that Amano's photo montage infringed Shirakawa's photograph and quashed the decision of Tokyo High Court which held Amano's use of Shirakawa's photograph was a permissible fair use.⁶

*Kensuke Imai, et al. v. K.K. Shin-Kenchiku-sha*⁷ - the defendant published a book containing five pieces of esquisse (architectural drawings) prepared by the late Professor Kinji Imai. The defendant also published several issues of a journal of architecture and a journal of housing carrying advertisements of the above book that reproduced Professor Imai's esquisse in modified form. Three children of the author sued the publisher. The court awarded

5. Hanrei Jiho (No. 1199) 26 (Supreme Court, 2nd Petty Bench, May 30, 1986).

6. *Yoshikazu Shirakawa v. Masayuki Amano*, 34 Minshu 344 (Supreme Court, 3rd Petty Bench, March 28, 1980).

7. Hanrei Jiho (No. 1727) 147 (Tokyo District Court, August 30, 1999).

damages for the infringement of the plaintiff's reproduction right as well as damages for the respective plaintiff's mental suffering caused by the infringement of attribution and integrity rights (Copyright Act Article 60).

Spec Computer K.K. v. Konami K.K., Hanrei Jiho⁸ - the court found that the integrity right in the plaintiff's computer game "tokimeki memorial" was infringed when the use of the defendant's memory cards changed elements such as character figuration, story, etc., and the defendant was held liable because it imported the memory cards.⁹

*Techmo K.K. v. K.K. Westside*¹⁰ - the court found the plaintiff's integrity right in its computer-game program was infringed by the defendant who sold CD-ROMs containing an editing tool that enabled end-users to make memory cards capable of being used to alter characters in the game, citing the Supreme Court decision in *Spec Computer K.K. v. Konami K.K.*

Protection of performers' moral rights

*Fukuo Hamasaka et al. v. Ishiyama Kaden K.K.*¹¹ - while granting damages for copying performances, the court held that there is no reasonable ground to deny protection under tort law for performers' moral rights.

*William Mateuzzi v. K.K. Tokyo Promusica*¹² - the court granted damages for unauthorized distribution of CDs bearing the opera singer's performance, but rejected his claim for damages to his honor and reputation.

IV. Individual and collective enforcement of reproduction rights

The Copyright Act Article 21 provides an author's reproduction right, and Article 91 provides performers' rights of making sound and visual recording of their performances. Article 96 provides a phonogram producer's right of reproduction of his phonograms.

Individual enforcement of reproduction rights

*Hanako Kono et al. v. K.K. Kobunsha et al.*¹³ - each of eleven individual plaintiffs wrote short messages under different handle names on the bulletin board entitled "Salon de Hotel Junkies" opened by the plaintiff by Takushi Mori. Mori edited these messages and published a book through the

8. (No. 1740) 78 (Supreme Court, 3rd Petty Bench, February 13, 2001).

9. *Konami K.K. v. Spec Computer K.K.*, Hanrei Jiho (No. 1700) 129 (Osaka High Court, April 27, 1999), *affirmed* by the Supreme Court.

10. Hanrei Jiho (No. 1808) 111 (Tokyo District Court, August 30, 2002).

11. 10 Mutai Saishu 569 (Tokyo District Court, November 8, 1978).

12. *Tokkyo to Kigyō* 1 (January 2000); *Merchandising Rights Report* 59 (June 2000) (Tokyo District Court, August 27, 1999).

13. Hanrei Jiho (No. 1792) 129 (Tokyo District Court, April 15, 2002).

defendant Kobunsha. The court found the plaintiffs' respective copyrights were infringed by the defendants and granted damages on the basis of reasonable royalty.

