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.

This paper examines the legal protection of voice under intellectual property law, focusing on challenges arising from voice synthesis technology. After reviewing various types of voice-related businesses, including content provision and personalized voice generation services, it analyzes legal issues in each domain.

Voice possesses complex characteristics, containing both general information such as age, gender, and health status, as well as personal identification information. The current legal protection of voice under intellectual property law remains fragmented across different legal domains, raising particular concerns in the era of generative AI.

Regarding copyright law protection, the analysis focuses on neighboring rights related to performances and phonograms, identifying challenges in applying traditional criteria such as physical continuity and substantial use in the context of generative AI. For publicity rights, the paper discusses issues of voice uniqueness, similarity judgment, and AI covers based on the three-category framework established by the Supreme Court's Pink Lady decision. The study also reveals limitations in protection under unfair competition prevention law, particularly regarding regulations on confusion of business sources and misleading representations.

While examining whether current intellectual property law adequately protects the commercial value of celebrities' voices, the paper suggests that unauthorized use may decrease incentives for producing valuable voice-related information. This may necessitate either further development of case law or legislative measures. However, any new regulations must carefully balance protection with freedom of expression and technological innovation in business development.

YAMANE Takakuni

The 2023 amendment to Japan's Unfair Competition Prevention Act provides for civil remedies to cross-border infringement of trade secrets. It established provisions on jurisdiction of trade secret lawsuits (Article 19-2) and the scope of application of the Act (Article 19-3). Article 19-3 has important significance in clarifying that, so far as the requirements therein are met, the civil provisions of the Act apply to trade secret infringements outside of Japan, and that application would not be determined based on the Act on General Rules for Application of Laws.

In examining the interpretation of this amended law, reference can be made to the implementation of Section 1837 of the U.S. Defend Trade Secrets Act (DTSA), which regulates extraterritorial application. Particularly notable is the 2024 judgment of the U.S. Court of Appeals for the Seventh Circuit in *Motorola Sols. v. Hytera Commc'ns Corp.*, 108 F.4th 458 (7th Cir. 2024). This case involved a Chinese company, Hytera (defendant), which allegedly recruited engineers from the Malaysian entity of U.S.-headquartered Motorola (plaintiff), unlawfully acquired trade secrets and a source code related to digital mobile radio, developed products using these trade secrets, and sold the products globally.

The Seventh Circuit rendered different judgments under the DTSA and Copyright Act. With respect to trade secret infringement, the court held that Section 1837 explicitly allows for extraterritorial application. It ruled that if "an act in furtherance of the offense", such as marketing infringing products at U.S. trade shows, was committed in the U.S., then profits obtained from foreign sales by the defendant are also subject to damages. As a result, the court awarded $135.8 million in compensatory damages and $271.6 million in punitive damages. Conversely, regarding copyright infringement, the court found that, in the absence of an explicit provision of extraterritorial application, damages for profits from foreign sales could only be awarded if the offense first occurred domestically and enabled or was directly related to the subsequent foreign infringement (so-called "predicate-act doctrine"). In the case in question, as the plaintiff failed to establish a prior offense in the U.S., the court denied compensation for profits made from foreign sales.

This judgment is important as it articulates the view on cross-border trade secret infringement under U.S. law. This paper examines this judgment and makes suggestions for the interpretation and implementation of Japanese law.

WATANABE Tomoko

It will soon be five years since the revised Design Act of 2019 entered into force on April 1, 2020. Intended to promote innovation and encourage the use of designs for branding, the amendments expanded the scope of protection and diversified methods for filing applications. Specifically, graphical image designs, building designs, and interior designs were newly added as protectable subject matter. The revision also expanded the scope of designs for a set of articles and expanded the related design system.

