

AsiaIP

INFORMED ANALYSIS

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BAD BOYS FOR WEB

Netizens are basing creations on copyrighted works, which could make them liable for infringement.

The offense in defense:
IP in military technology

Japan launches IP
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Will sugary drinks
face plain packaging
laws in Singapore?

An Olympic drama
in the courtroom

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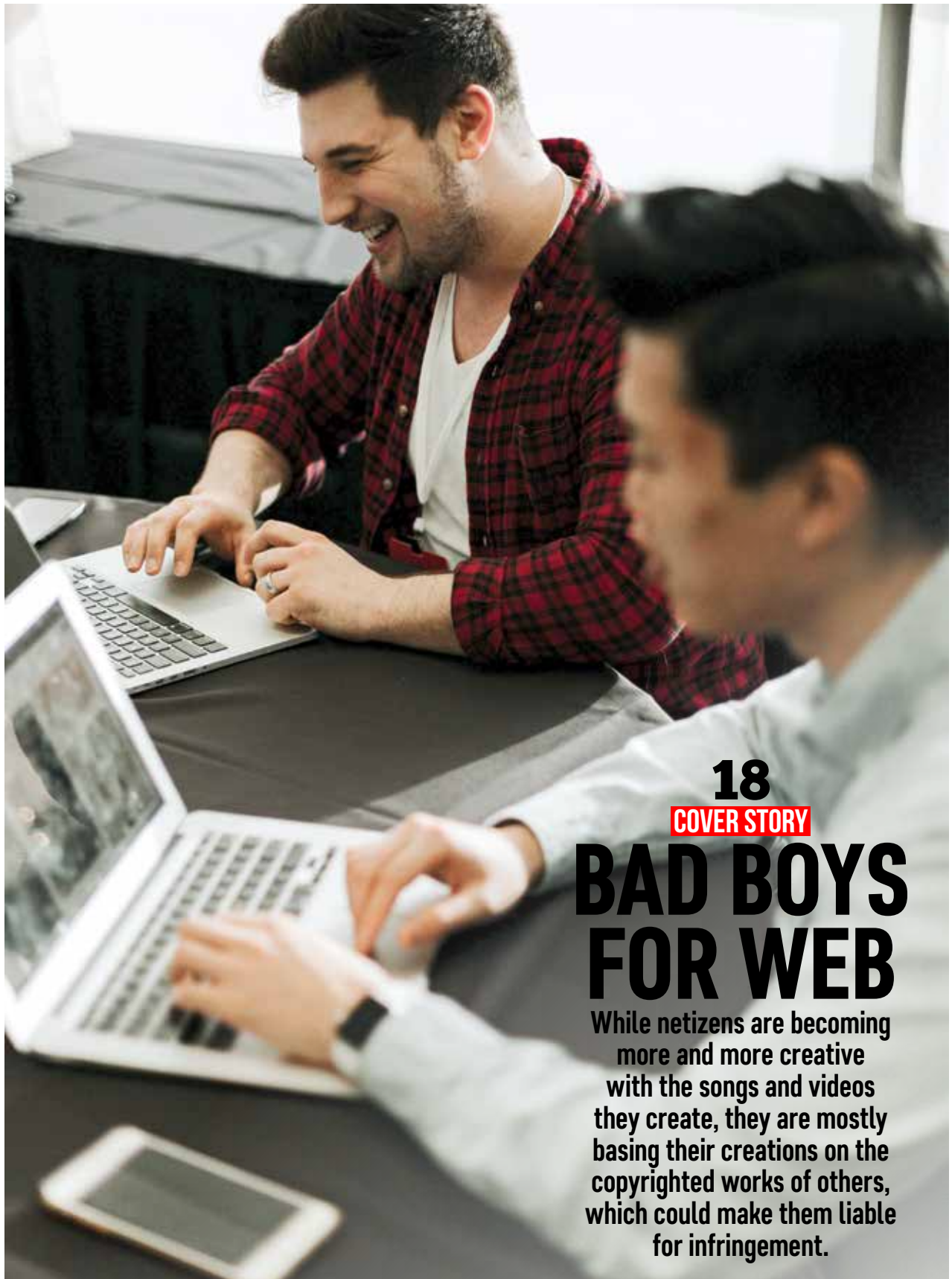
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The 'Bad Boys' of the internet

Our writer Johnny Chan has a penchant for movies. Good movies, bad movies, mediocre movies – if it's showing in our local movie theatre, Johnny has probably been to see it. You might have noticed that many of his stories come with movie-themed headlines, and this month is no different. The headline "Bad Boys For Web" grates on the editor's ears a bit, but it's actually a clever way to get into a story about copyright theft on content sharing platforms, which is the subject of Johnny's cover story this month.

The story came about through our understanding that video editing software is becoming more and more powerful and easy to use. And in many cases, that software is included right on your laptop or phone, all of which has led to an uptick in consumer-created content floating around YouTube and other such sites.

It truly is the golden age of cat videos on the internet, but there's no way we're going to post a video of our furry companions without some music to accompany their antics, right? And therein lies the problem.

"The widespread reach of the internet has made it easier to access copyrighted content, which has aggravated issues related to copyright theft," says Manisha Singh, founding and managing partner at LexOrbis in New Delhi.

Having said that, Singh notes that platforms such as YouTube have effectively developed various mechanisms to tackle this issue and assist content creators in the protection of their work.

In Jakarta, Justisari Kusumah says that much of the content piracy on the internet isn't intentional. "Many content owners or creators tend to inadvertently use pieces of music as background of their content while the music is copyrighted," Kusumah says. "The creators are not aware and later find out that such action will be considered as violation of the copyright law."

Don't miss this story, with an overview of strategies employed to fight online piracy throughout the region, as well as an analysis of how effective our copyright laws are.

We hope you enjoy this issue of *Asia IP*, and that all the content in your own cat videos is properly licensed.

Darren Barton
PUBLISHER

Gregory Glass
MANAGING EDITOR



DALIAN 大连

—浪漫之都 时尚大连—



A logo design contest in Dalian has raised questions about similarities between the winning Dalian logo (left) and the Walt Disney brand.



CHINA

"There are five letters in the Dalian City logo. If only one or two letters are designed identical with or similar to those fonts in the Walt Disney logo to the extent that no confusion will be caused, it could be understood that the author 'learnt' from the Walt Disney logo."

—JINSHAN LIU, senior partner,
Boss & Young, Beijing



"The single specially-fonted letter cannot be considered as a copyrighted work, for the difference between the font and normal writing is not sufficient for originality."

—XIANGJING LUO, partner
and head of the copyright team,
Jadong IP, Beijing



"According to the current examination criteria of Chinese authorities regarding trademark similarity, we do not think that the Dalian logo

would be deemed as similar to the Disney logo as the words are totally different and the two signs are different with respect to pronunciation, connotation, overall visual effect, etc."

—REBECCA LIU, partner
and head of the trademark team,
Jadong IP, Beijing



Logo design contest winner in China imitates Disney?

Last year, the Dalian Culture and Tourism Bureau mounted a logo design competition to promote tourism in the city of Dalian in northern China.

On December 11, 2019, the winner was announced. The winning design, by Su Zhanying of the Dalian Yinji Tourism Culture Development Company, shows a colorful lighthouse inside a partial circle with the word Dalian beside it.

However, Chinese netizens spotted something almost immediately: a similarity with the trademarked corporate logo of Disney, which opened a US\$5.5 billion theme park in Shanghai in 2016. The lettering in the Disney logo was based on the signature of Walt Disney himself. Among others, similarities were seen in how the letters “D,” “i” and “A” were written.

According to Jinshan Liu, senior partner at Boss & Young in Beijing, the Dalian City logo and Walt Disney do not constitute identical or similar marks with respect to same or similar goods and services. Therefore, normal confusion of the two marks is not an issue.

“Trademarks and copyrights are protected under different laws in China and most other jurisdictions. However, in this case and many others where logo or design trademarks are related to or derived from a third party’s copyrights where the copyrights are also works of art, copyright can be used in challenging the trademarks,” he says.

Regarding the question of whether the trademark does infringe copyright, the critical issue of the so-called copyright is an eventual identification of copyright, according to Liu. In this particular case, the question is whether the fonts in the Walt Disney logo are copyrighted.

“There are actually five letters in the Dalian City logo. If only one or two letters are designed

identical with or similar to those fonts in the Walt Disney logo to the extent that no confusion will be caused, it could be understood that the author ‘learned’ from the Walt Disney logo,” he explains. “However, in this case, all the letters in the Dalian City logo look almost the same with the respective fonts in the Walt Disney logo. The only exception is the letter ‘L’ in the author’s work [and whether it] looks like the reversed letter ‘T’ in the Walt Disney logo or not.”

Thus, for Liu, it is easy to conclude that the author copied the fonts of the Walt Disney logo.

According to Xiangjing Luo, a partner and head of the copyright team at Jadong IP in Beijing, to determine whether plagiarism was committed, the analysis must cover two levels: the integrity of the logo and the specific letters.

Two questions should also be asked at each level, she says: Does the infringed logo or its letters constitute work in copyright significance? Do the two logos come to substantial similarity?

She says that at the first level, the evaluation focuses on the whole expression of the words ‘Walt Disney.’

“Composed of two deformation-designed words, the logo is different from normally written words. However, based on those implied rules from judicial precedents, the difference might not be sufficient to meet with the requirements of originality, which is the decisive factor to affirm copyrighted work,” says Luo. “Once not granted as a work in copyright, the logo of Walt Disney lost its juristic basis to be protected by copyright law.”

However, judicial precedents are not compulsory in China. Therefore, the Walt Disney logo may still be considered copyrighted work, she notes. As such, substantial similarities between the two logos should be considered. But since the Dalian logo and the Walt Disney logo are different in expression, meaning

and reference, it is difficult to say that there is substantial similarity between the two and, thus, plagiarism cannot be drawn from the integrity level, explains Luo.

As for the second level, she says there is substantial similarity between the two since each letter in the Dalian logo has its counterpart in the Disney logo.

“Nevertheless, it is too early to affirm the accusation. The single specially-fonted letter cannot be considered as a copyrighted work, for the difference between the font and normal writing is not sufficient for originality. Moreover, the lines and strikes of a single letter usually are too simple to avoid the similarity of writings from different writers, and it is unreasonable to prefer one [style of] writing by granting copyright while prohibiting others. In this sense, it is predictable that a single letter in the logo of the Walt Disney logo can’t be affirmed as copyrighted work,” she explains, affirming that plagiarism may not have been committed according to Chinese copyright law and judicial precedents.

Since the Dalian City logo has neither been used nor filed for trademark registration, no copyright or trademark infringement has been committed, according to Rebecca Liu, partner and head of the trademark team at Jadong IP.

She says: “According to the current examination criteria of Chinese authorities regarding trademark similarity, we do not think that the Dalian logo would be deemed as similar to the Disney logo as the words are totally different and the two signs are different with respect to pronunciation, connotation, overall visual effect, etc., though the font of the letters in the Dalian logo are identical with that of the Disney logo.”

As of press time, the winning logo has not yet been used and competition organizers are investigating the matter. Participants of the competition

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COMPETENCE

It would be easier to ascertain exact competence of a firm by, e.g. 1) sending it a pending or granted patent for its comments about how it can improve the claims, 2) sending it a pending patent specification without the claims for it to draft the claims for the client's comparison with the original claims, or 3) sending to it and the firm the client is currently using at the same time an initial disclosure so that the client can compare and find out which firm can provide the better claims. This firm welcomes such challenges.



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were required to own the copyright to their logo entries.

While discussion of the font was raging, other alleged similarities also surfaced: some observed that the lighthouse featured in the logo is similar to the Brisbane Pathway image designed by an online artist from the Philippines known as blueii.

"We think that the chances for Dalian logo to be deemed as similar to Brisbane Pathway logo are not high either, as there are certain differences between them in design and visual effect," says Rebecca Liu. —**ESPIE ANGELICA A. DE LEON**



NEW ZEALAND

"If it is scientifically correct that the Manuka tree grows in both countries - and there is ongoing debate about whether the trees are in fact the same - then it would seem that true manuka honey could come from both countries."

—**KELLECH SMITH**, partner,
Ashurst, Sydney



"Given the 80-plus species of *Leptospermum* genus in Australia, any product produced in Australia will be of a different quality from the New Zealand manuka honey. The differences of quality will confuse and deceive consumers."

—**ELENA SZENTIVANYI**,
director, Henry Hughes Intellectual
Property, Wellington



Whose honey is Manuka?

As in a love triangle, two parties are fighting over one thing. Both claim this one thing is theirs. But one of them is saying it is his and his alone.

The warring parties are New Zealand and Australia. The object of their "desire" – honey, manuka honey to be exact.

New Zealand's manuka honey is made from bees that feed on the *Leptospermum scoparium* plant, also called the manuka bush. It is a US\$220 million industry each year, with the product costing around US\$100 for 500 grams. The honey is known to have medicinal, health and beauty benefits.

Meanwhile, honey producers in Australia are also putting manuka honey in the market.

Now, honey producers from these two nations are locked in a court battle for the right to sell manuka honey.

According to New Zealand's honey makers, real manuka honey comes from New Zealand alone and only they can sell it. They add that the Australian product is sourced from the manuka bush and other plants in the same genus and is therefore inferior to their own.

Their Australian counterparts argue that their honey is also high quality. They even have a five-year scientific study to prove it. The study involved samples of honey and nectar gathered from various parts of Australia. Findings from the study indicate that seven of the numerous *Leptospermum* species in the country produce honey with "exceptionally high levels of antibacterial activity." The rest showed "therapeutically beneficial activity."

New Zealand's manuka honey producers have applied to trademark the product in Great Britain, the United States, China, the European Union, their own country and others.

Their Australian counterparts are now trying to stop these trademark applications.

Kellech Smith, a partner at Ashurst in Sydney, says that applying for a trademark will not necessarily stop an Australian honey manufacturer from selling the product.

"Irrespective of trademark rights, the actions of the New Zealand honey producers will not prevent someone selling the product itself. They can only impact the way the product is described or labelled by reference to the word 'manuka.' Australian honey producers would remain free to develop a new name for the product and market it as having specific desirable qualities – as long as this is truthful – which consumers would in time come to

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recognize as consistent with the qualities of the product they know now as manuka honey,” says Smith.

The Manuka Honey Appellation Society (MHAS), which represents beekeepers in New Zealand, also applied to register manuka honey as a certification mark.

“The certification mark regulations require the honey to be *Leptospermum scoparium* honey that may lawfully be named ‘manuka honey’ in accordance with the requirements of the laws of New Zealand and the honey to be produced in New Zealand,” says Elena Szentivanyi, a director at Henry Hughes Intellectual Property in Wellington. “Under the regulations, ‘Produced in New Zealand’ means (a) that New Zealand was the country of origin of the honey; (b) the beehives from which the honey was extracted were located in New Zealand; and (c) all or virtually all processes involved in the production or manufacture of the honey were carried out in New Zealand. Therefore, honey made by Australian-based honey producers would not comply with the regulations and cannot be legally called manuka honey in any country in which the certification mark is registered.”

However, Smith says MHAS’ application to register the certification mark for manuka honey in Australia lapsed in 2017.

The term ‘manuka’ itself is a point of contention.

According to Szentivanyi, “manuka” is a Māori word and is the common name for *Leptospermum scoparium*. She adds that in the pre-acceptance hearing, Jane Glover, assistant commissioner of Trade Marks and Patents with the Intellectual Property Office of New Zealand and Carol Bennett, a hearing officer at the UK IPO, agreed that manuka is indeed a Māori word and thus refers to New Zealand produced honey. (Glover has since returned to private practice as a barrister practicing from Sangro

Chambers in Auckland.)

Meanwhile, Australia is home to over 80 species of the *Leptospermum* genus. There, the common name for *Leptospermum scoparium* is tea tree, not manuka.

“Given the 80-plus species of *Leptospermum* genus in Australia, any product produced in Australia will be of a different quality from the New Zealand manuka honey,” Szentivanyi says. “The differences of quality will confuse and deceive consumers and potentially harm the value of New Zealand manuka honey products and the industry.”

However, Smith says that while manuka is a Māori word, it does not refer to a specific geographic location. Plus, the Māori Research Institute has given the green light for Australians to use the word.

“If it is scientifically correct that the Manuka tree grows in both countries – and there is ongoing debate about whether the trees are in fact the same – then it would seem that true manuka honey could come from both countries,” she says.

But if Australia’s honey producers are stopped from using ‘manuka honey’ in their labels, not only will they lose out on sales to New Zealand’s manuka honey, but they will also suffer from the high cost of rebranding their products, Smith says.