*K.K. International Music Publishers v. Domei Suzuki*¹⁴ - a Japanese music publisher, IMP, exclusive licensee of music works under a catalogue agreement with an American publisher, sued Domei Suzuki alleging that Suzuki's "One Rainy Night in Tokyo" was infringing copyright in Harry Warren's "The Boulevard of Broken Dreams." The Supreme Court upheld the lower court's dismissal of action on the ground that the defendant's access was not established.

*Asei Kobayashi v. Katsuhisa Hattori*¹⁵ - the Tokyo High Court held that Hattori's composition "*Dokomademo yuko*" infringed Kobayashi's right of adaptation or arrangement and moral rights in his commercial song, reversing the lower court's finding of no infringement of the plaintiff's reproduction right. *Kobayashi v. Hattori*, Hanrei Jiho (No. 1794) 3 (Tokyo High Court, September 6, 2002).

*Victor Entertainment K.K. et al. v. K.K. Daiichi Kosho and Japan Digital Broadcasting K.K.*¹⁶ - nine major recording companies sued Daiichi Kosho and Japan Digital Broadcasting alleging that the defendants infringed plaintiffs' reproduction rights in their phonograms under Article 96 of the Copyright Act. The court dismissed the action holding that the defendants' copying of CDs embodying music data for transmission via digital satellite broadcasting falls under ephemeral recording for the purpose of broadcasting under Article 44 of the Copyright Act which is applicable to performances and phonograms under Article 102.

Collective administration and enforcement of reproduction rights by collecting societies

The Japanese Society for Rights of Authors, Composers and Publishers (JASRAC) is the largest collecting society to collectively administer copyrights, including reproduction rights, in domestic and foreign music compositions and lyrics. JASRAC grants licenses to music publishers, phonogram producers and manufacturers of music boxes, music tapes and video grams on the basis of their royalty schedules.

Collective administration of reproduction rights to collect fees for the use of copying machines for business and professional purposes

The Japan Reprographic Rights Center (JRRC) (*Nihon fukushaken senta*) was established on September 30, 1991, by 13 organizations representing the

14. 32 Minshu 1145 (Supreme Court, 1st Petty Bench, September 7, 1978).

15. *MRR* 56 (June 2003) (Supreme Court, 3rd Petty Bench, March 11, 2003).

16. Hanrei Jiho (No. 1751) 123 (Tokyo District Court, May 16, 2000).

rights of authors and publishers for the purpose of granting licenses to, and collecting royalties from, various users of copying machines for business or professional purposes. The center serves as an agent of copyright owners in carrying out licensing businesses on a collective basis. It now operates as a rights management organization under the Copyrights and Neighboring Rights Management Business Act (Law No. 131, 2000).

Collective administration of reproduction rights to levy on digital sound/visual recording equipment and media for private use

The Copyright Act was amended to provide an exception to the principle of free reproduction for private use under Article 30 (also applicable to neighboring rights under Article 102 (2), and established Chapter V, "Compensation for Private Sound and Visual Recordings" (Articles 104-2 to 104-11).

The Society for the Administration of Remuneration for Audio Home Recording (SARAH) was established in 1993 to collect levies from the manufacturers of digital sound-recording equipment and recording media for private use. SARAH consists of the following three collecting societies respectively representing copyright owners, performers and producers of phonograms: the Japanese Society for Rights of Authors, Composers, and Publishers (JASRAC); the Japan Council of Performers Organizations (GEIDANKYO); and the Recording Industry Association of Japan (RIAJ). Digital sound recording equipment and media are specified in the Copyright Act Enforcement Order (Cabinet Order No. 335, 1970), Chapter I, "Specified Equipment and Specified Recording Media Entailing Compensation for Private Sound or Visual Recording," Articles 1 and 1-2.

