Contents & Abstracts

Note: These abstracts have been written in Japanese and the National Center for Industrial Property Information and Training (INPIT) translated into English for reference. INPIT is entirely responsible for any errors in expressions or descriptions of the translation. In the event of any discrepancy between the Japanese original and the English translation, the Japanese text shall prevail.

Currently, it is expected that by sharing data generated through IoT, platforms, or the like with AI models optimized for products and services would be provided. Data is one of the important resources with great demand. In recent years, the EU has proposed a series of digital regulations allowing access to the data in private company, and the Data Act partially permits B2B (and B2C) data sharing on a mandatory legal basis. The main purpose of Data Act is to unlock the concentrated data in the platform or the like, and to facilitate access to behavioural data accumulated through the IoT devices. Some academics in EU insist that data access should cover not only the observed data but also the derivative data and the inferred data.

However, Data Act grants consumers access to data (B2C; data portability), against a background of consumer sovereignty, including GDPR. Data Act extends this framework to share with third parties (B2B). In addition, Data Act assumes that automated generated data through IoT devices are not copyrightable. Data Act is not designed for AI development: the intermediate products of AI development and AI models are the results of many contributions, including datasets, software, the domain knowledge of data providers and the know-how of AI developers, and these contributors are in competition. They furthermore have high value for the purpose of retraining and thus the high demand for their exclusive use conflicts sharply with each other. The Data Act also overlooks the diversity of data markets and regulates cases where market failures do not occur, which causes adverse effects in terms of data free-riding and lack of investment in data collection, management and use. It also clashes with the private legal order, including intellectual property law (e.g. trade secret protection, copyright law, etc.), and may conflict with the GDPR.

In order to reduce these risks, Japan is promoting data sharing through soft law, such as METI Contract Guidelines on Utilization of AI and Data (METI guidelines). It tries to achieve the data sharing, by multi-level contracts as the part of larger contracts for trade secret, software or AI development, cloud services, etc., although it still has some problems.

This paper analyses the limitations and problems of data sharing from a legal theory perspective, with reference to the Data Act and METI guidelines, in light of the actual use of data in IoT and AI development, and seeks solutions to these issues.

■ Protection for Designs of Metaverse Objects and Its Impact on Creative Activities - Focusing on Design Act and Unfair Competition Prevention Act §2(1)(iii) - ·····31

SEKI Masaya

As economic transactions in the metaverse are gaining momentum, cases of providing digital data that imitate designs of other persons' products have attracted attention, and lively discussions have started regarding the expansion of protection under various intellectual property laws, including the Design Law and Article 2, Paragraph (1), Item (iii) of the Unfair Competition Prevention Act.

In this discussion, there are requests to protect the legitimate interests of the party subjected to imitation, while, at the same time, ensuring that there is no effect of stifling creators in their creative activities. The activity of creating conventional content, as represented by games, falls under the Copyright Act, which provides that, as long as the content is created independently without relying on others' works, there is no infringement of rights even if the works are similar to each other by chance, and this ensures free creative activity. The metaverse has aspects close to the actual situation of such content creation. Bringing in the discipline of the Design Act, under which an infringement may be recognized even if the creation is original, would cause confusion and may stifle creative activities.

When looking at the discipline of the protection of image designs from this perspective, attention should be paid to the argument that it is sometimes difficult to distinguish "operating images" and "display images" from "content", which is not covered by protection under the Design Act. If this distinction is unclear, it is difficult to determine whether the protection of an object in the metaverse falls under the discipline of the Design Act, which may ultimately have a stifling effect on creative activity.

Further, with regard to Article 2, Paragraph (1), Item (iii) of the Unfair Competition Prevention Act, it is expected that the law will be amended to include the act of offering form-imitating products on a network into the scope of application of this item. In this case, too, there may be an impact on creative activity if it cannot be clearly determined whether, for example, an act of providing digital data reproducing the form of a physical product constitutes an "imitation" under this item.

Being aware of these issues, I will examine the distinction between "image design" and "content" and the concept of the applicability of "imitation" in the digital domain, based on legal text, design examination guidelines, design registration cases, court decisions, and others.