“This could impact their revenue for many years. Obviously, it is very important to the industry to get this right and given the ongoing scientific debate about what true manuka honey is, preventing one association from obtaining a monopoly in the term ‘manuka honey’ at this stage is sensible,” she says.

On the other hand, Szentivanyi believes the only way that MHAS can protect the name manuka honey is as a certification mark.

“Given the composition and geographic source of manuka honey, it is perhaps better suited to being a protected geographical indication,” she says. —**ESPIE ANGELICA**

A. DE LEON



THAILAND

"The guidelines prohibit, for example, a franchisor to engage in unfair competition trade practices that may cause damage to the franchisee."

—**FRANCK FOUGERE**, managing partner, Ananda Intellectual Property, Bangkok



New franchise regulations aim to protect both franchisees and franchisors

To prevent franchisors from overly embracing unfair and provisional contractual conditions that may cause harm to franchisees, the government of Thailand recently issued the Guidelines for the Consideration of Unfair Trade Practices in Franchise Businesses. These guidelines, which were issued on December 6, 2019, and will take effect on February 4, 2020, highlight the requirements that echo provisions in other laws and regulations such as the Civil and Commercial Code, the Unfair Contract Terms Act, and Ministerial Regulation 25 under the Patent Act.

These new regulations



state two obligations for the franchisors: an obligation to reveal any important information to the franchisee in relation to the franchise business and an obligation to offer to the franchisee the right to operate the franchising business should the franchisor decide to open a franchise in the franchisee's vicinity.

The limitations for franchisors include forcing franchisees to exclusively buy items or products from a certain business operator; putting in additional conditions for the franchisees after the agreement has already been signed; preventing franchisees from buying other products and items from other business owners at lesser cost; preventing franchisees from offering discounts to consumers or selling their products and items at a lesser price when expiration date nears; and putting in discriminatory

conditions for franchisees without giving any reasons for these.

According to Franck Fougere, managing partner at Ananda Intellectual Property in Bangkok, these new requirements are exactly what was lacking in the previous law. As records of franchise agreements is required in Thailand, he says, the regulation provides a basis for the Department of Intellectual Property to object to provisions which officials believe contradict public order.

"These guidelines are meant to protect franchisees from potentially abusive terms and provisions contained in franchise agreements," he says. "This is a first attempt of Thailand to address specific provisions which have an anti-competitive impact. Generally the changes proposed go in the right direction and are relatively codifying a well-known practice and situation under much more restrictive regimes such as in the

United States and Europe."

With these new provisions, Fougere says that these new guidelines bring clarification on what is considered unfair or may be prohibited by giving examples. He adds that this is helpful since the general framework (namely the Thai Trade Competition Act of 2017) is very general and does not specifically address unfair practices and anti-competitive behaviours in franchise agreements.

"The new guidelines are helpful to precisely give effect to the general law with concrete examples of unfair practices," he says. "The guidelines prohibit, for example, a franchisor to engage in unfair competition trade practices that may cause damage to the franchisee: such as setting restrictive conditions for the franchise without justifiable reasons, such as requiring the franchisee to buy products or

services from the franchisor which are irrelevant to the operation of the franchise, or restricting the franchisee from offering discounts on perishable products, or setting unfair and discriminatory terms among franchisees without justifiable reasons.”

Fougere, says he sees no challenges or disadvantages in regards to these new regulations, which benefit, protect and preserve both the franchisor and the franchisee, and brings results which are mainly beneficial.

As compared to the franchising business rules in the US and in Europe, the new guidelines, which have been issued by the Trade Competition Commission pursuant to provisions of the Trade Competition Act of Thailand (2017), are relatively easy.

“One can compare the provisions of the guidelines with other applicable legislations (namely competition laws) and case law in other countries or regions, in the US or Europe,” says Fougere. “In Europe, unfair competition practices are, for example, detailed in the Block Exemption Regulation of the European Commission. Thai guidelines are not more restrictive than international good practices to protect fair competition and non-discrimination, though it remains to be seen how these guidelines are reflected in future Thai case law.”

He further noted that since Thailand is generally very friendly for franchises – and, in fact, many businesses in Thailand are foreign or local franchises – the new guidelines are unlikely to impact new franchisees, or those who are setting up new businesses in Thailand, either Thai or foreign citizens. “This simply clarifies better the relationship between franchisor and franchisee,” he says.

For those who want to franchise in Thailand, Fougere notes that franchise agreements must be registered with the Thai Department of Intellectual

Property, or else some provisions may be declared invalid and void.

—EXCEL DYQUIANGCO



THAILAND

"This application allows customers to access functions of track and trace, inventory, operational performance, reporting and many others."

KEVIN BURRELL, CEO, DHL's Supply Chain Thailand cluster, Bangkok



DHL, CREA hope to help brands win in the digital marketplace

In another sign of how e-commerce is changing the logistics industry, CREA, a digital commerce enabler for brands, has joined forces with DHL Supply Chain Thailand. The two will work together to offer what they are billing as a world class solution for digital commerce.

Using CREA's order management technology, which is integrated with the leading online marketplaces, brands will also tap into DHL's warehouse management system and network to achieve further growth. One way to characterize this partnership is to see CREA as the more front end

tech partner with DHL providing more traditional logistics.

The system the two have set up will also evaluate a logistics solution, the most cost-effective one available. It will decide on the most effective mode and will make the decision on customer's behalf.

The system is “something that that has not been provided before: the ability to leverage infrastructure and logistics services across the market with the ability to generate demand and actually support brands,” Kevin Burrell, CEO of DHL's Supply Chain Thailand Cluster (Thailand, Vietnam, Myanmar and Cambodia) said at a launch event.

For both companies, this offers advantages. For DHL, it means its 4,000 trucks and massive fulfillment space – which stretches over an area equivalent to 66 football fields – now have another business line. For CREA, the company can offer services such as content management, demand generation, data insights and fulfillment technology and solutions.

CREA is also offering strategy and creative planning to provide a holistic approach, in line with offline activities which reflect the brands' overall ambitions. Part of this is online marketing strategy and execution to drive customers to the desired platform and also app-friendly content and catalogue management.

“We help the brand optimize its content so it's ready for e-commerce,” said Aimone Ripa di Meana, co-founder of CREA.

“Combining our technology with DHL's expertise and experience as the global leader in providing simple and efficient supply chain solutions, we believe that we can offer brands all the resources to manage fulfillment with maximum efficiency,” he added.

DHL also brings experience in technology, as Burrell drew attention to the DHL e-fulfillment centre to fulfill orders at scale, in line with new and complex

promotion mechanics and as fast as possible, and MySupplyChain, a platform which integrates data from DHL Supply Chain applications, providing customers with complete supply chain visibility via a single login.

“This application allows customers to access function of track and trace, inventory, operational performance, reporting and many more,” Burrell told *Asia Cargo News*.

Also involved is the DHL Transport Management Centre, a transportation management system linked to vehicle telematics to enhance fleet management, Ring Scanner, a lightweight Bluetooth-enabled wearable scanner which allows quick barcode scanning and collaborative robots.

For DHL, though, the deal offers two other advantages beyond parading its tech and



CREA, a digital commerce enabler for brands, and DHL Supply Chain Thailand have debuted what they are billing as a world class solution for digital commerce. From left at a launch event in Bangkok are CREA founders Alessandro Piscini and Aimone Ripa di Meana, and Kevin Burrell, CEO, and Ian Wharton, general manager–ecommerce, DHL Supply Chain Thailand.

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procedures.

Peak periods such as November 11 (known variously as Singles Day, Double 11 or 双十一) and June 6 (Taobao's mid-year promotional activity, the Taobao 66 Festival) not only create extra work for companies such as DHL (with some 2.8 billion packages moving on Singles Day alone) but also a multiplying factor on normal demand.

Using CREA's tech allows DHL to cope with better with such surges and to offer complementary services to existing customers.

"The partnership is about the combination of services to new and existing customers. CREA's offerings combined with DHL's offering enables a more complete offer to a company looking to grow in the e-commerce space," Burrell said.

There is a similar approach when asked about how the relationship between the two companies will operate referring to a contractual environment and "being strategic partners to our customers."

One detail Burrell did add was that the CREA and DHL business development and operations teams will work closely,

holding regular meetings to review operational performance, systems, key performance indicators and strategy and commercial pipeline alignment.

The companies are less forthcoming about how much extra business the partnership will generate. "We expect growth. We expect much more," said Burrell, without giving any figures.

The partnership aims to leverage the seemingly never-ending rise of e-commerce in Southeast Asia, which is undergoing a radical transformation in the way consumers shop.

Digital commerce in the region is expected to reach more than US\$150 billion in 2025, a 50% increase from the 2018 prediction, according to a study by Google Temasek. Leading this shift towards digital commerce are the young, mobile-first generation in Southeast Asia, where 90% connect to the internet via a mobile device. This is particularly true in Thailand, where consumers are demonstrating a high propensity to buy directly from brands online, making direct brand engagement with consumers more crucial than ever. —MICHAEL MACKEY



EUROPE

EPO, EU member states call for speedy unity patent implementation

António Campinos, president of the European Patent Office, and his team met on January 10, 2020, with the chair and members of the executive group of the Unified Patent Court Preparatory Committee, as well as with the chair of the Unitary Patent Select Committee, to take stock of the state of play of the preparations to implement the unitary patent package.

According to a statement released by the European Patent Office, the unitary patent is a patent granted by the EPO for which unitary effect can be registered with the EPO for the territory of the participating European Union member states. The EPO is an international organization set up on the basis of the European Patent Convention. The Unified Patent Court will be an international court with jurisdiction for patents granted by the EPO.



The meeting came about after the judge in charge of a complaint that had been lodged by an individual against German ratification of the UPC Agreement with the German Federal Constitutional Court indicated in a recent interview that it was the intention of the court to render a decision in the first quarter of 2020.

The EPO president and representatives from the EU member states expressed their optimism that the court will render its judgment as announced and their hope that the court will clear the way for German ratification. They emphasized that the UPC and unitary patent are of paramount importance to competitiveness, growth and innovation in Europe and called for the speedy implementation of the system.

The meeting made it clear

that the EPO is ready to register the first unitary patents and that the preparatory committee has advanced its work as far as possible. However, several key steps in establishing the UPC cannot be taken until the phase of provisional application is underway and therefore some work still needs to be done. "We are confident that the necessary steps can be accomplished in time for the unitary patent package to become operational at the end of 2020," said Campinos.

"We are all waiting for this reform, which is the most significant one since the creation of the European patent system almost 50 years ago, to finally become a reality. Our users – and in particular SMEs – will strongly benefit from it because it will make Europe more competitive in relation to the United States and Asia," added the chairs of the two

committees, Alexander Ramsay and Jérôme Debrulle.—**JOHNNY CHAN** 



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CHINA

Denning Jin has joined **Han Kun Law Offices** in Shanghai, where focuses his practice on complex commercial and financial litigation, international and domestic commercial arbitration, large-scale tort litigation, insurance litigation, patent litigation, IP-related antitrust litigation, unfair competition disputes, administrative and criminal litigation, and environmental liability cases. Before joining Han Kun, Jin was a partner and co-head of the dispute resolution group at Haiwen & Partners. He is experienced in dealing with disputes involving industrial products supply, sales of goods, leases, share transfers, and M&A and business cooperations. Recently, he has also been dealing with major dispute cases involving the internet, finance, private equity investment, advertisement, entertainment, intellectual property and antitrust.



Denning Jin



HONG KONG

The **International Trademark Association (INTA)** has named Joe Simone, founder and partner of **SIPS** in Hong Kong as a recipient of the association's 2019 Service Award for the Advancement of Association Objectives.

This newly established award is given to one or more individuals of an INTA member organization whose participation, efforts, and innovative thinking during the year have advanced substantive trademark and related intellectual property law and practice; committee or subcommittee objectives; or the strategic objectives of INTA.

Simone has been a leading volunteer for INTA in China for decades. He has been instrumental in the association's engagement with the China National Intellectual Property Administration, most recently with his participation on INTA's Bad-Faith Registration Task Force, which produced a series of recommendations presented to the Chinese authorities. His efforts also were evident throughout the public comment period on recent amendments to China's Trademark Law, which took effect November 1. Simone participated in identifying advocacy opportunities, translating draft laws, and developing initial comments for consideration by various INTA committees.

"My work at INTA is integral to the work my firm does for its clients," Simone said. "The IP environment in China is challenging, and I've always maintained that getting results for clients requires the industry to be particularly active in policy work to ensure future laws and policies are more favorable. This award validates that approach."

Spruson & Ferguson filed the first patent under Hong Kong's new patent system, which launched in late December. The new patent system comprises an original grant



Joe Simone

patent system which creates a direct route for seeking standard patent protection in Hong Kong with a term of 20 years, as an alternative to the existing re-registration route from the UK or China. This major development for Hong Kong included a change in legislation in 2016, the moving of the patents registry in 2017 to a larger premises, the hiring of professionals with technical backgrounds to facilitate independent substantive examination within Hong Kong, and a change in the IT systems of the registry over the past few years.

International law firm **CMS** is continuing its Hong Kong expansion with the appointment of a three person intellectual property team. Partner Jonathan Chu joins associated Hong Kong firm **Lau, Horton & Wise**, together with senior associates Mengyi Chen and Candy Tong. Chu and his team join from Stephenson Harwood.

Chu is a highly-experienced intellectual property lawyer with a complete IP practice ranging from advising on transactions, to worldwide prosecution of IP rights, to IP litigation and enforcement strategies in Hong Kong and China. He regularly advises clients in local and cross-border IP strategies and is recognized for his work across life sciences, fashion, toys and games, consumer goods, hospitality, TMT, entertainment, aviation, and energy. All three lawyers are Hong Kong-qualified.

"The appointment of Jonathan and his team is a key part of our strategy to develop our IP practice in Asia-Pacific, with a particular focus in Hong Kong, Singapore and Beijing," said Nick Beckett, head of Asia-Pacific IP and global co-head of the life sciences and healthcare sector group at CMS. "Through these additions, we are setting up a whole new practice in Hong Kong, where we will now have full IP capability at both a local and international level. In this way, we are responding to the growing need from clients for IP expertise on the ground."



Jonathan Chu



INDONESIA

Roosdiono & Partners, the Indonesia member firm of **ZICO Law**, has promoted intellectual property lawyer Ajeng Yesie Triewanty to the firm's partnership. The promotion, along with one in the firm's banking and finance group, are in line with the firm's strategy this year to strengthen and expand key

practice areas.

"We are excited to bring Ajeng [and banking and finance lawyer Sandro Mieda Panjaitan] to the firm's partnership," said co-executive partners Leoni Silitonga and Fadjar Widjaksana Kandar. "As skilled lawyers with vast experience working with clientele from a variety of industries, we believe they represent the versatility and expertise that our firm is well-known for."

Triewanty is an IP specialist whose practice encompasses

IP matters including licenses and franchising. An expert in trademarks, she has represented global brands on substantive and contentious cases and copyright infringement related issues. She has been with Roosdiono & Partners since 2015.



Ajeng Yesie Triewanty



SINGAPORE

Wern-Jhien Yam has been promoted to partner in **Rajah & Tann's** commercial litigation practice group. Yam is regularly engaged in complex commercial litigation and arbitration; he has represented clients in a variety of industries, including finance, construction, pharmaceuticals, oil and gas, electronics, office supplies and hospitality. He has appeared at all levels of the Supreme Court of Singapore, including the Singapore International Commercial Court, and is active in international arbitration. In addition, he is experienced in cross-border fraud and asset recovery cases, with particular focus on fraudulent e-commerce transactions, having successfully argued and obtained a number of freezing injunctions and pre-action disclosure orders in aid of recover actions against fraudulent e-commerce operators in Singapore and in foreign jurisdictions. A large part of his work has involved foreign law issues, including those in China, Indonesia, Switzerland, South Korea and the United States.



Wern-Jhien Yam



UNITED KINGDOM

Hogan Lovells has launched a new flexible lawyering programme in the UK in partnership with law company **Elevate**. This initiative part of the Hogan Lovells Legal Services Delivery armoury, which aims to deliver the firm's services in a flexible, efficient and cost-effective manner.

The programme gives the firm access to additional resources to complement its existing teams when faced with unexpected demands or surges in client need.

"Our partnership with Elevate provides us with access to a large pool of lawyers to complement our existing teams when it is necessary to staff up at short notice to respond to our clients' needs," said Susan Bright, regional managing partner for the UK and Africa. "Elevate has a pool of skilled and experienced lawyers, including many of Hogan Lovell's alumni,

whom it can draw on for particular projects or for client secondments where the firm does not have the capacity. All flexible lawyers will meet Hogan Lovells quality, compliance, conflict-of-interest and service delivery policies and requirements."

