

“DEAD COPIES” UNDER THE JAPANESE UNFAIR COMPETITION PREVENTION ACT: THE NEW MORAL RIGHT

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INTRODUCTION

In 1993, the Japanese legislature, or Diet, amended the Unfair Competition Prevention Act (UCPA) to prevent the slavish copying (*moho*) of another’s product configuration (*shohinno keitai*) regardless of registration, regardless of notice of any kind, regardless of whether the configuration was distinctive in any way, and regardless of whether any consumer was confused or deceived.¹

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1. Fuseikyoso Boshoho [Unfair Competition Prevention Act], Law No. 47 of 1993, *translated in* 6 EHS LAW BULL. SER. No. 6895–96 (2005) [hereinafter UCPA]. In this paper, I refer to Article 2-1-3 of the amended UCPA as “the Dead Copy Statute.” Although the original UCPA predated World War II, the original UCPA largely addressed counterfeit goods. *See* Fuseikyoso Boshoho [Unfair Competition Prevention Act], Law No. 14 of 1934. During the Occupation of Japan, General Head Quarters (GHQ) had a large influence on shaping Japanese unfair competition policy. *See* Tetsuo Tomita, *Fuseikyosoboshoho Seiteikankeishiryō* [Documents on the Legislative Process of Unfair Competition Law], 1994/3 Patent Studies 50 (translated by author). In fact, even the Preamble of the San Francisco Peace Treaty, which ultimately ended the Occupation of Japan, noted the importance of conforming to international standards: “. . . in public and private trade and commerce to conform to internationally accepted fair practices.” Multilateral Treaty of Peace with Japan, Sept. 8, 1951, 3.3 U.S.T. 3169, 3171 (1952).

Even before the San Francisco Peace Treaty but at the urging of GHQ, Japan amended the UCPA in significant ways. CHIKUJO KAISETSU FUSEIKYOSOBOSHIHO [CLAUSE BY CLAUSE EXPLANATION OF THE UCPA] 5–7 (METI Intell. Prop. Policy Comm. eds., 2005) (translated by author). For instance, in order to obtain an injunction, a subjective intent to engage in unfair competition would no longer be a requirement. *Id.* This was done because even though there were multiple examples of objective intent to cause unfair competition, it was impossible to prove that someone subjectively intended to engage in unfair competition. *Id.* Additionally, in order to obtain an injunction, the prior Act required that there be “an injured party.” *Id.* This was changed to focus on the specific and likely conduct, as well as the likely resulting harm. *Id.* Also, “exportation” was added to each specific offense. *Id.* The amendments also made requirements for showing a false place of origin simpler. *Id.* The amendments made actionable conduct that caused people to be deceived as to a goods’ source. *Id.* Next, the amendments made

The Japanese refer to the concept of slavish imitation as “dead copies.” This monopoly grant lasts for three years from the date the product is first sold.²

Before 1993, product configurations were protected either under the old UCPA or the Civil Code. Although there were numerous cases that successfully claimed rights under the old UCPA, before a configuration could be protected under the old law, it had to be a “well-known” appellation of a source.³ It was perceived that if Japan was going to improve its economic condition, it needed to become an “intellectual property society.”⁴

actionable deceptive practices regarding a product’s quality, content, or volume. *Id.* The amendments also strengthened the right to demand a restoration of trust in the marketplace. *Id.* Other provisions were also added. *Id.*

Changes to the UCPA are well-documented. *See generally id.* 8–17. In 1953 the UCPA was amended to bring Japan in compliance with the Madrid Protocol, which prevented false or misleading designations of origin. *Id.* In 1965 the UCPA was amended to bring Japan in compliance with the Paris Convention and the Treaty of London. *Id.* In 1975 the UCPA was amended to make Japan compliant with the Stockholm Amendments to the Paris Convention. *Id.* In 1990 the UCPA was amended to bring Japan into compliance with what ultimately became known as the TRIPs Agreement. *Id.* In the twelve years since the 1993 amendments, the UCPA has been amended nine times. *Id.* In context, this is not that surprising a fact; the U.S. Copyright statute has been amended 25 times in the last 30 years. *See* JULIE COHEN ET AL., COPYRIGHT IN A GLOBAL INFORMATION ECONOMY 36 (2006). The common wisdom is that these changes were required to protect configurations that may ultimately be registered under the Design Law. However, in 1993 Design Law registration required three years. It now takes roughly one year. Furthermore, academics as well as practitioners opine that there have not yet been major cases where large amounts of damages have been awarded under Article 2-1-3. As such, it has not yet caught the fancy of Japanese academics or practitioners.

2. *See infra* Part V.B.

3. Noriichi Okaguchi, *Shohinkeitaimoho* [Slavish Imitation of Product Configuration], in CHITEKIZAISANKANKEISOSHOMO [INTELLECTUAL PROPERTY RELATED LITIGATION] 457 (Hon. Toshiaki Makino & Hon. Toshiaki Iimura, eds., 2004) (discussing protection of product configuration under the pre-1993 UCPA) (translated by author). Even after 1993, some elect to protect product configurations using Article 2-1-1, which requires a showing that the configuration is an appellation of source, that the configuration is well-known, and that purchasers are confused. *See, e.g.,* Miyama Kogyo, K.K. v. Flex System, K.K., 1891 HANREI JIHO 147 (Tokyo D. Ct., Feb. 15, 2005) (translated by author).