This paper is divided into five chapters. Chapter 1 assesses the impact of the amendments, using statistical data to analyze changes in the number of applications and registrations before and after the amendments entered into force. It also makes comparisons with other countries, including the number of applications between Japan and major countries, and provides an overview of the use of Japan's design system. Chapter 2 examines

registered designs that have been added as new protectable subjects after the revision. With the inclusion of sets of articles in the scope of protection, this chapter analyzes the intentions behind design registration applications and the effects of acquiring design rights. Chapter 3 assesses the use of the related design system, including changes in the number of registrations and the methods of forming effective design groups, focusing on cases where multiple related designs were registered based on a single fundamental design. Chapter 4 examines the registration application methods of companies with the highest number of registrations in 2023. Lastly, Chapter 5 discusses the latest trends and future challenges.

The analysis based on statistical data could not confirm any significant increase or decrease in the overall number of applications due to the amendments. However, it was found that registrations of new protection categories and sets of articles led to a steady increase in the number of registrations. Examining design registrations revealed that companies have employed diverse strategies to establish rights for the creation of wide-ranging designs. Companies appear to use the system in varying ways, given that each enterprise handles products that differ by industry and has different competitors and markets. The revision of the Design Act has significantly expanded the options for filing applications. This paper considers how design rights can be established for the effective protection of creative works that contributes to innovation promotion and branding.

■ Clause-by-Clause Commentary on WIPO Treaty on Intellectual Property, Genetic Resources and Associated Traditional Knowledge ····· 68

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In May 2024, the Diplomatic Conference to Conclude an International Legal Instrument Relating to Intellectual Property, Genetic Resources and Traditional Knowledge Associated with Genetic Resources was convened at WIPO headquarters in Geneva, Switzerland. After two weeks of discussions, the WIPO Treaty on Intellectual Property, Genetic Resources and Associated Traditional Knowledge was unanimously adopted. It is the first time in 24 years that an agreement was reached on a WIPO treaty in the field of patents since the adoption of the Patent Law Treaty in 2000. In addition, this Treaty is the first from WIPO to address genetic resources and traditional knowledge associated with genetic resources.

The patent system's requirement to disclose the country of origin or source has been intensely debated between developing and developed countries for over 20 years. Japan, along with the United States, had been cautious about introducing such a requirement due to concerns over increased burdens on patent applicants and declining incentives for research and development. However, at the 2022 WIPO General Assembly, a decision was made to convene a diplomatic conference by 2024 to adopt an international legal instrument relating to genetic resources and associated traditional knowledge, with the aim of establishing a legally binding instrument containing provisions on the introduction of a mandatory disclosure of origin or source requirement. Since then, Japan actively participated in the discussions and negotiations to contribute to ensuring that the contents of the Treaty are practical and balanced.

This paper refers to the discussions that took place at the Diplomatic Conference where the Treaty was negotiated and adopted, and explains the text of the Treaty comprised of 22 articles.

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With increasing international competition for innovation, Japan must urgently strengthen its competitiveness as an R&D hub and promote investment in intangible assets. From this perspective, Japan has established an innovation box regime aimed at enhancing the country's competitiveness as an R&D hub and encouraging private-sector investment in intangible assets. This regime will deduct a certain percentage (as deductible expenses) from taxable income arising from the licensing and assignment of patent rights or copyrighted works of AI-related programs, both of which have been generated through a company's R&D in Japan.

Such regimes that reduce the tax on income derived from intellectual property have been introduced or are under consideration in Europe, including France and the UK, as well as in Asian countries. However, providing a preferential tax treatment for income from intellectual property faces a challenge. Intellectual property can be transferred across borders relatively easily. As a result, multinational corporations may relocate their intellectual property to countries with such regimes, leading to the international transfer of tax revenue generated from intellectual property. To address this issue, in 2015, the OECD Base Erosion and Profit Shifting (BEPS) Action 5 Report presented principles that countries should adhere to when providing a preferential tax treatment for income derived from intellectual property. Japan's innovation box regime has been designed in accordance with these principles.

Ahead of its entry into force on April 1, 2025, this paper explains Japan's innovation box regime and the background behind its establishment.

Investment in R&D for fostering innovation, as well as investment in the social implementation of such innovations, form the foundation of the added values of companies and are critically important. It is expected that the proactive use of the newly established regime will further stimulate innovation.