Bright continued: "I am excited that this programme will provide additional options for our lawyers who want to continue practising in a more ad hoc and flexible way, including those who want to take time out, while maintaining their skills, with the potential of returning to the firm in the future. This programme is about providing even greater flexibility as a modern law firm and I see this being a major benefit for our clients and our people." ^{ALP}



Susan Bright

COVER STORY

BAD BOYS FOR WEB





While netizens are becoming more and more creative with the songs and videos they create, they are mostly basing their creations on the copyrighted works of others, which could make them liable for infringement. Experts talk to **Johnny Chan about this global – yet not at all great – phenomenon.**

With the prevalence of the internet and smart devices, concerns about copyright theft on content sharing platforms such as YouTube have skyrocketed worldwide.

Such concerns are indeed high and justified, says Manisha Singh, founding and managing partner at LexOrbis in New Delhi. “The widespread reach of the internet has made it easier to access copyrighted content, which has aggravated issues related to copyright theft. Having said that, platforms such as YouTube have effectively developed various mechanisms to tackle this issue and assist content creators in the protection of their work.”

The concern level is also high in Indonesia, says Justisiari Kusumah, managing partner at K&K Advocates in Jakarta. “However, these online platforms are active in protecting copyright holders by taking the initiative to take down infringing content without waiting for the complaints of the copyright holders.”

The concern in Taiwan is not as high, says Christine Chen, a partner at Winkler Partners in Taipei.

In fact, using copyrighted works in such a way actually has been decreasing, Chen says. “Thanks to better enforcement of YouTube’s copyright reporting system and related regulations, videos containing complete unauthorized works have been removed more quickly from YouTube than in the past. However, the complete eradication of copyright infringement on YouTube remains unresolved. A recent well-known case involved a YouTube channel showing shortened versions of movies that were then reviewed or parodied. The YouTuber involved is currently being sued by the copyright owners and some of their clips were removed by YouTube.”

The platforms

With a wide emergence of copyright theft online, many countries are now either launching incentives or holding content sharing platforms accountable to minimize infringement.

The Australian Copyright Act 1968 (Cth) has limited “safe harbour provisions”; however, these apply only to carriage service providers such as internet service providers and certain organizations operating in the disability, educational and cultural sectors, and not to digital platforms (such as online search engines, social media and digital content aggregators). “While the Australian Competition and Consumer Commission’s Digital Platforms Inquiry final report included a recommendation that a mandatory takedown code managed by the Australian Communications and Media Authority be introduced for digital platforms, the federal government has not accepted that recommendation,” says Lucy Hartland, a senior associate at Spruson & Ferguson in Sydney. “The government considers that such a code could have unintended effects and that further data and consultation will be necessary in order to identify the best option for controlling copyright infringement taking place on digital platforms. A review of reforms that were implemented in 2018 (which included a limited expansion of the safe harbour regime) is foreshadowed for late 2020, and this may expand to a consideration of how to incorporate digital platforms into the existing regimes.”

In China, online video platforms have a strong incentive to combat copyright theft, because “any failure to take necessary measures might result in tort liability and administrative penalty,” says Xia Zheng, founder of AFD China Intellectual Property in Beijing.

Also, pursuant to China’s relevant laws and regulations, ISPs have a general obligation to perform standardized management and pay reasonable attention to the contents of users’ uploaded videos. “Online service providers will accordingly be accountable for tort liabilities and damages incurred if they know or should have known about an ongoing copyright infringement and if they failed to take necessary countermeasures or otherwise provided technical support to the infringer,” Zheng says. “Such countermeasures could include deleting or blocking links to infringing content. So too may administrative reprimands and punishments apply in addition to the potential criminal and tort liabilities imposed on Chinese video platforms.”

The National Copyright Administration regularly undertakes special actions against piracy on video websites, such as the well-known “sword at the internet” campaign. From 2005 to 2019, the Copyright Administration and law enforcement departments have at all levels shut down over 6,000 infringing websites and removed 2.56 million links to sites containing copyright infringement, Zheng says.

Similarly, in India, content sharing platforms can be held accountable if they fail to take down the infringing content after having actual knowledge of the infringement. The platforms fall under the definition of intermediaries which is defined under Section 2(1)(w) of the Information Technology Act, 2000 as follows: “Intermediary, with respect to any particular electronic records, means any person who on behalf of another person receives, stores or transmits that record or provides any service with respect to that record and includes telecom service providers, network service providers, internet service providers, web-hosting service providers, search engines, online payment sites, online-auction sites, online market places and cyber cafes.”

As per Section 79 of the Information Technology Act, an intermediary is not liable for any third party information, data, or communication link made available or hosted if (a) its function is limited to providing access to a communication system over which information made available by third parties is transmitted or temporarily stored or hosted; or (b) the intermediary does not (i) initiate the transmission, (ii) select the receiver of the transmission, and (iii) select or modify the information contained in the transmission; (c) the intermediary observes due diligence while discharging its duties under this act and also observes such other guidelines as the central government may prescribe in this behalf.

The act further provides that the above safe harbour provisions shall not apply if:

- a) The intermediary has conspired, abetted, aided or induced, whether by threats or promise or otherwise in the commission of the unlawful act; or
- b) Upon receiving actual knowledge, or on being notified by the appropriate government or its agency that any information, data or communication link residing in or connected to a computer resource, controlled by the intermediary is being used to commit the unlawful act, the intermediary fails to expeditiously remove or disable access to that material on that resource without vitiating the evidence in any manner.

In addition to this, intermediaries are regulated by the Information Technologies (Intermediaries Guidelines), 2011, which primarily specify due diligence requirements for intermediaries to claim exemption under the Information Technology Act. The guidelines require that an intermediary, upon obtaining knowledge by itself or been brought to actual knowledge by an affected person in writing or through e-mail signed with electronic signature about any shall act within 36 hours and, where applicable, disable access to the infringing information. Further, the intermediary shall preserve such content and associated records for at

"The unjustified threats provisions in the Australian copyright legislation mean that a false claim of copyright infringement could make the copyright owner liable for legal action in response."

—LUCY HARTLAND,
senior associate,
Spruson & Ferguson,
Sydney



"These categories are numerus clausus, but sub-categories under each category of work can be expanded by way of legal interpretation depending on the conditions of each individual case and nature of the creative work."

—MUTLU YILDIRIM KÖSE,
partner, Gün +
Partners, Istanbul



"Thanks to better enforcement of YouTube's copyright reporting system and related regulations, videos containing complete unauthorized works have been removed more quickly from YouTube than in the past."

—CHRISTINE CHEN,
partner, Winkler Partners,
Taipei



"Many content owners or creators tend to inadvertently use pieces of music as background of their content while the music is copyrighted. They are not aware and later find out that such action will be considered as violation of the copyright law."

—JUSTISIARI KUSUMAH,
managing partner,
K&K Advocates,
Jakarta



least 90 days for investigation purposes, says Singh.

The Indian courts have also played a significant role in the development of jurisprudence pertaining to intermediary liability for copyright infringement, she says. “In *Myspace v. Super Cassettes Industries (2016)*, the appeal was filed against the interim injunction passed by a single judge of the Delhi High Court restraining the appellant from hosting all of respondent’s present as well as future work on their website.”

The Delhi High Court noted that while Section 79 grants a measured privilege to the intermediaries, such privilege would not curtail rights guaranteed under the Copyright Act, and accordingly held that provisions of the Information Technology Act and Copyright Act have to be read harmoniously.

“Liability can be imposed on the intermediary; however, the intermediary must have actual knowledge of the infringement and not just general knowledge,” Singh says. “The court further observed that in case of intermediaries, interim relief has to be specific and must point to the actual content which is being infringed. The court ordered the respondent to provide an updated catalogue of specific works and URLs containing the infringing content to the appellant. The appellant was also ordered to keep an account of all such content as well as the details regarding the number of viewings to enable calculation of damages.”

Besides copyright infringement, intermediaries have been caught in trademark infringement suits and the courts have examined liability of e-commerce platforms in trademark infringement matters, she adds. “In view of the said provisions and judicial enforcement, we can safely conclude that content sharing platforms are being held accountable.”

Indonesia’s media sharing platforms also allow reporting on infringing content and encourage takedowns. “The right holders could file requests to the platforms directly to take down the infringing content. However, the practice of such reporting system and the speed of response from the platforms vary,” Kusumah says. “Some platforms appoint dedicated people to deal with infringement reports and takedown requests while some don’t. Therefore, we believe that a standardized level of response must be introduced by government agencies to ensure the same level of response among the platforms.”

Get up

While laws and regulations are in place for ISPs and content sharing platforms to deter infringement, video makers should still not sit around and wait for others to protect their work.

Based on the Indonesian Law No. 28 of 2014 on copyright, the creators must actively protect their creations against the infringers in order to achieve maximum protection, Kusumah says. “This is because the copyright law is a crime by complaint. The activities can be in the form of active monitoring actions

initiated by the copyright owner, continuing discussion with platform through the e-commerce association and entering into MoUs with each of the individual platforms. We have seen this initiative undertaken by one of the largest software developers.”

There are a number of steps that creators can take to protect themselves against copyright theft, which is particularly prevalent in the online space, says Matthew Hayes, principal at AJ Park in Auckland.

“There are two key steps creators should take in the first instance. To the extent possible, they should mark their works with a copyright notice comprising the copyright symbol, followed by their name and indicate the year that the work was first published, such as: © John Doe 2020. For works posted online, that will usually take the form of digital watermarks in photographs and videos, and the notices are usually placed at the end or in the background of written works,” says Hayes. “Secondly, for online or electronic works, creators should make use of technological protection measures (TPM) to control the way in which the content can be used. Examples of TPMs include access control measures like passwords, paywall subscriptions, time limits for online movie rentals and the regional encoding often found on DVDs and games. TPMs can also take the form of read-only works, download blocking of streamed content and copy blocking on digital movies. In many cases, TPMs serve a dual purpose of not only enabling access to a work to be controlled, but also assisting in the monetization of the content.”

Besides the basics of ensuring that the ownership of content is suitably identifiable and access is controlled, it is important for creators to understand how they can enforce their rights. “In particular, when it comes to enforcing their copyright, creators should be looking at whether their works need to be registered in key markets where they have infringement problems,” Hayes says. “For example, to be able to take action in countries like China and the US, copyright must first be registered with the requisite administrative body. The costs of taking enforcement action can be prohibitive in many countries, but platforms like Alibaba, eBay, YouTube, Facebook and Instagram will act to remove infringing copies of online content and images. All of these platforms have robust policies and procedures for handling copyright infringement notifications and complaints. It helps to be familiar with these, and understand how they work and what information is needed to successfully use the complaint procedures.”

Finally, a good plan for taking regular action is required. “Control of content can be easily lost in the online world – once the rabbit is out of the hat, so to speak, control is often lost for good,” he says. “Prevention is key, but proactive enforcement action is also required. That means regularly monitoring online platforms and taking quick action when infringements arise will help reduce the damage done.”



"Online service providers will be accountable for tort liabilities and damages incurred if they know or should have known about an ongoing copyright infringement and if they failed to take necessary countermeasures."

—XIA ZHENG, founder, AFD China Intellectual Property, Beijing

"The widespread reach of the internet has made it easier to access copyrighted content, which has aggravated issues related to copyright theft. Platforms such as YouTube have developed mechanisms to tackle this issue and assist content creators in the protection of their work."

—MANISHA SINGH, founding and managing partner, LexOrbis, New Delhi



"The costs of taking enforcement action can be prohibitive in many countries, but platforms like Alibaba, eBay, YouTube, Facebook and Instagram will act to remove infringing copies of online content and images."

—MATTHEW HAYES, principal, AJ Park, Auckland

In Turkey, copyright protection is mainly regulated under the Intellectual and Artistic Works Law No. 5846. As to Turkish copyright law, protection shall start with the creation and publication of the work to the public which meets the conditions under the Law No. 5846. Therefore, neither registration of the copyright owned work with any competent authority nor confirmation of the same is necessary to enjoy copyright protection, says Hande Hançar, a partner at Gün + Partners in Istanbul.

"Even though registration of the work is not required for the protection, it is still crucial to prove being the first creator of the copyrighted work in case of a dispute," says Hançar.

For the ease of proof, there are several ways that should be considered by creators following their creation of the work, she says. "For instance, content creators can use 'timestamps' which can be obtained via online third-party service providers to identify exact time of the creation. Approval of the exact time of

the creation and the details of the creator by a notary public and/or issuance of minutes by the notary public on the same can be another option for creators. Lastly, creators may also apply for the registration of their copyright with the Directorate General for Copyright, which is the competent unit of the Ministry of Culture and Tourism.”

However, Hançar warns, creators should bear in mind that this registration is simply a kind of copyright recordation – “nothing more, nothing less” – since the application is not examined by the authority through checking whether the applicant has the genuine right of ownership on the work. “Rather, it is merely a control of the procedural and the documental requirements. Registration with the directorate, therefore, should not be deemed as final evidence on copyright ownership,” she says.

Mingling

Nowadays, it is not difficult to see netizens using others’ copyrighted songs or films in their own creations. But while that has become a norm, is the usage of others’ work, mostly without permission, legal? The answer is typically no, and that such creators could be held liable for such unauthorized use.

In India, copyright subsists in three categories of works: original literary, dramatic, musical and artistic works; cinematograph films; and sound recordings. The word “original” has not been defined in the Copyright Act, 1957, but has derived its connotation through case laws.

“It is largely understood as a work that ‘owes its origin to the author.’ The work must originate from the skill and labour of the author and must not be a copy of any other work,” Singh says.

Singh notes that it is important to highlight that the word “original” is prefixed to literary, dramatic, musical and artistic works and not to cinematograph films and sound recordings, as the latter are works made by using the former categories of works. “For example, a cinematograph film is made by making use of a script which is a literary work. Though there is no express stipulation regarding ‘originality’ in respect of cinematograph films and sound recordings, copyright does not subsist in a cinematograph film if a substantial part of that film is an infringement of the copyright in any other work. Likewise, copyright does not subsist in a sound recording made in respect of a literary, dramatic or musical work if in making the sound recording, copyright in such work has been infringed.”

Another prerequisite of copyright protection is the fixation of work in a tangible form. The Indian copyright regime follows the fundamental rule of copyright law, laid down in Article 9(2) of TRIPS and Article 2 of WIPO Copyright Treaty, 1996, which says that copyright does not subsist in ideas and only protects original expression of the ideas, Singh says.

If a content creator wishes to use or mix

copyrighted material or parts of it in his content, he has to seek permission from the owner. “Platforms cannot grant users the rights to use content owned by others,” she adds. “While YouTube warns its users that cover songs require permission from the copyright owners, it also provides features such as the YouTube’s Audio Library, which can assist users to discover material that can be used.”

Based on the Indonesian copyright law, creation of content with parts of other copyrighted materials such as a song or a film can be protected under copyright law since it is considered as a protected work for adaptation, arrangement, modification and other works resulting from transformation, Kusumah says. “Therefore, the creator must obtain a license from the right holder before mixing the content and upload it to YouTube or other online platforms.”

Pursuant to Turkish Intellectual and Artistic Works Law No. 5846, original pieces of work which bear the characteristics and originality of the author are protected if they fall under the scope of any of the following categories: works of science and literature, works of music, works of fine art or works of cinema.

Each category of work has sub-categories under Law No. 5846, says Mutlu Yıldırım Köse, a partner at Gün + Partners in Istanbul. Literary and scientific works cover the works that are expressed by language and writing in any form, and computer programs expressed in any form together with their preparatory designs, provided that the same leads to a computer program at the next stage; all kinds of dances, written choreographic works, pantomime and similar theatrical works without dialogue; all kinds of technical and scientific photographic works; all kinds of maps, plans, projects, sketches, drawings, geographical or topographical models and similar works; and all kinds of architectural and urban designs and projects, architectural models, industrial, environmental and theatrical designs and projects lacking in aesthetic quality.

Musical works include all types of musical compositions, with or without lyrics as subcategories.

Works of fine arts are defined as oil paintings or water colours; all types of drawings, patterns, pastels, engravings, artistic scripts and gildings; works drawn or fixed on metal, stone, wood or other material by engraving, carving, ornamental inlay or similar methods; calligraphy; silk screen printing; sculptures, reliefs and carvings; architectural works; handicraft and minor works of art, miniatures and works of ornamentation, textiles, fashion designs; photographic works and slides; graphic works; cartoons; all kinds of personifications, says Köse. “It should be noted that all the mentioned works should have aesthetic value to be protected as works of fine art.”

