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Intellectual Property Q&A – Published in NYJapion August 2014

How does copyright work in the US?
(Does it automatically happen when the creator creates something? or need resister?) What kind of works you can declare a copyright for?

Copyright is a type of intellectual property protection rooted in the U.S. Constitution[1], and granted by federal law (for a limited time) for both published and unpublished original works of authorship fixed in a tangible form. Specifically, US copyright protection is available to the authors of original works including literary, dramatic, musical, and artistic works, such as songs, novels, movies, poetry, architecture and computer software. Copyright protection is automatic from the time that the work is created in a fixed form, registration is not required. Only the author, or an entity deriving rights through the author (such as an employer), can claim copyright. Section 106 of the 1976 Copyright Act generally gives the owner of copyright the exclusive right to do and to authorize others to do the following:

1. reproduce the work in copies or phonorecords
2. prepare derivative works based upon the work
3. distribute copies or phonorecords of the work to the public by sale or other transfer of ownership, or by rental, lease, or lending
4. perform the work publicly, in the case of literary, musical, dramatic, and choreographic works, pantomimes, and motion pictures and other audiovisual works
5. display the work publicly, in the case of literary, musical, dramatic, and choreographic works, pantomimes, and pictorial, graphic, or sculptural works, including the individual images of a motion picture or other audiovisual work
6. perform the work publicly (in the case of sound recordings) by means of a digital audio transmission

Generally, for works created after January 1, 1978, copyright protection lasts for the life of the author plus an additional 70 years. For works first created prior to 1978, the term will vary depending on several factors, including whether the work was published or registered prior to January 1, 1978.

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[1] According to Article I, Section 8, Clause 8 of the U.S. Constitution, ". . . the Congress shall have power ... to promote the progress of science and useful arts, by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries."

What should you do when you find infringement of your copyright on your works?

Although copyright protection attaches automatically, in order to bring an infringement suit on a work of U.S. origin, you must first register the work in question with the U.S. Copyright Office. Benefits may attach to early registration (such as statutory damages and attorney fees being available to the copyright owner in court actions), however, registration may be made at any time within the life of the copyright.

If you learn that there has been an unauthorized use of your copyright, you may protect your interest by filing a civil lawsuit in federal district court. It would also be advisable to contact an experienced attorney. In cases of willful infringement for profit, the U.S. Attorney may initiate a criminal investigation.

What is image right? Does everyone have it?

In the U.S., image rights, also known as personality rights or publicity rights (and privacy interests) are the proprietary rights that an individual has to exclusively market for monetary gain his or her name, image, likeness and other aspects of his/her personality. These rights are rooted in both privacy and economic exploitation and are distinct from copyright; also, publicity rights and privacy interests are governed by state tort law, as opposed to federal law, as is the case for copyright. Generally, the four causes of action are: 1) intrusion upon physical solitude; 2) public disclosure of private facts; 3) depiction in a false light; and 4) appropriation of name and likeness. Typically, although not exclusively, the right of publicity is manifest through advertising or merchandise. That said, the degree of recognition of the rights of publicity and privacy varies significantly from one state to the other.

Generally speaking, only individuals (and not corporations or other organizations) can sue for unlawful use of name, image or likeness, unless a person has transferred his or her rights to an organization. Companies may bring an action for trademark infringement and unfair competition, but this is a separate topic and area of intellectual property that would warrant a separate discussion.

In some states, a non-celebrity would be barred from bringing an action based on a violation of a right of publicity because a private individual's image or personality is not considered to possess economic value. On the other hand, celebrities are in some states considered not to have a privacy interest and therefore would have a tough time bringing an action for misappropriation. That said, these dogmas are changing and the current trend is to permit both celebrities and non-celebrities to sue for both misappropriation and violation of the right of publicity, as long as they can establish the relevant kind of harm.

What is a major issue in copyright in today's world?

There are many current issues that are relevant and could be discussed here, including piracy, music arrangers' rights, outdated music licensing laws, the lack of a public

performance right for terrestrial radio play for recording artists, etc. however, I will focus on the lack of pre-1972 federal copyright for certain sound recordings.