The Society for the Administration of Remuneration for Video Home Recording (SARVH) was established in 1999 to collect levies from the manufacturers of digital video-recording equipment and recording media for private use. SARVH consists of the following three umbrella organizations representing respectively copyright owners, performers and phonogram producers: the Association of Copyright Owners for Private Video Recording; the Japan Council of Performers Organizations (GEIDANKYO); and the Recording Industry Association of Japan (RIAJ). The Association of Copyright Owners for Private Video Recording in turn represents four groups of copyright owners in musical and literary works, and seven groups of producers of moving images; the Japanese Society for Rights of Authors, Composers and Publishers (JASRAC); the Writers Guild of Japan; the scenario Writers Guild of Japan; the Japanese Union for the Protection of Copyright in Literary Works; the Japan Private Broadcasters Organization; the Japan Broadcasting Corporation (NHK); the All Japan Television Program Producers Union; the Motion Picture Producers Union; the Japan Motion Picture Producers Association; the Japan Video-gram

Association; and the Japan Animated Film Producers Union. Leivable digital video recording equipment and recording media are specified by the Copyright Act Enforcement Order.

V. Collective administration and enforcement of performing rights

The Copyright Act Article 22 provides an author's exclusive right to perform his work for making it directly seen or heard by the public.

Among various collecting societies operating under the Copyrights and Neighboring Rights Management Business Act, the Japanese Society for Rights of Authors, Composers and Publishers (JASRAC) plays the principal role in granting licenses to the users of songs and music compositions on the basis of its royalty schedules. JASRAC brought a series of cases against unauthorized *karaoke* establishments and played a significant role in the development of case law. The Japanese term *karaoke* is a coined word referring to singing along with recorded music, as distinguished from singing along with a live instrumental performance. The first generation *karaoke* used music tapes and then compact discs.

*Saburo Kinoshita v. JASRAC*¹⁷ - the Supreme Court held that the defendant, the proprietor of the Club Cat's Eye, was liable for directly infringing the performance right in the plaintiff's music sung at the club, on the ground that, when songs are sung by hostesses as well as by patrons, the principal... is using the musical works in question by way of performance, and such performance is done publicly for profit.

*JASRAC v. Kaseko Miura*¹⁸ - in the second generation *karaoke*-videotapes and laser disks are played as setting for sing-along. The defendant, proprietor of the Club Asuka was held liable for infringing the plaintiff's performing rights under Article 22 and screening rights for cinematographic works under Article 26 (1) (now Article 22-2).

*Kinzo Tei et al. v. JASRAC*¹⁹ - the so-called "*karaoke* box" is an establishment which provides compartments of different sizes for each individual or group of patrons can sit and sing songs privately. The Tokyo High Court upheld the Tokyo District Court's decision that the defendant, proprietor of Karaoke Box Echo, installing communication *karaoke* equipment was liable for infringing the plaintiff's performing rights and screening rights because songs are selected from the list provided by the proprietor for each compartment.

17. 42 *Minsbu* 199 (Supreme Court, 3rd Petty Bench, March 15, 1988).

18. Hanrei Jiho (No. 1221) 120 (Hiroshima District Court, Fukuyama Branch, August 27, 1986).

19. Hanrei Jiho (No. 1696) 137 (Tokyo High Court, July 13, 1999).

*JASRAC v. K.K. Koyo*²⁰ - provisional injunction was granted against the proprietor of Karaoke Rook Network for infringement of the claimant's performing rights.

*Noriko Kageyama et al. v. JASRAC*²¹ - the court held that the co-defendant Ace K.K. who leased *karaoke* equipment to Kageyama's snack bar was jointly liable for infringement.

*JASRAC v. Mijshu*²² - the defendant who leased *karaoke* equipment to the proprietor of Night Pub was ordered to pay damages to the copyright owner.

Collective administration and enforcement of public transmission rights

The Copyright Act Article 23 (1) provides an author's exclusive right to make public transmission of his work (in the case of automatic public transmission, making available for transmission is included). The notion of "public transmission" was introduced by the 1997 amendment. Before this amendment, Article 23 (1) provided an author's exclusive right to broadcast or transmit by cable of his work. Article 23 (1) originally provided an author's exclusive right to broadcast or diffuse by cable of his work. The 1986 amendment changed diffusion by cable to transmission by cable in order to cover interactive cable transmission including making available for transmission by cable.