Cinematographic works are works such as films of an artistic, scientific, educational or technical nature or films recording daily events or movies that consist



of a series of related moving images with or without sound and which, regardless of the material in which they are fixed, can be shown by the use of electronic or mechanical or similar devices.

“These categories are *numerus clausus*” – a limited number – “but sub-categories under each category of work can be expanded by way of legal interpretation depending on the conditions of each individual case and nature of the creative work,” says Köse.

It should be noted that each work that can be defined within the classifications would be capable of protection separately. “In a case where creators mix their content with parts of other copyrighted materials, generated work would also be protected itself if it bears the characteristics and originality of the author and can be defined within the above mentioned categories,” she says. “For instance, in the case of cinematographic works, the director, the composer of original music, the scriptwriter and the dialogue writer are joint authors of the work. Additionally, Law No. 5846 provides neighbouring rights to the performers and/or phonogram producers only if the moral and economic rights of the author are not prejudiced.”

Intellectual and artistic products created by benefiting from another work but that are not independent of such work are adaptations; they can also be considered as works under Law No. 5846 if they bear the characteristic of the person making the adaptation, which are created without prejudice to the rights of the author of the original work such as converting musical works, literary and scientific works or works of fine arts into films, or converting them into a form which is suitable for filming or for broadcasting


by radio and television, she adds.

Get smart

Although the so-called 11th commandment, *thou shalt not copy*, is widely known, content creators still tend to hit the following pitfalls while making their videos.

Identifying the directly-infringing party may be problematic, especially where the infringement takes place on a digital platform (although in that case it may be possible to take action against the digital platform itself). The cost of enforcing copyright may be significant and disproportionate to the value of copyright work infringed, Hartland says. “Although the Federal Circuit Court is a lower-cost jurisdiction than the Federal Court of Australia, the costs of enforcing copyright can still be large. The unjustified threats provisions in the Australian copyright legislation mean that a false claim of copyright infringement could make the copyright owner liable for legal action in response. Accordingly, care, and preferably legal advice, is strongly recommended before making allegations of copyright infringement against an alleged infringer.”

In Indonesia, most copyright owners focus their actions on third parties of illegal reproduction and distribution through online platforms, including streaming.

“Based on our experience, many content owners or creators tend to inadvertently use pieces of music as background of their content while the music is copyrighted,” Kusumah says. “The creators are not aware and later find out that such action will be considered as violation of the copyright law.” 

LAW AND ORDER

Experts say existing laws in the majority of countries are sufficient to protect copyright stakeholders. **Johnny Chan** reports.



According to the experts, existing laws in the majority of countries are sufficient to protect copyright stakeholders.

For example, existing laws in Indonesia are sufficient, says Justisiari Kusumah, managing partner at K&K Advocates in Jakarta. “In order to protect the moral and economic rights of the creators and/or copyright holders, the existing copyright law stipulates criminal sanctions of imprisonment and fines which are relatively higher compared to the previous copyright law (Law No. 19 of 2002 on Copyright). Accordingly, whoever has the copyright must actively protect their materials by enforcement.”

In Turkey, the current basic legislation for copyright registration, Law No. 5846, was enacted on January 1, 1952, and there have been several amendments since in order to keep the law current.

The basic principle of the law is to protect authors and creators; it embraces provisions to protect their rights firmly. Hence it should be concluded that the law is satisfactory in the context of the protection of author’s right, says Havva Yıldız, an associate at Gün + Partners in Istanbul.

“Indeed, according to the law, copyright holders can seek for several remedies both in civil and criminal proceedings in case of the infringement of their material and/or moral rights on the copyrighted work. Preliminary injunctions, prevention of manufacturing, sale, and importation of the infringing products in civil proceedings, removal and destruction of infringing materials, claim for material and moral damages, and publication of the court’s verdict are such remedies in civil proceedings. Especially the possibility of the copyright holder to claim the payment of compensation up to three times of the amount that could have been demanded if the right had been granted by contract, or up to three times of the current value which shall be determined under the provisions of the law in case of infringement of its economic rights as to the Article 63, is a significant protection that Turkish Copyright Law offers, among many other copyright systems,” says Yıldız.

Moreover, Article 71 of the law rules the criminal liability for the infringement of copyright. “Exploiting the economic rights of a copyrighted work without the permission of the owner, making an adaptation without any reference to the original work and renaming a work without referring the actual owner, using another person’s name who is known by the public on the work, performance, phonogram, etc., and disclosing a work to the public without the permission of the owner are some of the acts which should be penalized,” Yıldız says. “Sanctions are generally imprisonments (up to five years depending on the criminal act and the form of occurrence) and judicial fines.”

On the other hand, the Turkish law could be seen as insufficient since it does not succeed in complying with the technological developments adequately. “The European Union regulations are evolving by the need of modern copyright rules which will fit the digital age. The latest directives of the EU, ‘The Directive on Copyright in the Digital Single Market’ and ‘The Directive on Television and Radio Programmes’, are crucial initiatives to enable the legislation to address the needs of both content owners and the public in a digitalized world,” she says. “There is no doubt that the Turkish copyright law should keep a close eye on these developments and integrate the required ones with its own system if required by tailoring them according to domestic needs, legal and social infrastructures.”

Nowadays, whether and how to fairly protect artificial intelligence-generated content (and even the AI itself) under copyright law is a highly-debated issue which remains unclear in the Turkish copyright system, as it does in other systems around the world, she adds. “As it has been known, a draft bill is being prepared to amend the Artistic Works Law by the Turkish Ministry of Culture and Tourism. Hopefully this will cover the provisions to comply with the needs of the digital world, together with AI and AI-generated content.”

Convergence

Many lawyers do find that harmonization of law is a better way to deal with globalized copyright theft, but the difficulty of achieving that remains high.

Harmonization of copyright law is indeed a better way to deal with globalized copyright theft, says Tanakrit Tangburanakij, a partner in Baker McKenzie’s IP practice group in Bangkok. “Copyright laws traditionally are passed by each country. However, online copyright theft extends beyond borders as users, creators, intermediaries, and the content itself can be located anywhere in the world.”

There are already existing treaties which attempt to harmonize copyright law. For example, the Berne Convention, which is administered by the World Intellectual Property Organization, allows member states to harmonize their own copyright laws based on basic principles and minimum standards of protection set by the Convention. The Trade-Related Aspects of Intellectual Property Rights – TRIPS – also sets out minimum standards of IP protection, which includes copyright protection, says Tangburanakij.

However, there are practical issues with these attempts at harmonizing copyright law, he says. “The latest amendments to the Berne Convention were in 1979, which was before the digital technology and the internet era, as well as the copyright complexities that came with it. In addition, these treaties only set minimum standards of protection rather than providing ideal standards.”



Copyright infringement in some countries is a criminal and civil offense, while others only recognize infringement as a civil offense. “Without the threat of criminal penalties as a strong deterrent, infringers may be willing to accept the risk of civil penalties as costs for doing business and continue their illegal activity,” he says. “Civil penalties also vary among countries, with some countries enforcing statutory damages to deter infringers. However, other countries that don’t recognize statutory damages require each plaintiff to prove actual damages. This is not only difficult to do, but the proceedings are also time consuming and costly.”

Since copyright theft is increasing over online platforms which are borderless, deterrence against infringers such as statutory damage provisions and criminal penalties should be harmonized among all countries to address globalized copyright theft in the digital age, he says. “Though these challenges are difficult, harmonization of the amendments to the copyright laws would bring greater benefits to copyright owners and end users in long term.”

Keeping up with the ‘enforcians’

If all desired laws were in place, could enforcement authorities keep up with them? Even our experts find that particular question tough to answer.

“It is difficult to say during this digital disruption, as such we believe that the relevant enforcement stakeholders should also equip themselves with a

thorough understanding of how infringement is taking place in this new environment,” Kusumah says. “Close working relationships, including sharing best practices, as well as capacity-building remain important to be carried out amongst the relevant enforcement officers, content creators and copyright holders.”

Turkey established specialized IP courts in Istanbul, Ankara and Izmir provinces in 2005. “The copyright is enforced before these courts if the dispute falls within their jurisdiction,” says Hande Hançar, a partner at Gün + Partners in Istanbul. “Having IP courts which are expected to be specialized generally in IP and specifically in copyright is clearly a positive factor for the Turkish enforcement system.”

However, there has recently been a substantial decrease in the number of – and efficacy of – IP courts. “In addition to closing some of them, unfortunately, judges who are currently being appointed to the remaining courts do not really specialize in IP, which is problematic in terms of effective enforcement. Also, IP proceedings in Turkey rely heavily on expert witnesses. Although these experts are not always as qualified within their fields, their opinions are given great effect and discretion,” she says. “Restructure of the courts, frequent change of the judges and the inappropriate expert reports cause excessively long judicial proceedings.”

Moreover, the “mandatory mediation” for commercial disputes which entered into force in January 2019 in Turkey, applies to copyright law for

"IP proceedings in Turkey rely heavily on expert witnesses. Although these experts are not always as qualified within their fields, their opinions are given great effect and discretion."

—HANDE HANÇAR, partner, Gün + Partners, Istanbul



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—TANAKRIT TANGBURANAKIJ, partner, Baker McKenzie, Bangkok




"Indeed, according to the law, copyright holders can seek for several remedies both in civil and criminal proceedings in case of the infringement of their material and/or moral rights on the copyrighted work."

—HAVVA YILDIZ, associate, Gün + Partners, Istanbul



cases where the copyright owner seeks compensation due to infringement, she adds. "According to this recent practice, such cases cannot be brought before the competent IP court unless the mandatory mediation process has been completed and a final report has been issued by the mediator. This practice may either

extend the time of the judicial proceedings if it fails to amicably solve the issue despite the completion of the mediation process or oppositely may work as a practical tool to facilitate the parties to find a middle ground by avoiding the court proceedings." 

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Allens	1
Banki Haddock Fiora	1
King & Wood Mallesons	1
McCullough Robertson	1
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Ashurst	2
Baker McKenzie	2
Bird & Bird	2
Gilbert + Tobin	2
Macpherson Kelley	2
MinterEllison	2

CHINA	TIER
CCPIT Patent & Trademark Law Office	1
Co-effort Law Firm	1
Kangxin Partners	1
King & Wood Mallesons	1
Unitalen Attorneys At Law	1
AnJie Law Firm	2
Hylands Law Firm	2
Jadong IP Law Firm	2
Lifang & Partners	2
Liu, Shen & Associates	2

HONG KONG	TIER
Baker McKenzie	1
Bird & Bird	1
Deacons	1
Hogan Lovells	1
Mayer Brown	1
Jones Day	2
PC Woo & Co	2
Robin Bridge & John Liu	2
Rouse	2
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Bird & Bird ATMD	1
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SOUTH KOREA	TIER
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Cho & Partners	1
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SRI LANKA	TIER
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Sudath Perera Associates	1
D.L. & F. DeSaram	2
Nithi Murugesu & Associates	2
Nithya Partners	2
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Eiger	1
Formosa Transnational	1
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Tai E International Patent & Law Office	1
Tsar & Tsai	1
Baker McKenzie	2
Saint Island International Patent & Law Offices	2
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Tsai, Lee & Chen	2
Winkler Partners	2

THAILAND	TIER
Baker McKenzie	1
Domnern Somgiat & Boonma	1
LawPlus	1
Satyapon & Partners	1
Tilleke & Gibbins	1
Ananda IP	2
Chavalit & Associates	2
DLA Piper	2
Rouse	2
ZICO Law	2

VIETNAM	TIER
Baker McKenzie	1
Pham & Associates	1
Rouse	1
Tilleke & Gibbins	1
Vision & Associates	1
Aliat Legal	2
Bross & Partners	2
D & N International	2
Indochine Counsel	2
T&T Invenmark	2

Over the past several years, India has purchased a battalion of defense aircraft from the United States, to the tune of US\$18 billion, including Boeing C-17 Globemaster heavy transport aircraft. Intellectual property rights have factored heavily into the deals. (Boeing photo.)



THE OFFENSE IN DEFENSE: IP in military technology

India has taken an offensive stance in creating and protecting the intellectual property associated with its military technology.

Espie Angelica A. de Leon examines why governments and businesses in other Asia Pacific countries should take the cue from India and start paying more attention to their defense IP.

India boasts the third-largest armed forces in the world.

It has 41 ordnance factories, nine defence public sector undertakings, 10 constituting the public sector and more than 100 private companies. Its Defence Research & Development Organization has more than 50 laboratories under its auspices.

Not content, India is now ramping up its efforts for intellectual property by taking on the offensive.

On April 4, 2018, an Intellectual Property Rights Facilitation Cell (IPRFC) was established under the Department of Defence Production in the Ministry of

Defence.

In November of the same year, the government unveiled Mission Raksha Gyan Shakti (MRGS). Among the mission's objectives are to build up an IP culture in defense manufacturing and upgrade local design capabilities with the emergence of new technologies and reduce technology transfer or import of technology. With its defense manufacturing underdeveloped, India imports about 60 percent of its defense equipment.

MRGS' Action Plan 2019–2020 includes the training of 20,000 personnel from the public and private sector as well as the armed forces. As of December 2018, 8,838 personnel had already been trained.

Another component of MRGS' Action Plan is the development of a framework for the usage of new ideas and innovation leading to self-reliance as opposed to transferring or importing technologies.

On July 9, 2019, IPRFC signed a Memorandum of Understanding with the National Research Development Corporation under the Ministry of Science and Technology. The government likewise sought to enforce the Defense IPR Policy for Jointly Developed Software Products.

2019 also saw India and the US entering into various agreements in the defence industry, including the Science and Technology Agreement. The Science and Technology Agreement will "provide an opportunity to promote 'high quality' and 'high impact' research and innovation partnerships as well as broadening and expanding relationships between the extensive scientific and technological communities," according to an article posted on PMIndia, the Indian Prime Minister's website.

"The Indian defence establishment, comprising the manufacturing and R&D units, need intellectual property rights to sustain in this competitive world through continuous growth and development-oriented innovations," says Manisha Singh, co-founder and partner at LexOrbis in New Delhi. "Moreover, especially with respect to technology transfer agreements, guidelines on underlying IPR and the type of IP licenses to be granted under such arrangements render enough significance."

Otherwise, in the absence of well-defined IP guidelines, Indian companies may find themselves at the receiving end of restrictive licenses granted by foreign investors. This then becomes a stumbling block to the local defence industry's capacity to produce technology at par with those of other nations, according to Singh.

"On the other hand, a robust IPR regime also assures the foreign investors adequate protection in terms of shared technology and returns on investment, failing which the foreign investors will be too reluctant to lend technology to India or any state," she says.

According to Sudeep Chatterjee, a partner at Singh & Singh in New Delhi, better weapons are required, stronger security systems should be available, and improved surveillance systems and intelligence software for data creation and collection are sought after. To allow such top-level equipment to materialize and operate, more innovative ideas and technologies should be generated. For these, the IP of experts in the form of patents, creation of copyright through software and formation of design through blueprints and safeguarding trade secrets is needed.

However, IP protection of military armaments is more difficult and vital than IP creation of these equipment, says Chatterjee.

He explains: "It is because the ramifications of IP theft on national security are massive. For instance, drones are created and used in the military to reach and capture images of sensitive areas such as the territorial

borders of the country and accordingly, process such information. Now, such drones operate with a software code involved which regulates its directions, captures the images and processes the information. As soon as the software code is involved, copyright finds its place in defence and hardware creations of the drone involves patents and designs. Further, the creation of the drone technology resulting from the culmination of the aforesaid software and hardware births trade secrets. Thus, in the scenario that such drones are captured by an enemy force, the same would result in IP theft in as much as not only would the copyright, patent and design of our military in the form of software and hardware would be exposed to the enemy force, but also the sensitive information collected and processed through such drones would lie in the hands of the adversary."

Chatterjee adds that digitization of knowledge has opened the doors wider for spies to uncover trade secrets and patents.

To make matters worse, several countries have resorted to copying military hardware and software used for fighter planes and submarines, according to Chatterjee. And they're not stopping at duplicating these technologies. They're selling them as well, to other countries, at lower prices.

"We all know the intricacies and precision involved in the creation of fighter planes and submarines for the military forces. Now, such machines are created in a manner that they are equipped to combat any major force. However, if the technology involved in the creation of such machines is copied and sold to adversaries or even otherwise, then such acts would be a threat to national security as the creation of similar machines would render our special fighter planes and submarines ordinary if not less effective," explains Chatterjee.