At a recent congressional hearing, which was part of broader efforts by the House Judiciary Committee to update copyright law, music recording and broadcasting industry representatives testified on performed music licensing laws. One concern raised by several, including the daughter of Johnny Cash, Roseanne Cash was the lack of federal copyright for pre-1972 sound recordings. Ms. Cash stated in part 'if my father were alive today, he would receive no royalty payment for the digital performances of *Walk the Line*, written and recorded in 1956, but anyone who re-recorded that song today would receive a royalty.'

Although sound recordings were first given federal copyright protection in 1972, sound recordings made before February 15, 1972 remained protected under state law rather than under the federal copyright statute. Current law provides that pre-1972 sound recordings may remain protected under state law until February 15, 2067. After that date they will enter the public domain.

Due to a loophole in the law, digital services such as Sirius and Pandora argue they need not pay under their federal copyright license because recordings made before February 15, 1972 are covered by state law. However, they are not paying these royalties under state law either - claiming it does not apply to digital services at all.

On May 29, 2014 **Congressman Holding introduced the RESPECT Act, which is intended to** ensure legacy artists receive compensation from digital radio services that use their work by requiring these radios, that use the federal compulsory licenses to pay royalties for the pre-72 music that they play.

I heard that some buildings have copyrights. Is it correct? If so, how could we know which ones have image rights? If we photograph ones with image rights without knowing it, what would happen?

Generally speaking, only buildings created after December 1, 1990 are protected by copyright. However, there is a photographer's exception to this protection, allowing the making, distributing, or public display of pictures, paintings, photographs, or other pictorial representations of the work, if the building in which the work is embodied is located in or ordinarily visible from a public place.[2] This means that simply photographing a building that is protected by copyright would not raise copyright infringement issues.

What is intellectual property in general?

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[2] 17 U.S. Code § 120

In general, intellectual property is any product of the human intellect that expresses an idea in one of several forms, including an invention; musical, literary or artistic work; design; or symbol, name or image used in commerce. Subject to certain requirements, the law protects the owner of the intellectual property from unauthorized use by others for a period of time, essentially granting him/her a limited monopoly to derive financial benefit from the protected property. Intellectual property is typically comprised of four main categories: patent, copyright, trademark and trade secrets.

How does patent and trademark differ from copyright?

US copyright protection is available to the authors of original works including literary, dramatic, musical, and artistic works, such as songs, novels, movies, poetry, architecture and computer software. Copyright protection is automatic from the time that the work is created in a fixed, tangible form, registration is not required; however, copyrights may be registered by the Copyright Office of the Library of Congress, conferring certain benefits. Generally, for works created after January 1, 1978, copyright protection lasts for the life of the author plus an additional 70 years. For works first created prior to 1978, the term will vary depending on several factors.

The purpose of a trademark is to protect words, phrases and logos used in interstate commerce to identify and distinguish the source of services and/or goods - essentially to identify one business from another through a commercial symbol. A business may establish rights in a trademark through proper use only, however, there are benefits to registration with the US Patent and Trademark Office. The registration is valid as long as you timely file all post registration maintenance documents at certain prescribed time intervals. If these documents are not timely filed, your registration will be cancelled and cannot be revived or reinstated.

Copyright law provides for compulsory licensing and royalty payments for use of the copyrighted material - there is no analogous concept in trademark law. However, a trademark may be assigned or transferred from one owner to another and such assignment may be recorded in the United States Patent and Trademark Office for a fee.

Patents cover inventions of processes, machines, manufactures, and compositions of matter that are new, useful, and non-obvious. In order to receive protection for a patent, the inventor must first submit an application with United States Patent and Trademark Office. If protection is granted, the inventor is conferred "the right to exclude others from making, using, offering for sale, or selling" the invention in the United States or "importing" the invention into the United States[3], in exchange for public disclosure of the invention. The term of a new patent is 20 years from the date on which the application for the patent was filed in the United States or, in special cases, from the date an earlier related application was filed, subject to the payment of maintenance fees. US patent grants are effective only within the US, US territories, and US possessions.

[3] 35 U.S.C. §§ 154(a)(1), 271(a)

How do patents internationally work?
(ex. If I have registered patent in Japan and is it works in the US? Is there rules between the U.S and Japan?)