■ Progress in Laws and Regulations Protecting Sensitive Technologies for National Security - Ensuring Economic Security - ·····47

MORIMOTO Masamitsu

In recent years, the government has been promoting and strengthening economic security. As a consequence, the interest in technology-leak preventing measures addressing these security concerns has also increased. There are three major types of laws and regulations to prevent technology leaks: export control, control of inward direct investment, and secrecy protection. These systems have sequentially been developed and expanded. Recent trends include that, in export control, a "clarification of deemed exports" was made as an amendment by government notice in 2021. As a result, a specific category in the provision of technology was created as a regulatory target: the case of a resident who is strongly influenced by a non-resident. Further, in inward direct investment regulation, the Foreign Exchange Act was amended twice. The 2017 amendment established new provisions regarding advance notifications for specified acquisitions and administrative orders that may order foreign investors to take necessary measures, such as the disposal of shares. The 2019 amendment expanded the scope of advance notification by, for example, reducing the acquisition of 10% or more of the shares or voting rights of a listed company, etc., which was subject to the advance notification, to 1% or

less, while at the same time establishing new provisions that allow exemptions from the advance notification on a broad scale. Moreover, in the area of secrecy protection legislation, the Act on the Protection of Specially Designated Secrets was established in 2013, while the Economic Security Promotion Act created a system of secret patents in 2022. As set out above, laws and regulations to prevent technology leaks have been expanded and strengthened to address security concerns. Meanwhile, there are still issues remaining. Specifically, in the restrictions on inward direct investment and export control based on the Foreign Exchange Act, it is not always clear that the newly introduced regulations are measures that address the security concerns. In secrecy protection legislation, security clearance is emerging as the next issue. One aspect that has not been squarely discussed is human management in this area.

The patent invention that is the subject of this decision is a use invention in which a specific compound is used for non-traumatic forearm fractures. However, the specific compound has long since been used publicly as a drug to treat osteoporosis. The difference between the two was that the patent invention is specified as a "non-traumatic forearm fracture inhibitor", while the cited invention is specified as a "therapeutic drug for osteoporosis".

The decision denied novelty, saying that the two cannot be distinguished. This paper supports this decision.

In recent years, there has been much discussion regarding use inventions and unusual parameter inventions. Since the exclusivity rights of these inventions seem to be established over the public domain, the stifling effect on users of the public domain is considered problematic. Particularly regarding the so-called intrinsic identity, most court decisions in the past denied novelty, but for some time, there have been some court decisions affirming novelty for various reasons.

This paper briefly summarizes the issues regarding the relationship between intrinsic identity and patentability and tracks the trend of court decisions. Amid this trend, the decision showed a clear attitude, namely, to reject novelty, with regard to an important argument which has been pointed out in the past as regards intrinsic identity. This decision should be positioned as indicating the direction that future court cases should follow.

This decision is an appealed court decision of Tokyo District Court, 11 March 2022, Hanrei Jiho No. 2523, p. 103, [Louboutin Red Sole], which denied the nature as an indication of a good in a case in which a claim had been filed on the basis of Article 2, Paragraph (1), Items (i) and (ii) of the Unfair Competition Prevention Act, saying that the plaintiff's indication of the plaintiff's red color (PANTONE 18-1663TPG) on the soles of women's high-heeled shoes is a well-known and famous indication of a good. While the conclusion to deny protection is similar, the reasoning is very different from that of the original trial.

First, the decision denies protection under Article 2, Paragraph (1), Item (i) of the law by assessing only the risk of confusion and denying it. However, in past court decisions, when an indication of a good relating to the form of the good was at issue, the court tended not to deny the risk of confusion in principle when the nature as a well-known indication of a good or its similarity were affirmed. The present decision to deny

protection solely on the basis of the absence of a risk of confusion seems to have adopted an exceptional approach for the judgment. An analysis of the case shows that the major characteristic claimed to be an indication of a good is color, which cannot be said to be an inherently strong origin identifier, and that there are differences between the forms of the products in question. This is in line with the trend of previous court decisions in the sense that protection was denied in such case.

Next, with regard to Article 2, Paragraph (1), Item (ii) of the law, the protection is denied on the grounds that it is not an "another person's famous indication of goods or business " because a considerable number of women's high-heeled shoes with red soles are in circulation in Japan in addition to the plaintiff's products, and, in a questionnaire survey conducted to verify the origin-identifying power of trademark application 2015-29921, for which the appellant had separately filed an application for trademark registration, the plaintiff's indication was associated by only about 51.6% of the respondents with the brand of the appellant. The question remains whether the hurdle for protection by Item (ii) is made unnecessarily high. Further, it should be noted that the appropriateness of the survey was questionable in this case.