Their objective for the theft is not solely to increase military might; they commit such malpractice to put pressure on governments and gain the upper hand in economic negotiations as well.

Eventually, IP theft may tarnish a country's reputation and affect future collaborations and technology transfer agreements with other nations.

"A nation infamous for IP theft and inadequate remedies may be internationally isolated and only rely on indigenous resources to develop arms and ammunition," Singh says, "thereby being forever deprived of cutting-edge technology."

Deprived of cutting-edge technology from another country India certainly isn't.

Over the past several years, India has purchased a battalion of defense aircraft from the United States, to the tune of US\$18 billion. Among these are Boeing Apache and Chinook helicopters, C-17 Globemaster heavy transport aircraft and P-81 maritime surveillance aircraft; Lockheed Martin's C-130 Hercules military transport aircraft; and BAE Systems' M777 howitzers.

During his visit to India this month, President Donald Trump inked a defence deal with Prime Minister

Narendra Modi where India will purchase US\$3 billion worth of advanced equipment. These include Apache and Sikorsky MH-60 Romeo helicopters.

According to John Mulcahy, a partner at Finnegan, Henderson, Farabow, Garrett & Dunner in suburban Washington, India isn't alone among Asian Pacific nations in adopting a less passive and more business-like approach to IP for military procurement. China and South Korea have also done the same.

Curiously, both countries have been in hot water for allegedly stealing IP from the US military industry. China's notoriety even prompted US Defense Secretary Mark Esper to state in a Fox News interview last year that China "has engaged in the greatest theft of intellectual property in human history."

Esper further said: "They've studied us and they've learned about how we employ weapons. They've learned about our doctrine. And so, that is something that we watch very carefully."

According to Mulcahy, military forces around the world busy themselves 24 hours a day trying to spot and exploit vulnerabilities in their rivals' technologies.

"Militaries around the world now recognize that they are economic entities that compete for new technologies as well as political entities that compete on the battlefield," says Mulcahy. "Just like any other player in a competitive economy, militaries must ensure that their IP policies work to hone their cutting-edge technology and not to dull it. Those militaries that best foster competition and innovation in the various technical fields will gain the edge in battlefield technology, which can help deter conflicts. Those that stifle innovation will embolden their rivals and find themselves fighting tomorrow's battles with yesterday's technology."

Mulcahy adds that even if technology does not cross a nation's borders and IP theft is committed just the same by an industry competitor, the situation will still translate to negative outcomes.

"IP theft and infringement among defense industry competitors can have some of the same ill effects because any system that fails to adequately protect intellectual property will inevitably result in less technical innovation," he says. "In most economic sectors, this will result in lost opportunities for economic growth and loss of market share by the less innovative companies."

IP's importance is poised to further escalate, says Mulcahy, with the rise of new IP-intensive technologies such as robotics, AI and quantum computing. These innovations are set to redefine tomorrow's battlefields.

Unfortunately, there is not a single IP strategy that could fit any situation including one that involves technical data, according to him. Instead, organizations must have innovative and forward-thinking legal experts who can come up with a strategy that matches any given situation.

"A successful weapons system may be in service for many years. Witness the venerable B-52 which is expected to be in service through its 100thth anniversary in 2052," he said. "If the government has no rights in the technical data, it may be forced to go back to the original contractor for maintenance and repairs over the life of the system. Since the military is the only legitimate customer for most armament technologies, and it may be necessary to maintain the supply chain in time of war, the government often seeks full rights ("Government Purpose Rights" in the US) to the technical data relevant to such systems. Such rights allow the government to share the data with another party — i.e., your competitor — in order to maintain, duplicate and even improve upon the technology. To a certain extent, this is the price you pay for winning the original contract and arms companies know this."

"Often, however, the components, algorithms, and subsystems developed for one weapons system could add value to a future program and may even have commercial applications. Such possibilities should be



"We all know the intricacies and precision involved in the creation of fighter planes and submarines for the military forces. If the technology involved in the creation of such machines is copied and sold to adversaries, such acts would be a threat to national."

—SUDEEP CHATTERJEE, partner,
Singh & Singh, New Delhi



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—MANISHA SINGH, co-founder
and partner, LexOrbis, New Delhi



"Those militaries that best foster competition and innovation will gain the edge in battlefield technology, which can help deter conflicts. Those that stifle innovation will embolden their rivals and find themselves fighting tomorrow's battles with yesterday's technology."

—JOHN MULCAHY, partner,
Finnegan, Henderson, Farabow, Garrett &
Dunner, Reston, Virginia



explored as early as possible so that the contractor can either retain the IP rights or adjust the contract price to account for the true value of the IP being turned over," says Mulcahy.

In August 2019, the US Defense Department put its foot down on IP theft by announcing the formation of a new cadre of IP specialists.

Toward the end of the year, the Pentagon's new director of IP Richard Gray assumed his new position. Previously, Gray was the only IP attorney at the Department of Defense's Office of the General Counsel.

"Under the Act, the purpose of the IP cadre is to ensure that the Pentagon protects its supply chains by taking 'a consistent, strategic, and highly knowledgeable approach to acquiring or licensing intellectual property,'" says Mulcahy,


He adds that the Pentagon has been developing new IP policies to make sure IP matters are taken into consideration at the start of acquisition. In this way, less cost would be involved. "The IP cadre will help the contracting officers put these policies into practice by taking a more business-like and less 'government' approach to IP issues," says Mulcahy.

Singh believes these developments will likely influence Asian countries aiming to strengthen their

military powers. This will also create a positive impact on countries that are signatory to the World Trade Organization and those which either have a robust IPR regime or are on their way to having one.

Some parties, however, have different thoughts about this move by the US government, says Chatterjee.

"Various stakeholders feel that the objective behind such a committee is essentially restrictive. Further, another argument of the opponents of the committee is that IP is fundamentally economic and public in nature and keeping such IP in the form of technology or inventions a secret would compromise with economic potential," says Chatterjee. "However, such measures are imperative to an extent for effective safeguard of IP which is sensitive in nature."

India has indeed taken a more offensive stance in creating and protecting the IP of their military technology, and rightly so. Governments and businesses in other Asia Pacific countries should take the cue from India and start paying more attention to their defense equipment's IP. If this is compromised, more could be at stake, including national security. Rather than find themselves empty handed and losing a lot more in the end, they should instead take the offensive in their defense and be safe rather than sorry. 

Japan launches IP mediation service

Intellectual property lawyers in Japan are eager to see how a new IP mediation service launched in the Tokyo and Osaka district courts late last year will fare.

Johnny Chan explains how the system works.

Intellectual property lawyers in Japan are excited – if also a bit cautious – about a new IP mediation service launched in the Tokyo and Osaka district courts in October 2019.

“The service aims to solve disputes quickly through a discussion between both parties, by advice or opinion from a mediation committee which consists of three members – a judge in the IP division and two experts such as IP attorneys,” says Satoshi Watanabe, founder of Watanabe Research & Consulting in Tokyo.

The mediation aims to draw to a conclusion within three to six months, or within three

mediation meetings, Watanabe says. “The mediation committee discloses its impression of the case, but it may also suggest that the parties solve the dispute through a lawsuit when the issue is complicated. In order to come to an efficient conclusion, both parties are required to submit all necessary documents (including evidence) prior to the first mediation meeting. The mediation is closed to the public, including the existence of a request for mediation.”

When parties agree to the settlement, it will be legally binding, the same as a judgment, he says. “On the other hand, in case of failure, the parties are free to file a lawsuit to solve the dispute.”

The courts should expand their public relations' activities, though, so that more people know about this service, lawyers told *Asia IP*.

"Before the implementation, the courts held meetings with practitioners and published articles in magazines about the hearing and explained the system and practice for the mediation service," says Kei Iida, a partner at Nakamura & Partners in Tokyo. But that public relations work may not have been enough to spark interest among litigants.

This service is seen as a means of alternative dispute resolution, but according to statistics published by the Japan Intellectual Property Arbitration Centre, there were fewer than five requests for mediation in recent years, Watanabe says. "So, this mediation service by the courts may also not be used much."

As expected, no data have been made available since the introduction, he says. "I understand that the courts are supposed to not disclose even the presence or absence of mediation. However, I hope they will disclose at least some statistical information."

The service has an advantage with the involvement of an active judge in mediation meetings, he says. "The parties can know what decision the court is likely to make, in a short period of time and at a low cost. Therefore, it may become a useful tool, especially for SMEs."

On top of that, the service should be made more user-friendly. Of the cases set for the IP mediation service since October 2019, one was represented by Nakamura & Partners and, because of that experience, Iida has a possible explanation for the low use of the system. "A probable hurdle to the petition for the IP mediation service before the Tokyo and Osaka district courts may be the requirement for the petition, namely a written jurisdiction agreement between the parties."

Nevertheless, lawyers believe that usage of the newly-launched service will increase down the road.

"It is still too early to judge a success or failure of the IP mediation service, while we consider that there will be some IP-related disputes suitable for resolution through this service," Iida says.

An attempt at strengthening laws against piracy failed in Japan's National Diet, the country's legislature. On March 13, 2019, the government gave up submitting an amendment of copyright law to the Diet. "It was specifically for anti-piracy, but it generated strong public reaction to the expansion of punishment against illegal downloading," Watanabe says. "It is very rare for the government to stop the submission at that stage. In fact, content creators, such as the Japan Cartoonists Association, also expressed concern about the proposed amendment. [They questioned] who the anti-piracy measures were for."

While consensus-building is often key to legislative success, the process was inappropriate in this case.

"The government just paid attention to the interests of publishing companies, but not enough to

the creators," Watanabe says. "We have seen a similar situation in the process for the amendment of the patent law – there was a crack in the relationship between the industries and the government. Apparently, there is a problem in the government's policy-making process."

The bad news is that it will delay the relief of copyright holders who have been affected by piracy, he adds. "The good news, on the other hand, is that when the government tries to do something problematic, the people could stop it."

Amendments to the patent law passed the parliament on May 10, 2019, and were published on May 17, 2019. The amendments will be enacted within one year, but the exact date is yet to be determined.

The amendments introduce an on-site inspection and a new procedure for damage calculation to the patent law, lawyers at Sonoda & Kobayashi said in a client alert published on the firm's website. The amended damage calculation is also introduced into the utility model law and the design law while the on-site inspection is introduced only into the patent law.

Onsite inspection. Under the introduced on-site inspection system, the court can order an independent specialist to visit the site of the alleged infringer and collect the evidence relevant to the dispute at issue and make a report thereon (Patent Law, Art. 105bis, Section 1).

Requirements for the order:

1. A patent infringement lawsuit is ongoing
2. The defendant possesses the evidence
3. The evidence is necessary for the proof of infringement or damage
4. The evidence cannot be obtained otherwise
5. Infringement is strongly likely
6. Onsite inspection is reasonable in view of all the circumstances

Flow of onsite inspection:

1. Request of an onsite inspection by a party
2. Hearing of the opinion of the other party
3. Decision by court whether to order an onsite inspection
4. Onsite inspection by an independent specialist
5. Submission of an onsite inspection report by the independent specialist
6. Sending the draft report to the other party
7. Request to conceal confidential information in the draft report
8. Decision by court whether to conceal or not (if the other party agrees, the draft is disclosed to the party to decide whether to conceal or not)
9. Transfer of the report to the party for potential use in the lawsuit as evidence

"Many systems have been implemented in the Patent Law and the code of Civil Procedures in the last 20 years to facilitate the plaintiff to collect evidence of infringement, i.e., obligation of the defendant to

disprove the infringement allegation (Art. 102bis), court order for the submission of evidence necessary to prove infringement and/or damage (Art. 105), presumption of the method when the method of making is unknown (Art. 104), etc.," says Yoshitaka Sonoda, managing partner at Sonoda & Kobayashi in Tokyo. "However, these provisions have not been often used in lawsuits because a great discretion was given to courts which have been reluctant to exercise these provisions in the fear of losing the balance between the necessity of the patentee to prove infringement and the necessity of the defendant to protect its trade secret.

"A strong likelihood of infringement and reasonableness in view of all the circumstances are required so that an onsite inspection is ordered, and we are not sure how high the thresholds are for these requirements," Sonoda says. "In view of the above-described requirements, it is unlikely that the onsite inspection is ordered in an early stage of proving the infringement, it would be necessary that the infringement is almost proved but only a relatively small part is left to be proved.

"The infringement courts are expected to be more positive to the application of the onsite inspection in view of the backgrounds on which the new provision was considered to be necessary," he says.


New procedure for damages calculation. The new procedure for damages calculation increases the damages especially when the number of infringing products made or sold by the infringer exceeds the production capacity of the patentee. Under the provision before the amendments, when the number of infringing products exceeds the production capacity of the patentee, the damages was limited by the production capacity of the patentee as long as the provision which allows the damages calculation based on the expected profit of the patentee is relied on (Art. 102, Section 1). The calculation under the new law is as follows.

1) If the number of infringing products exceeds the production capacity of the patentee

Damages = (production capacity of the patentee) x (per unit profit of the patentee) + (number of infringing products – production capacity of the patentee) x royalty
(The second line was added by the amendments)

2) If the number of infringing products is within the production capacity of the patentee

Damages = (number of infringing products) x (per unit profit of the patentee)

There are three provisions in the Patent Law which provide the calculation of the damages caused by patent infringement. The above-described provision (Art. 102, Section 1) which has been amended this time, is one of them. In addition to the provision, there is a provision which allows to deem the profit of the infringer to be the damages of the patentee (Art. 102, Section 2), and a provision which allows the hypothetical royalty to be the damages (Art. 102, Section 3), which remain unchanged. 



"The courts have been reluctant to exercise these provisions in the fear of losing the balance between the necessity of the patentee to prove infringement and the necessity of the defendant to protect its trade secret."

—YOSHITAKA SONODA,
managing partner, Sonoda &
Kobayashi, Tokyo

"In order to come to an efficient conclusion, both parties are required to submit all necessary documents (including evidence) prior to the first mediation meeting. The mediation is closed to the public, including the existence of a request for mediation."

—SATOSHI
WATANABE, founder,
Watanabe Research &
Consulting, Tokyo



"It is still too early to judge a success or failure of the IP mediation service, while we consider that there will be some IP-related disputes suitable for resolution through this service."

—KEI IIDA, partner,
Nakamura & Partners,
Tokyo



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IP EXPERTS 2020

Japan

Despite being the world's the third-largest economy by nominal GDP and the fourth-largest by purchasing power parity (and fifth-largest overall), Japan continues to struggle from lacklustre economic growth, growing at only 0.2 percent in the third quarter of 2019 amid ongoing global trade disputes and fragile economic expansion.

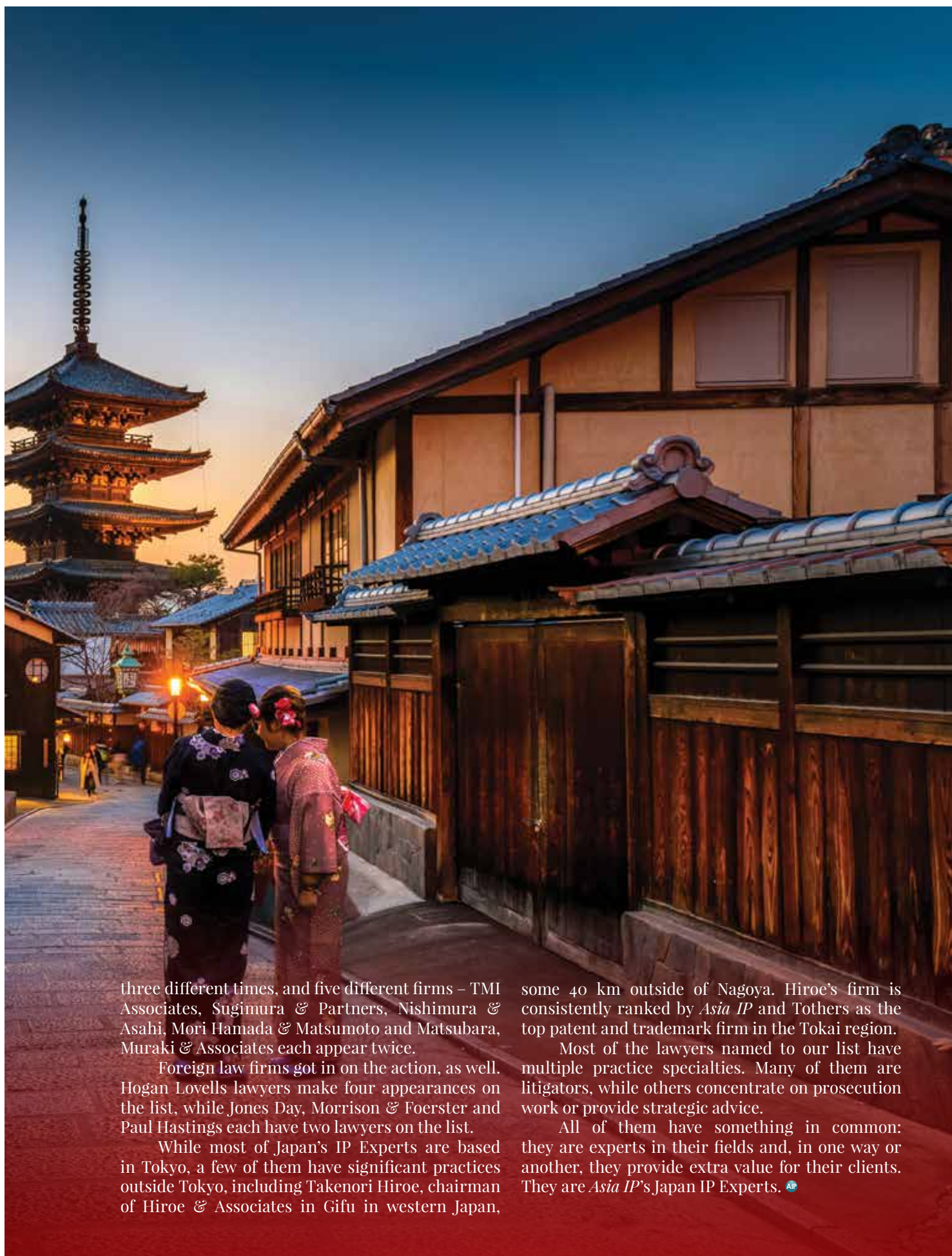
Facing what looks to be another anemic year for economic growth, the legal services market in Japan is seeing more competition than ever. Clients are seeking better value for their money and are watching the performance of their legal service providers more closely than ever.