A Japanese inventor who desires patent protection in the US must apply for a patent with the United States Patent and Trademark Office even if the invention has been registered in Japan. This rule extends to almost any country in the world, as most countries have their own patent law and require separate registration for their territory. That said, under certain conditions and on fulfilling certain requirements, an application for patent filed in the United States may be entitled to the benefit of the filing date of a prior application filed in a foreign country[4]. The basis for this priority is that the foreign country is either party to the Patent Cooperation Treaty or the Paris Convention for the Protection of Industrial Property, or a member of the World Trade Organization. Since Japan qualifies under all three, it is recognized by the US for this right of priority.

What are most common infringement or violation in terms of patent?

In general terms, patent infringement in the US is defined as:

(a) Unauthorized making, using, or selling any patented invention within the United States or importing into the United States any patented invention during the patent term;

(b) Actively inducing patent infringement;

(c) Selling within the United States or importing into the United States a component of a patented invention, for use in practicing a patented process, constituting a material part of the invention, knowing it to be especially made for use in an infringement of such patent;

(d) Manufacturing within the United States the components of a patented invention and then exporting those disassembled parts for combination abroad into an end product[5].

Infringement may come in many different forms, however, one of the most prevalent may be the manufacture and distribution of counterfeits, which is widespread and highly damaging economically.

Are there any cases of patent infringement that ordinary people tend to do without knowing?

Although it is unlikely to be prosecuted, a lay person could potentially encourage patent infringement by knowingly or unknowingly purchasing counterfeit goods. Counterfeit items can be hard to distinguish from the real product because counterfeiters have

[4] The conditions are specified in 35 U.S.C. 119(a)-(d) and (f), and 37 CFR 1.55.
[5] 35 U.S.C. §§ 271; 281-297.

become quite savvy in hiding the fact that the product is a fake, through the use of advanced technology as well as raising the price. When a person realizes that they have a counterfeit product contacting local law enforcement would be the next step.

What is public domain?

Although there is no globally accepted, official definition of 'public domain', the essential notion is that when the legal protection of a copyright or patent expires[6], the subject work (intellectual property) enters the public domain and is available for unlimited use by the public.

For works created after January 1, 1978, copyright protection lasts for the life of the author plus an additional 70 years; renewal is not required. For works first created prior to 1978, the term will vary depending on several factors, discussed in part below.

The term of a new patent is 20 years from the date on which the application for the patent was filed in the United States or, in special cases, from the date an earlier related application was filed.

For example, if I would like to use an image of a picture (particular someone owns, such as museum) in my website, which someone took 100 years ago. Do you need permission?

Any copyrightable work published in the U.S. before 1923 is in the public domain and may be used by anyone, for any lawful purpose, without permission.

Works published in the U.S. from 1923 through 1963 are also likely to be in the public domain due to an onus on the author to renew during the 28th year after initial publication – many authors failed to do this and now many of these works are in the public domain.

Automatic renewal protects works published in the U.S. between 1964 and 1977, thus these are likely not in the public domain, unless the author relinquished his/her copyright protection and formally declared the work in the public domain.

What is 'fair use'?

Fair use in the U.S. is the allowance for *limited use* of copyright protected works without permission. The theory behind fair use is to allow for a compromise between copyright law and the U.S. Constitution's first amendment right to free expression. In a 1994 decision, the U.S. Supreme Court described fair use as "the guarantee of breathing space for new expression within the confines of Copyright law."[7]

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[6] In the U.S., trademark protection can be extended indefinitely.

[7] *Campbell v. Acuff-Rose Music, Inc.*, 114 S.Ct. 1164, 127 L. Ed. 2d 500 [1994].

In determining fair use courts in the U.S. typically use a facts and circumstances analysis guided by the following four factors listed in section 107 of the Copyright Act;

1. **The purpose and character of the use of copyrighted work**
    a. *Transformative quality* – has the original work been transformed to create something new? If yes, it is more likely to be considered fair use.
    b. *Commercial or noncommercial* – is the new work intended for personal, non-profit or educational purposes? A new work intended to generate profit may be considered fair use, but non-commercial uses will more likely be deemed fair.
2. **The nature of the copyrighted work**
   If the copied work is factual (e.g. biography) rather than creative (e.g. work of fiction) the use is more likely to be considered fair.
3. **The amount and substantiality of the portion used in relation to the copyrighted work as a whole**
   How much of the copyrighted work was used in the new work? How much is too much is typically determined by weighing the facts and circumstances on a case-by-case basis.
4. **The effect of the use upon the potential market for or value of the copyrighted work**
   This factor applies even if the original is given away for free.