The Copyright Act Article 92 (1) provides the performer's exclusive right to broadcast or diffuse by cable of his performances. The 1997 amendment established Article 92-2 (1) to provide the performer's exclusive right to make his performance available for transmission. The 1997 amendment also established Article 96-2 to give phonogram producers an exclusive right to make his phonograms available for transmission.

While an author can control the use of sound recordings by broadcasting and cable diffusion organizations under Article 23 (1), performers and phonogram producers are entitled secondary use fees from such organizations under Articles 95 (1) and 97 respectively.

Collection of fees for the use of phonograms by broadcasters

Copyright owners in musical works can control the use of such works for broadcasting or cable-casting by way of live performance and playing records. Copyright owners, the Japanese Society for the Rights of Authors, Composers and Publishers (JASRAC) collect fees from broadcasting and cable diffusion organizations according to its royalty schedules.

20. Hanrei Jiho (No. 1625) 101 (Osaka District Court, December 12, 1997).

21. Hanrei Jiho (No. 1624) 13 (Osaka High Court, February 27, 1997).

22. 185 (Supreme Court, Petty Bench, March 2, 2001).

For performers, the Japan Council of Performers' Organizations (GEIDANKYO) collects secondary use fees for the use of records from broadcasting and cable diffusion organizations under Article 97 (3). For recording companies, the Recording Industry Association of Japan (RIAJ) collects secondary use fees on behalf of its members under Article 97 (3).

Enforcement of public transmission rights against music file-sharing service provider

*JASRAC v. Y.K. MMO Japan*²³ - the defendant MMO Japan provided an electronic music file-sharing service on Internet called "File Rogue" employing the peer-to-peer system that enables registered clients to swap files in the form of MP3 (MPEG 1 Audio-player 3) ("MP3 Files") among themselves on their personal computers through the defendant's server located in Canada so that individual clients can download music data. To receive the defendant's file-sharing service, each client must have special file-sharing software installed in his computer. The defendant offered such software to an indefinite number of users through its website (<http://www.filerogue.net>) providing information of the contents of MP3 Files. JASRAC, after obtaining a provisional injunction, brought an action to recover damages from MMO Japan alleging that MMO Japan infringed JASRAC's right of making available for transmission and its automatic public transmission right. The court rendered an interim decision declaring the defendant's liability for damages caused by its file-sharing service.

*Columbia Music Entertainment K.K. et al. v. Y.K. MMO Japan*²⁴ - after the Tokyo District Court issued a provisional injunction order against MMO Japan 19 recording companies brought an action against MMO Japan for damages on the ground that the defendant infringed the plaintiffs' right of making available for transmission of their phonograms under Article 96-2 of the Copyright Act. The Tokyo District Court rendered an interim decision declaring that the defendant was liable to the recording companies for infringement of the plaintiffs' public transmission right.

Collective administration and enforcement of rental and lending rights

The 1984 amendment of the Copyright Act established rental and lending rights (*taiyoken*) for works of authorship in general other than cinematographic works under Article 26-3, for commercial phonograms embodying performances for the benefit of performers under Article 95-3, and for commercial phonograms for the benefit of phonogram producers under Article 97-3. Rental and lending rights were established for the primary purpose of controlling record rental businesses.

23. Hanrei Jiho (No. 1810) 20 (Tokyo District Court, interim decision, January 29, 2003).

24. Reported online (Tokyo District Court, interim decision, January 29, 2003).

For the rental of commercial phonograms, performers and phonogram producers are entitled to receive remunerations after the lapse of 12 months from the release of records. Collection of remunerations from record rental shops is done by JASRAC for authors and composers, GEIDANKYO for performers, and RIAJ for phonogram producers.