In order to understand better what clients need today, *Asia IP* asked a large number of professionals – mostly in-house counsel and corporate legal managers – what they were looking for from their legal service providers. From their answers, we have compiled our list of 48 Japan IP Experts, those lawyers who understand just what their clients need and are able to provide them with the best practical advice.

Today's clients are looking for more than just a degree from a top-notch university and a couple of decades of practice. In order to be an outstanding provider of intellectual property advice, a lawyer must also be capable of understanding how intellectual property impacts the rest of his client's business, and be able to provide practical, real-world, business-savvy advice. She must be able to provide sound advice on the current law, but also needs to be able to understand coming trends which are likely to impact her client's business.

Unlike days past when she might have played just a bit role, today's IP Expert is every bit a full-fledged team member.

As our list of Japan's IP Experts began to emerge, it was no surprise to us when we started to see some of the country's top law firms represented over and over again. Nakamura & Partners is represented five separate times on our list, by Yoshio Kumakura, Koichi Tsujii, Kazuhiko Yoshida, Kazuko Matsuo and Shinichiro Tanaka. Abe, Ikubo & Katayama, Anderson Mori & Tomotsune and Yuasa and Hara each appear




three different times, and five different firms – TMI Associates, Sugimura & Partners, Nishimura & Asahi, Mori Hamada & Matsumoto and Matsubara, Muraki & Associates each appear twice.

Foreign law firms got in on the action, as well. Hogan Lovells lawyers make four appearances on the list, while Jones Day, Morrison & Foerster and Paul Hastings each have two lawyers on the list.

While most of Japan's IP Experts are based in Tokyo, a few of them have significant practices outside Tokyo, including Takenori Hiroe, chairman of Hiroe & Associates in Gifu in western Japan,

some 40 km outside of Nagoya. Hiroe's firm is consistently ranked by *Asia IP* and Tothers as the top patent and trademark firm in the Tokai region.

Most of the lawyers named to our list have multiple practice specialties. Many of them are litigators, while others concentrate on prosecution work or provide strategic advice.

All of them have something in common: they are experts in their fields and, in one way or another, they provide extra value for their clients. They are *Asia IP*'s Japan IP Experts. 

JAPAN IP EXPERTS TOP 50

NAME	FIRM	PATENTS	TRADEMARKS	COPYRIGHT	ENFORCEMENT	LICENSING & FRANCHISING	MEDIA & ENTERTAINMENT	IT & TELECOMS	PHARMA & BIOTECH	IP Litigation
Atsushi Aoki	Seiwa Patent & Law	✓	✓							
Haruo Awano	Sugimura & Partners	✓								
Frederick Ch'en	Hogan Lovells	✓							✓	✓
Maxwell Fox	Jones Day	✓								✓
Hiroyuki Hagiwara	Paul Hastings	✓								✓
Mami Hino	Abe Ikubo & Katayama	✓						✓	✓	✓
Takenori Hiroe	Hiroe & Associates	✓		✓						
Toshiaki Iimura	Yuasa and Hara	✓	✓		✓					✓
Hiroto Imai	Hogan Lovells	✓								✓
Yoshiyuki Inaba	TMI Associates	✓	✓			✓				✓
Hitomi Iwase	Nishimura & Asahi	✓	✓					✓		✓
Yoshikazu Iwase	Anderson Mori & Tomotsune	✓	✓	✓		✓				✓
Shinya Jitsuhiro	Shiga International Patent Office	✓							✓	
Chie Kasahara	Atsumi & Sakai	✓	✓				✓	✓		
Eiji Katayama	Abe, Ikubo & Katayama	✓							✓	
Hiroshi Kobayashi	Abe Ikubo & Katayama	✓							✓	
Eiichiro Kubota	Kubota	✓	✓							✓
Yoshio Kumakura	Nakamura & Partners	✓	✓						✓	
Masatoshi Kurata	Suzuye & Suzuye	✓						✓		
Toshiaki Makino	Yuasa and Hara	✓	✓							✓
Nobuyuki Matsubara	Matsubara, Muraki & Associates		✓		✓	✓				
Kazuko Matsuo	Nakamura & Partners		✓	✓						✓
Mitsuko Miyagawa	TMI Associates		✓	✓	✓			✓		✓
Yoshiyuki Miyashita	Nishimura & Asahi	✓						✓		
Yutaka Miyoshi	Mori Hamada & Matsumoto	✓	✓		✓			✓		✓
Kiyoshi Muraki	Matsubara Muraki & Associates	✓	✓							
Yasuhiko Murayama	Shiga International Patent Office	✓								
Akihito Nakamachi	Anderson Mori & Tomotsune	✓	✓			✓		✓	✓	
Kenichi Nakayama	Sugimura & Partners		✓	✓						✓
Seiji Ohno	Ohno & Partners	✓				✓				✓
Max Olson	Morrison & Foerster	✓								✓
Yoshifumi Onodera	Mori Hamada & Matsumoto	✓	✓							✓
Kan Otani	Roppongidori Patent & Trademark Attorney	✓								
Kyotaro Ozawa	Paul Hastings	✓								✓
Lloyd Parker	Hogan Lovells		✓		✓					✓
Akihiro Ryuka	Ryuka IP	✓				✓				
Masahiro Samejima	Uchida & Samejima Law Firm	✓				✓		✓		
Yasufumi Shiroshima	Anderson Mori & Tomotsune	✓	✓			✓			✓	✓
Michiru Takahashi	Jones Day		✓	✓	✓					✓
Tomoe Takahashi	Hogan Lovells		✓		✓					
Kensaku Takase	Baker McKenzie		✓		✓					✓
Shinichiro Tanaka	Nakamura & Partners	✓	✓							✓
Koichi Tsujii	Nakamura & Partners	✓	✓			✓				✓
Hajime Watanabe	Shiomizaka	✓	✓	✓		✓				✓
Kozo Yabe	Yuasa and Hara	✓	✓	✓	✓					✓
Chie Yakura	Morrison & Foerster	✓								✓
Kazuhiko Yoshida	Nakamura & Partners	✓	✓			✓				✓
Naoki Yoshida	Finnegan Henderson Farabow Garrett & Dunner	✓								✓





Japan's IP Experts is based solely on independent editorial research conducted by Asia IP. As part of this project, we turned to thousands of in-house counsel in Japan, Asia and elsewhere and around the world, as well as Japan-focused partners at international law firms, and asked them to nominate private-practice lawyers including foreign legal consultants, advisers and counsel.

The final list reflects the nominations received combined with the input of editorial team at Asia IP, which has more

than 40 years of collective experience in researching and understanding Japan's legal market.

All private practice intellectual property lawyers in Japan were eligible for inclusion in the nominations process; there were no fees or any other requirements for inclusion in the process.

The names of our 48 IP Experts are published here. Each IP Expert was given the opportunity to include their biography and contact details on our website, for which a fee was charged.

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Mr. Ryuka is a Japan patent attorney, certified to practice IP litigation in Japan and an attorney at law, California, USA and specializes in electronics, semiconductors, software, data communication, and radio communication. He founded RYUKA IP Law Firm in 1998 and expanded its practice areas to prosecution, licensing, litigation, opinions and custom surveillance in the field of Japanese patent, design and trademark law.

Mr. Ryuka began his career as an electrical engineer of Canon Inc. Later, he joined Tani & Abe Patent Attorneys in Tokyo, where he prosecuted patent applications of foreign and domestic applicants including Canon Inc.

From 1995 to 1998, Mr. Ryuka worked in the Washington, DC office of US firm Cushman Darby &

Cushman (now Pillsbury Winthrop Shaw Pittman LLP), where he mainly prosecuted patent applications for Japanese clients. While in the US he passed the US patent bar exam. At the same time, he established a patent firm in Japan and a translation company in the US, the predecessors to RYUKA IP Law Firm, facilitating business for Cushman Darby & Cushman.

Since founding RYUKA IP Law Firm, he has lectured extensively in Japan and abroad on IP topics, has published numerous articles including detailing RYUKA's invention consulting services (Patent Visualization), and visits clients and attends conferences in the US, Europe, and Asia.

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Mr. Eiichiro Kubota is the founder and Managing Partner of the firm. Mr. Kubota studied at the Faculty of Engineering at the University of Tokyo. He qualified as a lawyer in 1991 and as a patent attorney in 1993.

Between 1991 and 1994 he worked at Nakamura & Partners. In 1994, Mr. Kubota established Kubota Patent and Law Office. He has been a partner of Hogan Lovells leading the Japan Practice from 2008 to 2015.

Since qualifying, Mr. Kubota's practice has centered around IP litigation, particularly patent and trademark litigation, and related matters such as advising on infringement and invalidity. He has a wide range of

experience in other IP related areas such as licensing, and he has also developed expertise in areas including regulatory, general commercial transactions and dispute resolution, bankruptcy, and general technology-related legal issues.



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Ms. Hitomi Iwase is a partner at Nishimura & Asahi specializing in the areas of IP (intellectual property) and IT (information technology). She handles patents, copyrights, trademarks, trade secrets and other IP/IT related matters in multiple business sectors, including IT, life sciences and healthcare, machinery, food, fashion, environment and energy, entertainment, financial services, and e-commerce.

Ms. Iwase's expertise encompasses all forms of IP/IT transactional work, both cross-border and domestic, including licensing, strategic alliances, joint development, and asset transfers, as well as various types of IP/IT

disputes and advising on the development of IP portfolios and prosecution strategies. Ms. Iwase also extensively advises on related areas such as data security, privacy, cybersecurity, e-commerce, advertising, and consumer protection.



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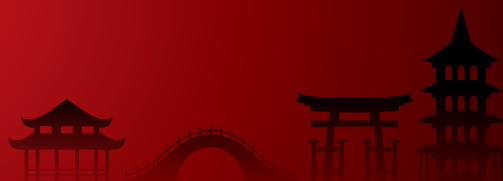
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Mr. Miyashita has extensive experience and expertise in handling numerous transactions and dispute settlements related to IP/IT in a wide variety of industries and practice areas, such as software/telecommunications, motion pictures, digital distribution (electronic books, music, audio-visual works, etc.), electronic devices, cloud computing, big data and IoT. His clients include mass media companies, leading IT vendors, telecommunications companies and motion-picture production & distribution companies and other media and technology-oriented enterprises, as well as a variety of global companies.

He has held the positions of Vice Chairman of the Computer Research Committee of Japan, Federation

of Bar Associations (1993-1997), Special Committee Member of the Copyright Council of Japan, Agency for Cultural Affairs (1995-2002), Working Team Member of International Jurisdiction and Governing Law, Agency for Cultural Affairs (2009-2010), Committee Member of Centralized Administration and Competition Policy, Agency for Cultural Affairs (2010-2012), Chairperson of the China IP Issues Research Committee, SOFTIC (2012-2015) and Chairperson of the OSS Legal Issues Research Committee, SOFTIC (2015-present).



Will sugary drinks face plain packaging laws in Singapore?

In the footsteps of Singapore's move to require manufacturers to affix "front-of-the pack" nutrition labels for less healthy pre-packaged sugar-sweetened beverages, the industry wonders if plain packaging laws – or an outright ban – lie ahead. *Excel V. Dyquiangco* reports.

Singapore's Ministry of Health has recently introduced measures to require manufacturers to affix "front-of-the pack" nutrition labels for less healthy pre-packaged sugar-sweetened beverages. The sugar-sweetened beverages are assigned a grade based on their nutritional level, in particular sugar levels and the amount of fat and trans-fat, which are colour-coded and reflected on the nutrition labels.

Furthermore, the Ministry of Health also seeks to ban advertisements of the sugar-sweetened beverages that are given the lowest grades under the labelling

scheme on all mass media channels and online channels in Singapore.

According to Kala Anandarajah, partner and head of the competition and antitrust and trade practice at Rajah & Tann in Singapore, the requirement is for nutrition labels to be affixed on the packaging of sugar-sweetened beverages is to enable consumers to identify the less healthy beverages and, in turn, make more informed and healthier choices.

"The nutrition label operates as a warning label against the least healthy products, providing a clear indicator for products to avoid," she says. "We believe

that this requirement for more explicit nutrition labelling is a good first step to increase consumer awareness and promote more responsible behaviour amongst consumers alike, before more drastic measures are adopted to reduce the population's intake of sugar in drinks. Sugary drinks, when taken at a young age can have lifelong consequences for the health of children; hence, this is to be welcomed."

Anandarajah says that by focusing on the least healthy sugar-sweetened beverages – and if the demand for such sugar-sweetened beverages decreases – manufacturers may be induced to reformulate so as to obtain better ratings and encourage consumers to purchase their products. In fact, in 2017, seven major soft drinks manufacturers, which make up 70 percent of the total pre-packed sugar-sweetened beverages market in Singapore, agreed to reduce sugar content in all their drinks to 12 percent and below by 2020.

Drinks that were above the sugar limit and are affected include Coca-Cola's A&W sarsaparilla; Schweppes bitter lemon and Fanta Strawberry; PepsiCo's Mug root beer and Mountain Dew; Pokka's soursop juice drink and guava juice drink, as well as partner brands that it manufactures for including Kickapoo, Sinalco and Green Spot; and Yeo Hiap Seng's tamarind juice drink.

The Ministry of Health at that time said the move could potentially reduce sugar consumption from these beverages by about 300,000 kilograms per year. The announcement came on the heels of Prime Minister Hsien Loong Lee's 2017 National Day Rally, at which he urged Singaporeans to cut back on sugary drinks, as they are significantly increasing their risk of diabetes by having such drinks.

The ministry undertook an eight-week public consultation on managing such beverages, hearing from businesses as well as the public at large and eventually arrived at the above decision. The process also involved extensive reviews of both international and local evidence regarding such measures, which are being put in place as part of the government's war on diabetes, which is a major health problem in Singapore, to cope with the rapidly ageing population.

Plain packaging and intellectual property

Predictably, concerns from those in the intellectual property community have been raised of a feared move toward plain packaging in connection with sugary drinks, and the slippery slope it could lead to involving tobacco products other unhealthy foods. "Whilst I fully understand the government's grave concerns about addictions and health issues related to heart and lung disease and diabetes, and I support measures to address those, a balance has to be struck with other relevant concerns which include those of an economic in nature. Tied with that are the intellectual property rights and other intangibles of brand owners," says Francine Tan, director of the Francine Tan Law Corporation.

She continues: "Singapore has branded itself and gained in stature on the world stage as a regional IP hub, which strongly supports the recognition, protection and enforcement of IP rights. It has effective laws in place and a highly-respected court and enforcement agencies. The implications for brand owners who have made huge investments not only into building up brand recognition, loyalty and trust, but also in R&D, would be severe and therefore should be taken into account. Some studies – for instance, from Brand Finance – on this issue show that there may be larger economic impact that results from restrictions on the scope of intellectual property rights."