What does royalty mean?

A royalty is a payment to a legal owner for the use of property, most commonly for the purpose of generating revenue – in intellectual property law, it generally applies to patents, copyrighted works and franchises (e.g. use of a trademark).

Royalties can be government mandated and compulsory as in copyright law, but often they are based on a licensing agreement and expressed as a percentage of the revenues obtained using the owner's property. The use of royalties is common in situations where an inventor or original owner chooses to license their product to a third party in exchange for royalties from the future revenues it may generate.

How does the protection of copyright work internationally? Are copyrights in Japan still effective in the US?

Copyright law varies from country to country, with a few countries having no bilateral copyright agreements with the United States. Some countries provide no copyright protection at all, or protection only for a short time period or for locally produced or registered works. The US and Japan have signed a bilateral copyright treaty (aka convention), thus a Japanese copyright would likely be honored in the U.S. and vice versa.

We see lots of cases where someone uses photos without permission on their website or SNS. What is the problem you can discern?

The most obvious issue raised when a photograph is used online without permission from the owner is potential copyright infringement. In general terms, under US law, the person who presses the button to release the camera shutter owns the copyright to the photograph (unless it is a work for hire), and copyright law bestows the following ownership rights:

(1) to reproduce the photograph;

(2) to prepare derivative works based upon the photograph;

(3) to distribute copies of the photograph to the public by sale or other transfer of ownership, or by rental, lease, or lending;

(4) to display the photograph publicly;[8]

In the US, copyright infringement is a strict liability offense, meaning a person could be held liable regardless of whether they are aware of the copyright laws.

If the owner of the copyright has registered it with the US Copyright Office, then they may recover statutory damages for infringement, in a court of law. If the owner failed to register the work, they would still be entitled to actual damages, usually calculated using the photographer's regular rate.

In the case that the owner is a foreign person, any unpublished works would automatically be protected regardless of nationality or domicile of the owner, however, if the foreign work was published, then protection will depend on whether a copyright treaty exists between the foreign country and the US.

If you will use group photos in SNS, do you need to get permission from everybody in the picture?

Generally speaking, a person's consent is usually required for publishing their photograph taken in a private place, and the person's consent is usually not necessary for publishing a photograph taken in a public place, even if the person is easily identifiable in the photo. Consent is almost always required if the photo will be used for commercial purposes. This question is more a right of privacy question than one of copyright (please see discussion in my previous article regarding the rights of privacy and publicity).

We can watch videos on Youtube. Many of them are TV shows and dramas that seem not to be shown online. If we watch those videos online, is it violation of copyrights? If so, how can we avoid it?

[8] U.S. Copyright Act at 17 U.S.C. 106

There are currently no clear precedents for the case of streaming Youtube videos for personal use, and major copyright owners have mostly gone after people using peer-to-peer networks to download material. That said, under current copyright law, it is plausible that Youtube users could be targeted for infringement. In this case the courts are likely to consider whether the streaming constitutes a public performance or duplication and the difference between viewing and downloading. In the meantime, one could avoid liability by simply not using Youtube, or a less extreme measure may be to avoid downloading Youtube videos, as streaming is likely to be a viewed as the lesser offense, if at all.

Some videos are shown on Youtube not only unlawfully (without permission) but also producing profit with showing commercial. Is it regarded as a crime? Is viewing those videos illegal?

For viewers, the same logic applied in the previous question follows, however, the persons uploading these videos are in more serious risk for copyright infringement liability and could face statutory damages if found liable.

The Digital Millennium Copyright Act (DMCA), enacted in 1998 to encapsulate many existing copyright treaties, addresses photographer's copyright directly. The DMCA states that while an Internet Service Provider (ISP) is not liable for transmitting information that may infringe a copyright, the ISP must remove materials from users' websites that appear to constitute copyright infringement. Taking advantage of this provision, as a copyright holder, does not require prior copyright registration with the U.S. Copyright Office.

Youtube's official position has been that they cooperate with copyright holders to identify and remove infringing content as soon as they are officially notified.

Is it OK to use image of covers of DVDs or books which are downloaded from the website such as Amazon for website of publication? Is it OK to take to use the photo of covers of DVDs or Books which I bought from store to use on a website or publication?

In general terms, most of the content on the web, including images of covers of DVDs or books are subject to copyright law, making it illegal for an internet user to copy, publish, perform, display or create derivative works without the copyright owner's permission. Also, purchasing a copy of a DVD or book does not convey to the purchaser any copyright in the material. However, the *fair use doctrine*, which allows for *limited use* of copyrighted materials without permission from the owner, does provide some breathing room for *non-commercial* uses of copyrighted material. Subject to some limitations, the following uses are generally considered fair:

- Criticism and comment -- for example, quoting or excerpting a work in a review or criticism for purposes of illustration or comment.
- News reporting -- for example, summarizing an address or article, with brief quotations, in a news report.
- Research and scholarship -- for example, quoting a short passage in a scholarly, scientific, or technical work for illustration or clarification of the author's observations.
- Nonprofit educational uses -- for example, photocopying of limited portions of written works by teachers for classroom use.
- Parody -- that is, a work that ridicules another, usually well-known, work by imitating it in a comic way.

When I find good sentences from online and would like to quote in SNS, is it okay to quote them if I mention the source? If it is a big volume, still is it okay to quote or copy as far as we mention the source?

The answer to this question will depend on whether your use of the sentences falls under the fair use rule of copyright law. If it does not, then you would need permission from the owner, i.e. simply giving credit is not a way to get around copyright laws. That said, although there is no prescribed guideline (no word limit on fair use), generally speaking the more material you take, the less likely it is that your use would be considered fair.

I would like to copy a few poems from a book to use as a material in the class at high school. Could it be infringement of copy right?

Although a fair use determination is always based on the specific facts and circumstances of the case, this use is likely to fall under the allowable non-profit educational uses. The general guideline, published in the U.S. Copyright Office's Circular 21 is that multiple copies (not to exceed in any event more than one copy per pupil in a course) may be made by or for the teacher giving the course for classroom use or discussion provided that:

A. The copying meets the tests of brevity and spontaneity –

Brevity

i. Poetry: (a) A complete poem if less than 250 words and if printed on not more than two pages or, (b) from a longer poem, an excerpt of not more than 250 words.

ii. Prose: (a) Either a complete article, story or essay of less than 2,500 words, or (b) an excerpt from any prose work of not more than 1,000 words or 10% of the work, whichever is less, but in any event a minimum of 500 words.

iii. Illustration: One chart, graph, diagram, drawing, cartoon or picture per book or per periodical issue.

iv. "Special" works: Certain works in poetry, prose or in "poetic prose" which often combine language with illustrations and which are

intended sometimes for children and at other times for a more general audience fall short of 2,500 words in their entirety. Paragraph "ii" above notwithstanding such "special works" may not be reproduced in their entirety; however, an excerpt comprising not more than two of the published pages of such special work and containing not more than ten percent of the words found in the text thereof, may be reproduced.

Spontaneity

i. The copying is at the instance and inspiration of the individual teacher, and
ii. The inspiration and decision to use the work and the moment of its use for maximum teaching effectiveness are so close in time that it would be unreasonable to expect a timely reply to a request for permission.

B. Meets the cumulative effect test –
   i. The copying of the material is for only one course in the school in which the copies are made.
   ii. Not more than one short poem, article, story, essay or two excerpts may be copied from the same author, nor more than three from the same collective work or periodical volume during one class term.
   iii. There shall not be more than nine instances of such multiple copying for one course during one class term.

C. Each copy includes a notice of copyright

Some children books have only 10 pages or so. If we make photo copy of all the pages, and provide students using as teaching materials in a class, is it regarded as infringement?

Copying such a work in its entirety is likely to be considered infringement – please see discussion for "Special" works above in question number 3.

If I have digital copy of book which I bought from online, can I print it out to make copies of them on paper for just reading for myself?

Personal use only is unlikely to trigger a copyright infringement case due to lack of commercial effect, i.e. non-commercial use is often considered fair use.