Tan posed several questions with regards to the concerns on the IP front, particularly regarding tobacco products, but which she notes are also applicable to food items. Tobacco products have already faced plain packaging restrictions in many jurisdictions – and will only be sold in standardized packaging with enlarged graphic health warnings in Singapore from July 1, 2020.

First is the issue of counterfeits. "How can the customs authorities and other enforcement agencies handle the anticipated problems associated with counterfeits since it would be much easier for counterfeits to be produced?" she asks. "And what of the health issues related to the purchase by unwitting customers who buy counterfeit and inferior-quality cigarettes, since they are unable to discern one plain packaging of their preferred brand from another?"

Second, how will a brand owner of a product which has developed a new logo for instance, which is used and registered overseas, seek registered protection of its logo in Singapore?

"There can be no use nor an intention to use the logo on tobacco products in Singapore; use or an intention to use are ultimately basic requirements for the securing of a trademark registration in Singapore," says Tan. "The TRIPS Agreement states that 'the nature of the goods or services to which a trademark is to be applied shall in no case form an obstacle to registration of the trademark.' At the same time, the Singapore Trade Marks Act requires applicants to state that the trademark is being used in the course of trade in relation to those goods or services; or that the applicant has a bona fide intention that the trademark should be so used. The hypothetical tobacco products brand owner will not be able to apply for nor register the logo in Singapore. This means an absence of registered trademark protection for the logo in Singapore. This provision seems inconsistent with the TRIPS Agreement and Singapore's commitment to protect IP rights. It is hoped for issues like these to be addressed."

Is banning sugary drinks the next step?

Along with the scheme for tobacco plain packaging, many are now calling for the banning of sugary drinks such as soda, or even junk food and other unhealthy products. So is this the next logical step?

For Tanya Tang, a partner at Rajah & Tann in Singapore, her team does not see the steps taken as a step towards banning sugary drinks and junk food.

She says, “In the Ministry of Health’s consultation, 48 percent of the respondents supported a ban on the sale of higher-sugar sugar-sweetened beverages as it would remove access to such beverages. However, valid concerns were raised regarding deprivation of consumer choice, and that consumers may nevertheless substitute pre-packaged sugar-sweetened beverages with other sugary options or purchase the banned sugar-sweetened beverages from other countries. It is better education than a removal of consumer choice that must be promoted.”

The industry has also disagreed with the introduction of a nationwide ban, as consumers could easily substitute banned sugar-sweetened beverages with alternative sources of sugar.

Instead of banning sugary food and junk food, Anandarajah proposed other next steps that may include the following suggestions:

- Some respondents suggested a ban in selected settings (e.g., hospitals and schools) instead of an immediate nationwide ban.
- Further strengthening educational efforts on the sources of sugar in our diet and the harmful effects of a high sugar intake.
- Tackling other sources of sugar, including freshly-prepared sugar-sweetened beverages and sugary foods (such as bubble tea and blended coffee drinks).
- Increasing the availability of water, such as installing water dispensers in hawker centres.
- Subsidizing healthier foods and drinks.

“Our view is that an outright ban will lead to counter-productive efforts to circumvent the ban, and lead to illegal activity associated with the sale and consumption of the banned substance,” says Anandarajah.

After tobacco

This proposal of plain packaging for sugary drinks and other unhealthy products comes after the amended Tobacco (Control of Advertisements and Sale) Act (Tobacco Act) and Tobacco (Control of Advertisements and Sale, Appearance, Packaging and Labelling) Regulations 2019 (Tobacco regulations) that require all tobacco products to have standardized packaging and enlarged graphic health warnings. The aim of the new laws on using plain packaging for tobacco is really to reduce the appeal and attractiveness of both the packaging and tobacco itself and also to remove packaging as an avenue for advertisement and promotion. As a whole, the new laws are also in line with Singapore’s existing tobacco control measures to discourage smoking, such as taxation, bans on tobacco advertising, point-of-sale display ban and the minimum legal age for tobacco.

The result of this new law is that plain packaging of tobacco is already considered a success. More and more countries are now adapting this law into their system: the United Kingdom, Ireland, New Zealand and Norway are already in full implementation; Hungary, Saudi Arabia, Slovenia and Uruguay, meanwhile, have varying stages of implementing standardized packaging. Canada recently concluded a public consultation on the draft specifications on the proposed measure. Burkina Faso, Georgia, and Romania have also passed enabling legislation for standardized packaging, but have yet to announce the date for full implementation.

Other countries considering standardized packaging at the legislative or governmental level include Brazil, Chile, Ecuador, Panama, South Africa, Sri Lanka and Mauritius. In Asia, Thailand was the first country to implement plain cigarette packaging with effect starting last December. Malaysia is also reportedly considering introducing plain packaging for cigarettes, as it was part of the World Health Organization’s Framework Convention on Tobacco Control, to which Malaysia became a party in 2005.

“Given that this requirement is part of the World Health Organization’s guidelines, we expect more countries to adopt such measures over time,” Anandarajah says.

With these laws in place, experimental studies have shown, in fact, that plain packaging is perceived by consumers – in particular, younger consumers – as “dull and boring” and cheap-looking, and thus may reduce the flair and appeal associated with smoking.

For enlarged graphic health warnings, studies have shown that health warnings on plain packs were seen as being more serious than the same warnings on branded packs. The larger and more prominent a health warning, the more likely it is to that consumers will recall the warning.

In Singapore, a study carried out by the Health Promotion Board (HPB) to assess Singaporeans’ perceptions of current and plainer cigarette product packaging found that the current cigarette pack designs influence both smokers’ and non-smokers’ perceptions towards various attributes of the cigarette packs. The findings are as follows:

- Attractive pack designs were associated with high quality cigarettes and increased likelihood of attracting youth to try such products. Among a significant minority of non-smokers, the perceived pack attractiveness was associated with the intention to try smoking.
- Plainer or standardized packs were generally seen as less attractive compared to current cigarette packs.
- The HPB’s findings from other local studies also indicated that packs with darker colours and at least 75 percent graphic warnings were considered by Singaporeans to be least attractive and perceived to be more harmful to health.
- Health warnings on packs with at least 75 percent

graphic warnings and darker colours were also more noticeable compared to packs with just 50 percent graphic warnings.

The tobacco industry also reported on some of the effects of the plain packaging law in the United Kingdom, noting that some may similarly apply in Singapore:

- Tobacco companies may take advantage of the transition period to extend the presence of fully-branded packaging as a marketing tool.
- Prices may be lowered, as tobacco companies claim that price would be the only way that brands

could compete, although this was not the case in UK.

- Tobacco companies may seek to exploit gaps in the policy and develop ways to keep their products appealing (such as by including a resealable inner foil to preserve freshness or offering innovative filters or packaging with bevelled edges).

Given all of this information, lawyers note that it still remains to be seen whether sugary drinks and other products will follow the route on plain packaging. ^{AP}

"The nutrition label operates as a warning label against the least healthy products, providing a clear indicator for products to avoid. This requirement is a good first step to increase consumer awareness and promote more responsible behaviour amongst consumers."

—KALA ANANDARAJAH,
partner, Rajah & Tann, Singapore

"I fully understand the government's grave concerns about addictions and health issues related to heart and lung disease and diabetes. But a balance has to be struck with other relevant concerns, including the intellectual property rights of brand owners."

—FRANCINE TAN, director,
Francine Tan Law Corporation,
Singapore

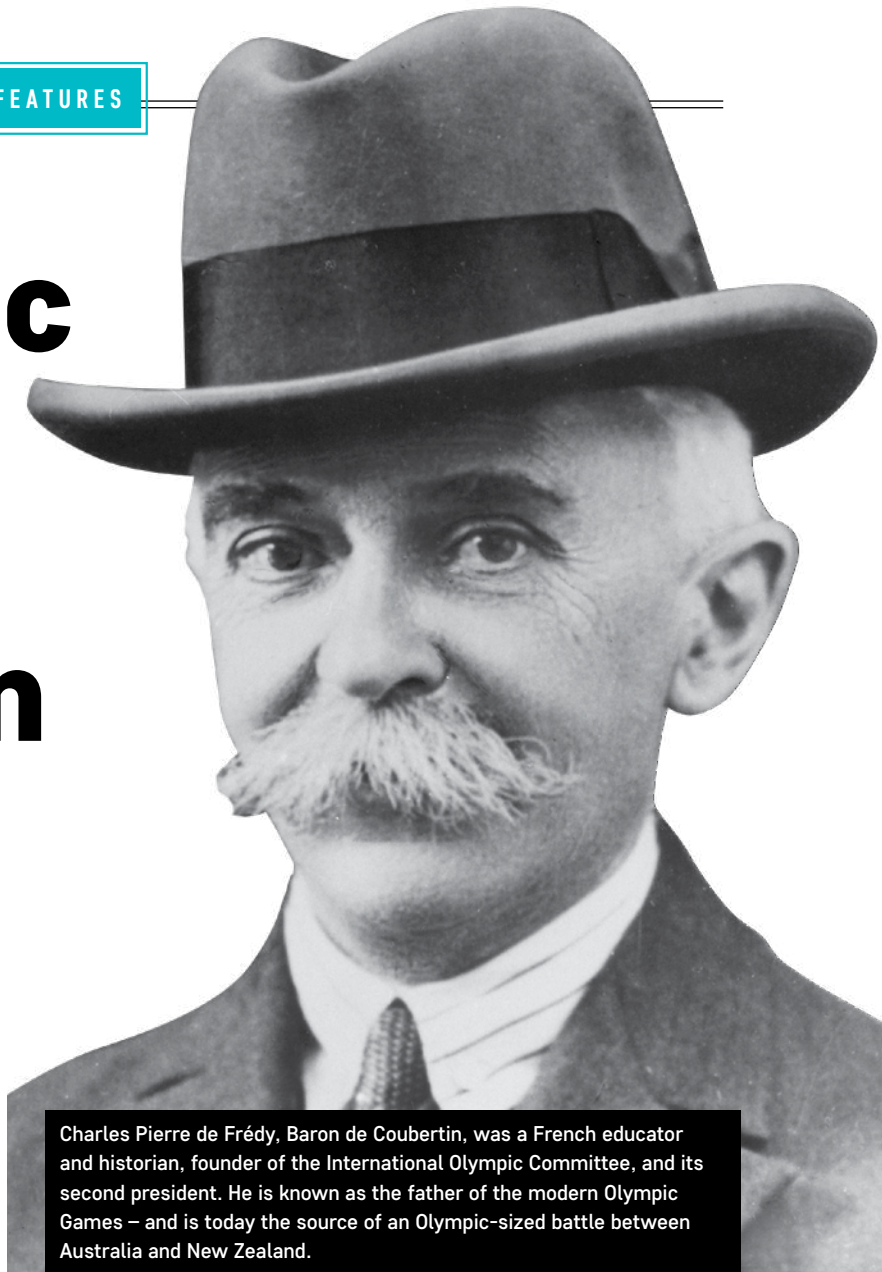
"Concerns were raised that consumers may substitute pre-packaged sugar-sweetened beverages with other sugary options or purchase the banned sugar-sweetened beverages from other countries. It is better education that must be promoted."

—TANYA TANG, partner, Rajah
& Tann, Singapore



An Olympic drama in the courtroom

An Olympic-sized battle is raging in the courtroom over use of the name of Pierre de Coubertin, who spearheaded the revival of the modern Olympic Games. *Espie Angelica A. de Leon* reports.



Charles Pierre de Frédy, Baron de Coubertin, was a French educator and historian, founder of the International Olympic Committee, and its second president. He is known as the father of the modern Olympic Games – and is today the source of an Olympic-sized battle between Australia and New Zealand.

BARON PIERRE DE COUBERTIN.

Does the name ring a bell?

As elite athletes all over the world prepare for the ultimate sports battlefield that is the Olympic Games set in Tokyo this July, another Olympics-related kind of battle is taking place. Only this time, it's raging inside the courtroom and, yes, it does involve Baron Pierre de Coubertin.

So who is Baron Pierre de Coubertin?

The man is a legend in the pantheon of Olympic movers and heroes. A French educator in the late 1800s, he spearheaded the revival of the Olympic Games and became a founding member of the International Olympic Committee (IOC), an organization for which he served as president from 1896 to 1925.

More than 100 years after the modern Olympic Games were revived in Athens, the Olympics continues to be held every four years in major cities of the world

like Tokyo, which first hosted the Games in 1964. Olympic gold medalists come home to their countries as heroes, earning accolades and providing inspiration. Many of them gain material wealth as well.

And what about Baron de Coubertin?

The man is enshrined in Olympic history, his sporting legacy to the world undenied.

New Zealand

The legal tussle began when the IOC opposed Dutch company Tempting Brands' registration of the name Pierre de Coubertin for its menswear collection. These items are sold in different countries, including New Zealand and Australia. The IOC opposed the registration in these two countries. It said that though they did not register the trademark in the country and use it, de Coubertin is popular among New Zealanders who purchase merchandise from the IOC's brick and mortar museum shop in Lausanne as well as online.

The Intellectual Property Office of New Zealand (IPONZ) dismissed the IOC's opposition. According to IPONZ, not enough evidence on the awareness of Pierre de Coubertin as a trademark in the country was presented.

In the article "New Zealand vs Australia: Battle over rights to the name of the modern Olympic Games' founder, Pierre de Coubertin," published on the Davies Collison Cave website, Nick Holmes, a principal, and Janette Li, a trademark attorney, at Davies Collison Cave in Melbourne write: "In particular, the evidence of Pierre de Coubertin as a historical figure associated with the Olympic Games did not constitute use of the name as a trademark. Furthermore, in relation to the IOC's evidence of its use of 'Pierre de Coubertin' online, the majority of that evidence did not refer to the IOC and there was no evidence of the number of New Zealand visitors to those pages. There was also no evidence as to whether New Zealanders visited or purchased from the Olympic Museum Store in Lausanne."

Also, the IOC said that New Zealanders are interested in sports and the Olympics and, as such, they are aware of de Coubertin's ties to the Olympics. The Davies Collison Cave article notes that IPONZ labels this as "merely expressions" of opinion.

Paul Johns, head of the dispute resolution practice at Baldwins in Auckland, agrees with the IPONZ ruling.

"I note that the IPONZ ruling has been upheld on appeal by the High Court of New Zealand. In order to succeed, the opponent needed to prove that the name Pierre de Coubertin had at least some reputation with consumers of the relevant goods in New Zealand," Johns says. "There appears to have been little or no New Zealand specific evidence demonstrating this. The assistant commissioner at first instance seems to have thought that this reputation would need to have accrued through use of the name as a trademark and by the IOC itself. This may not be strictly correct. Section 17(1)(a) of the Trade Marks Act 2002 prohibits registration of mark, the use of which is likely to deceive or cause confusion. It would be possible for New Zealanders to be confused if they knew of Pierre de Coubertin and his connection with the Olympic movement, even if the IOC had not used his name as a trademark in New Zealand. Consumers could well still assume goods sold under the 'Pierre de Coubertin' mark were connected with the IOC if they closely associated that name with the organization. In any event, there was no evidence filed that New Zealand consumers made such a close association, although such evidence may well have been available had it been looked for."

Johns himself recalls having been taught about de Coubertin's role in the Olympic Games at primary school. He adds that the Olympics is very popular among New Zealanders.

"Olympic gold medal winners become household names and are sought after by advertisers to endorse

a wide range of goods and services. It is a criminal offence in New Zealand to use without authorization various words and symbols associated with the Olympic Games, suggesting that use of such material is taken to be likely to deceive or confuse. My belief is that Pierre de Coubertin's name and his association with the Olympic movement would be well known in New Zealand," says Johns.

According to the article, the IOC neither filed written submissions nor appeared at the opposition hearing.

"Although it might have made some difference if the IOC filed written submissions and/or attended the opposition hearing in New Zealand to highlight particular parts of its evidence, the simple fact is that the evidence was not sufficient to establish the grounds," says Li. "This was demonstrated when the IOC appealed the decision in the High Court of New Zealand and affirmed the IPONZ decision, which indicates that despite the IOC's advocacy, the IOC's lack of direct evidence of use in New Zealand proved to be insufficient in any case."

Johns agrees that it would not have made a difference, saying that the IOC and Tempting Brands appeared at the High Court appeal hearing. Both parties also had seasoned IP specialist barristers. Yet, the IPONZ decision was upheld.

"Had the IOC appeared at first instance, its counsel could have tried several ways to improve its case if the problems with its evidence became apparent at the hearing," Johns explains.

"First, counsel could have emphasized any evidence at all showing that the name Pierre de Coubertin is known in New Zealand. It appears that this was attempted on appeal but the evidence was simply not sufficient. Secondly, counsel could have suggested that Pierre de Coubertin and his connection with the Olympic Games, were so notoriously well-known in New Zealand that the assistant commissioner could accept those facts without requiring evidence, as permitted under the Evidence Act 2006. This approach does not appear to have been taken on appeal. It would have required convincing the judge that the presumed reputation was so well established that it could not be reasonably questioned, which is a very high threshold. Such an argument might succeed with incredibly well-known deceased figures, for example Adolf Hitler and his connection to Nazism, but perhaps not for more mildly famous figures. Thirdly, counsel for the IOC at first instance could have emphasized that Section 17(1)(a) does not necessarily require an opponent to prove reputation through use of the relevant mark either as a trademark, or use by itself. Other circumstances can still give rise to a likelihood of confusion or deception. This point does appear to have been raised on appeal but failed for lack of evidence even to support that argument."

According to Johns, *Comite International*

Olympique v. Tempting Brands Netherlands emphasizes the well-established need to file evidence of high quality at first instance in New Zealand trademark oppositions.

“It should be noted that IPONZ proceedings generally require evidence of a standard suitable for High Court litigation. This is because the High Court hears appeals from IPONZ on the same evidence,” he says. “There is only a very narrow right to adduce new evidence on appeal, generally limited to evidence not available earlier.”

Citing *Not Your Average Backyard Variety Swing Limited v. Elvis Presley Enterprises*, Johns says the two cases are similar.

“In the opposition proceeding, the opponent failed to establish the requisite reputation in New Zealand having filed evidence focused on Elvis Presley’s international reputation with no direct reference to New Zealand. In this case, the relevant services – canyon swing services promoted to tourists and thrill seekers – were also not very closely associated with Elvis Presley,” he explains.

As Johns mentions, the IOC appealed the decision. The High Court of New Zealand dismissed the appeal on September 30, 2019.

Australia

In Australia, however, the story is different.

The IOC filed submissions and appeared at the hearing. On March 25, 2019, the Australian Trade Marks Office (ATMO) ruled in favor of the IOC.

The IOC’s evidence included materials about the yearly Pierre de Coubertin Award and its 15,862 awardees who come from all around Australia. Some of the articles constituting the evidence mentioned that the award is named after the founder of the modern Olympic Games.

Established by the Australian Olympic Committee in 1992, the Pierre de Coubertin Award is given to secondary school students who take part in sports activities and embody the values and ideals of the Olympics.

“[The Pierre de Coubertin Award] does receive some media attention each year, but it does not seem clear that it is widely known by most Australians,” says Holmes, who is also a trademark attorney.

The IOC also gave statements that Australians are indeed familiar with de Coubertin since he was honored at the Olympic Games in Melbourne in 1956 and in Sydney in 2000 and in other public occasions.

“In the ATMO decision, the delegate accepted that the Australians are aware of Pierre de Coubertin because he is honoured publicly in numerous ways,” says Li. “This is to be contrasted with the IPONZ decision where similar evidence was held not to demonstrate the requisite level of reputation required to establish a connection between Pierre de Coubertin and the IOC.”

Asked if he personally thinks that Baron Pierre de Coubertin is known to many Australians as the founder of the modern Olympics, Holmes doubted that the general public is aware of that connection. However he noted that the relevant opposition ground does not necessarily require a significant proportion of the general public to be aware of the connotation conveyed by the name Pierre de Coubertin.

In the end, the IOC was able to prove that indeed, the use of “Pierre de Coubertin” as trademark for menswear by Tempting Brands will be likely to deceive or cause confusion in the Australian market.

While he agrees with the IPONZ ruling, Holmes questions the ATMO decision.

“The evidence presented to ATMO did not necessarily establish that a sufficient proportion of



Australian consumers were aware of the connotation in the name Pierre de Coubertin to demonstrate the requisite level of likely consumer confusion to establish the relevant opposition ground,” he says.

In contrast, John believes otherwise.

“Section 43 of the Australian Trade Marks Act 1995 is in similar terms to New Zealand’s Section 17(1)(a) and is applied in a similar way,” he explains. “In contrast to New Zealand, there was evidence in the Australian proceeding showing specifically that the name Pierre de Coubertin was known in Australia in connection

with the Olympic movement. There was therefore an evidential basis, absent in New Zealand, for finding that some Australians at least might be deceived or confused by the use of that name as a trademark by an entity not connected with the Olympic movement.”

With Tempting Brands having filed an appeal at the Federal Court of Australia, the legal battle in Australia is not over. The next case management hearing was set for January; the Davies Collison Cave lawyers anticipate the decision to be handed out in the middle of the year. 

"The evidence presented to ATMO did not necessarily establish that a sufficient proportion of Australian consumers were aware of the connotation in the name Pierre de Coubertin to demonstrate the requisite level of likely consumer confusion to establish the relevant opposition ground."

—NICK HOLMES, principal,
Davies Collison Cave, Melbourne



"The IOC appealed the decision in the High Court of New Zealand and affirmed the IPONZ decision, which indicates that despite the IOC's advocacy, the IOC's lack of direct evidence of use in New Zealand proved to be insufficient."

—JANETTE LI, trademark
attorney, Davies Collison Cave,
Melbourne



"Consumers could well assume goods sold under the 'Pierre de Coubertin' mark were connected with the IOC if they closely associated that name with the organization."

—PAUL JOHNS, head
of the dispute resolution
practice, Baldwins, Auckland





California's Fair Pay to Play Act

A state law in California may soon allow intercollegiate athletes in that state to benefit financially from the use of their name, image and likeness. *Excel V. Dyquiangco* explains what that means to some athletes in the US – and why a similar law is unlikely in Asia.

In October 2019, California Governor Gavin Newsom signed the Fair Pay to Play Act, where every college student – including athletes – may monetize their name, image and likeness using any entrepreneurial strategy they can devise, including selling access to their social media followers, marketing goods and services online and entering into endorsement deals.

Further, the act shall also ensure that the college students get their fair share of the revenue, the rights to harness which, as it appears, currently resides with

the National Collegiate Athletic Association (NCAA). Every college athlete who wishes to play American football or basketball at the intercollegiate level has to sign an agreement with the NCAA to assign all name, image and likeness rights to the association. The NCAA, being the sole authority managing affairs of upper-level intercollegiate athletes, has nearly exclusive bargaining power, thereby leaving the athletes at the hands of the NCAA officials and bylaws, which do not allow the athletes any share of the revenues earned.

“While the act specifically states that it is applicable

to student athletes, we are of the opinion that such an act would be a welcome change for athletes, even for those who do not pursue a sport professionally,” said Pravin Anand, managing partner at Anand and Anand in Noida. “Given the current situation, there appears to be a vast disparity between the compensation provided to [professional] female athletes compared to their male counterparts in various sports and [to athletes in sports] other than basketball and American football, which account for the majority of the revenue received through broadcasting and exploitation of athletes’ right to publicity.”

Anand added that this is also the case in India where revenue generation has immense disparities when comparing cricket to the other sports that are played in India.

“In such a case where an athlete chooses not to pursue a professional contract in sports, the revenue already generated by the athlete through the exploitation of their right to publicity would act as a buffer or launch pad for that individual,” he said. “Furthermore, to put in the simplest of manner, if an athlete cannot earn a justified income in college while pursuing the sport of their liking, the chances of them becoming a professional athlete in that sport are slim or next to none. Hence, the act can change this situation for the better as the revenue earned by rectifying the disparities that have already been created due to laws and by-laws regarding the exploitation of their right to publicity.”

With this new law in place, the California state law now turns the tide to the NCAA to act next, placing a deadline for the organization to come up with a real solution. As it appears, the NCAA does not want different states to have different laws about likeness rights, so effectively, virtually every student-athlete in the United States now has an ability to market their own likeness.

Anand said that an act like the Fair Pay to Play Act may present challenges that legislatures, state associations, school districts and scholastic athletic personnel will need to address in order to prevent the exploitation of college athletes. He added that as with any instance of marketing of likeness of an individual, the following are a broad spectrum of issues that may arise:

- Since the law allows student athletes to appoint agents, there is a high possibility that some firms or agencies will begin pursuing athletes for their name, image and likeness rights early in high school or even while they are still in middle school, either by directly reaching out to the athletes and family members, or through the indirect route of communicating offers through the wide variety of “handlers” who for decades have created havoc in the sports world by often acting in their own self-interest as opposed to the best interests of young student-athletes.

- Timing questions as to when name, image and likeness rights will attach for those athletes as they transition from high school to university-level sports.
- The compensation rubric that will be implemented for the flow of name, image and likeness monies to college athletes and the related name, image and likeness publicity and recruiting promises that will be communicated by universities to high school prospects. The law appears to contain no limitations on the activities related to name, image and likeness or payments by boosters.
- The passing of the bill may also resurrect the long-pending debate between the O’Bannon case (2014) and the University of Oklahoma case (1984). In the first instance, the court held that to prevent the true nature of sports, athletes must not be paid; in the latter, the court held the NCAA’s bylaws were an unlawful restraint of trade, and thereby unconstitutional.
- This particular law being a state law, it will apply only to the state of California, while laws and rules relating to college athletes should be similar for athletes from colleges of other states, as well. As the competitions in which universities participate are often on the national platform, any privilege to athletes of colleges of a particular state would not be fair, or possibly even unconstitutional, Anand says. Therefore, university athletic programs and student-athletes need governance via a uniform, nationwide set of regulations, not a patchwork of inconsistent state laws.
- The law violates the principles of amateurism that have historically been the foundation of college sports.

"A statutory codification of the right to publicity will lead to greater protection to rights of various celebrities and athletes and sportspersons."

—PRAVIN ANAND,
managing partner, Anand
and Anand, Noida





- The Fair Pay to Play Act legalizes economic exploitation of publicity rights, something contrary to the NCAA norms, and which could lead to universities in California being delisted from the NCAA competitions and tournaments, thereby preventing athletes of these such colleges from exhibiting their talent at various national platforms and showcase events, which are events where professional teams scout for future players.


“Considering the existing mechanism of managing the student-athletes’ right to publicity, the aforesaid essentially give up their right of publicity protections when they agree to play collegiate sports,” Anand added. “NCAA regulations prohibit student-athletes from receiving compensation for the commercial use of their name and likeness. Therefore, student-athletes are prohibited from exploiting their right of publicity as professional athletes do. As per our understanding, when student-athletes assign the rights of publicity to the NCAA, they receive a scholarship and the opportunity to play for their respective institutions. The maximum a student-athlete can receive [in exchange] is a full-tuition scholarship. However, the NCAA is permitted to exploit the names, image, and likeness of student-athletes in their licensing agreements and broadcasting agreements. Thereby, if the NCAA can harness the name, image and likeness of a college athlete, why can’t the athlete himself benefit from the same until the time the athlete is actually involved in the sport?”

Anand said that the concept of personality

or publicity rights regarding the protection of an individual’s name, likeness and image is still at a nascent stage. “While there is no specific statute in India regarding personality rights, the courts in India, through various judgments, especially *ICC Development (International) v. Arvee Enterprises* have read the right to publicity into Articles 19 and 21 of the Indian Constitution by calling it an inherent part of the right to privacy, an established constitutional right,” he said. “Similarly, Japan, through judicial precedents recognizes the right to publicity. The same was recognized through the Pink Lady case wherein certain parameters were given regarding any use of an individual’s right to publicity, while also making reasonable exceptions for their use in certain situations like media reports, comments and news.”

He continued, “Furthermore, China through its civil law and advertising law has codified the protection offered to publicity or image rights. Specific authorizations are required in order to exploit an individual’s aforesaid rights and thus make it an individual’s exclusive right.”

Anand added that it is imperative to note that college sports are not nearly as widely publicized or broadcast in Asia – or most of the rest of the world – as they are in the United States. While the Fair Pay to Play Act may come as a welcome windfall for intercollegiate athletes in the US, the same does not seem to have a similar applicability in Asia.

“Nevertheless, we are of the opinion that a statutory codification of right to publicity will lead to greater protection to rights of various celebrities and athletes and sportspersons,” he said. 



ASEAN

Singapore: Applications for declaration of invalidity against trademark registrations Microarch, Sentalloy and Bioforce
Tomy Incorporated v. Dentsply Sirona Inc. [2019] SGIPOS 13

This matter involved three invalidation proceedings instituted by Dentsply Sirona, Inc. (the applicant) against Trade Mark Registration Nos. T1301268F for the mark “Microarch”, T1301266Z for the mark “Sentalloy”, and T1301267H for the mark “Bioforce” (collectively, the subject marks) that were registered in the name of Tomy Incorporated (the proprietor).

The applicant sought to invalidate the registrations of the subject marks under Sections 8(7) (a), 8(2)(b), 8(4)(b)(i), and 7(6) read with Sections 23(1) and 23(3) of the Singapore Trade Marks Act.

Background and the relationship between the parties

There was a longstanding relationship between the parties, dating back to 1967 when one of the applicant’s subsidiaries, GAC International, Inc. (now known as GAC International LLC) (the term GAC will be used to refer to this entity, whether under its previous or current name), was appointed as a distributor of the proprietor’s orthodontic products. The intentions and agreement between the parties with regard to the ownership and use of the subject marks as could be gleaned from their past and existing relationship were set out in the relevant agreements between them, namely the agreement on January 4, 1986; followed by an agreement on September 1, 1998; another on December 1, 2004; and the latest on March 22, 2012.

Based on the common thread across the three latter

agreements (collectively, the last three agreements), there were two categories of marks – the Tomy Trademarks that belong to the proprietor, and a list of existing trademarks (which included the subject marks) that belong to GAC and/or its affiliates (including the applicant). Ownership of rights in the subject marks clearly vested in the applicant, while ownership of rights in the Tomy Trademarks clearly vested in the proprietor. While there were changes in the agreements over the years in relation to the exclusivity of parties’ rights and territories concerning the sale of the orthodontic products, no change was made to the ownership of the intellectual property rights.

Furthermore, it was a term in the last three agreements that neither party should directly or indirectly do anything which would impair the value or validity of any of the other party’s trademarks, trade names, brand names or any





other similar industrial or other intangible property or rights which the other party owned or possessed or would own or possess in or outside the territory in the future.

Issues and decision of the registrar

Ground of invalidation under Sections 23(1) and 7(6) and decision thereon

The applicant sought to invalidate the registrations of the subject marks in the name of the proprietor under Sections 23(1) and 7(6) of the Singapore Trade Marks Act on the basis that the applications were made in bad faith.

The registrar noted that in the last three agreements, the proprietor did not have rights to own the existing trademarks or to use the existing trademarks (which included the subject marks) in an exclusive way. It was clear from this that the ownership of the existing trademarks (which included the subject marks) in all the territories was always intended to remain with GAC and its affiliates (including the applicant). It was also for this reason that the proprietor had to be given a limited non-exclusive licence to

use the existing trademarks (which included the subject marks) in conjunction with the production and sale of orthodontic products to GAC, until the termination of the agreement.

Based on the common thread across the last three agreements, the registrar found that the ownership of rights in the subject marks clearly vested in the applicant, while ownership of rights in the Tomy Trademarks clearly vested in the proprietor.

The registrar opined that with the knowledge of the terms of agreement between the parties with regard to the ownership of rights in the subject marks and the non-dilution clause associated therewith, the proprietor's act of registering the subject marks that were the property of GAC and its affiliates (including the applicant) amounted to hijacking of GAC's trademarks and impairing the value or validity of GAC's trademarks. It clearly fell outside the scope of acceptable commercial behaviour observed by reasonable and experienced persons. Furthermore, there was no evidence of use in Singapore of any of the subject marks by the proprietor after 1998. On the contrary, post-1998, the evidence

pointed to use in Singapore by the applicant instead.

Taking into consideration all the surrounding circumstances, the registrar concluded that the applications were made in bad faith.

As the proprietor's registrations for the subject marks were found to be invalid on the ground that the applications were made in bad faith, the registrar opined that it was unnecessary to decide whether the registrations were also invalid on other grounds.

In view of above, the registrar held that the applications for declarations of invalidity succeeded under Section 23(1) read with Section 7(6) of the Singapore Trade Marks Act. Therefore, Trade Mark Registration Nos. T1301268F for the mark "Microarch", T1301266Z for the mark "Sentallo", and T1301267H for the mark "Bioforce" were declared invalid. The registrar's decision is presently on appeal before the Singapore High Court.^{ALP}

ABOUT THE AUTHORS

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