4. This societal wide movement has even been the impetus for the creation of Centers at rather unlikely universities. For example, Hiroshima University has created the “Intellectual Property Society Creativity Center.” *See* Hiroshima University, <http://home.hiroshima-u.ac.jp/chizai/> (last visited Nov. 12, 2006) (translated by author). Interestingly, though, they translate this into English as merely the “Intellectual Property Center.” Present Prime Minister Koizumi has been quoted in various contexts as seeking to create a nation “founded on intellectual property.” *See, e.g.,* Mayumi Negishi, *Japan Gets Intellectual on Property Rights*, JAPAN TIMES, Dec. 8, 2004, available at <http://search.japantimes.co.jp/cgi-bin/nb20041208a1.htm>. However, at least in the minds of the Tokyo District Court, this apparently has not yet been successful. *See* Torada v. Shimoda, 1913 HANREI JIHO 146 (Tokyo D. Ct., June 21, 2005) (translated by author). In *Torada*, the Tokyo District Court held that the trademark IP FIRM was not appropriate for registration because consumers would not necessarily know what “IP” meant. *Id.* at 153–54. The court reasoned that IP could stand for “Internet Protocol” or

Accordingly, a specific statutory prohibition of slavish imitation was included in the amendment.

Article 709 of the Civil Code provides yet another way to protect product configurations.⁵ Article 709 essentially makes the infringement of any general right a tort.⁶ In a pivotal case that became a true rallying point for advocates of the cause, the defendant slavishly imitated the plaintiff's furniture.⁷ Even though the plaintiff prevailed and damages were awarded, the court held that the Civil Code did not authorize it to issue an injunction.⁸ Injunctions are not available under the general provisions of the Japanese Civil Code; monetary damages are the appropriate remedy. Unless there is a specific provision authorizing injunctions, they are not appropriate under the Civil Code.⁹ Since most plaintiffs in dead copy cases only wanted an injunction and not damages, it became apparent that a large disconnect existed between what manufacturers wanted and what the Civil Code permitted.¹⁰

In Japan, this protection has become known as protecting a product from "dead copies." Dead copy protection in Japan goes too far. It would be unconstitutional if done in the United States.¹¹ The notion relied upon by Japanese drafters, that international harmonization makes this type of protection necessary, is simply incorrect. No such specific corollary protection

"Inkjet Printer." *Id.* Therefore, the mark did not identify for consumers that the services come from a specific source. *Id.*

5. Minpō [Civil Code], Law No. 89 of 1896, art. 709, *translated in* 2 EHS LAW BULL. SER. No. 2100-01 (2005) (stating that one who either intentionally or negligently damages the rights protected by law of another shall be responsible for those damages).

6. Gibson Guitar Corp. v. Fernandes, K.K., 1719 HANREI JIHO 122 (Tokyo High Ct., Feb. 24, 2000) ("Making dead copies of another's product configuration is prohibited by the Unfair Competition Prevention Law. If such conduct exceeds the scope of fair competition, it will be adjudicated to be a tort.") (translated by author).

7. Dai Nippon Printing, K.K. v. Takebayashi Mfg., K.K., 1418 HANREI JIHO 120 (Tokyo High Ct., Dec. 17, 1991) (translated by author).

8. TETSUYA WATANABE ET AL., FUSEIKYOSOBOSHIHO NO MINAOSHI NO HOKO [TRENDS IN REVISING THE UCPA] 143 (Comm. on Intell. Prop., Ministry of Economy, Trade and Industry eds., 1994) (translated by author).

9. Zentaro Kitagawa, 5 DOING BUSINESS IN JAPAN, XIII Business Liability § 1.07[2][a] (1996) ("Relief other than money is permissible . . . only where a special rule has so provided.").

10. Similarly, in another very recent case, *Yomiuri Newspaper*, the court found a violation of Article 709 of the Civil Code and ordered damages to be paid to a major Japanese newspaper, but found also that an injunction is improper under the Civil Code when the defendant copied its headlines and provided links to the articles. *Yomirui Newspaper v. Digital Alliance* (Intellectual Property High Court, Oct. 6, 2005) (translated by author), *available at* http://legal.lexisnexis.jp/jp/Ingateway.dll?f=templates&fn=defaultHome_JP.htm&vid=Japan:10.1048/Enu. Even though a Dead Copy Statute violation was alleged, the court based its judgment on Article 709 of the Civil Code. *Id.* at 11-15; *see also*, Minpō [Civil Code], Law No. 89 of 1896, art. 709, *translated in* 2 EHS LAW BULL. SER. No. 2100-01 (2005). The court did find that the articles constituted a "product configuration," but did not find them slavishly imitated. *Yomiuri Newspaper*, at 12.

11. *See infra* notes 33-44 and accompanying text.

exists in other jurisdictions and, most certainly, no international treaty requires protection to the extent enjoyed in Japan. Dead copy protection, in fact, makes international harmonization on this point impossible because dead copy protection in the United States would be impossible, and goes much further than other Civil Law jurisdictions have gone.¹²

By granting an arbitrary, monopolistic three-year window of protection against the copying of product configurations, the Japanese extend an undeserved, statutory monopoly to holders of such product configurations. This will ultimately chill new product development and negatively affect the fragile Japanese economy. In essence, the dead copy provision of the UCPA strikes another blow to the public domain,¹³ and protects sweat of the brow, a justification for intellectual property that has long been considered spurious at best.¹⁴ In the end, the Dead Copy Statute acts like a new moral right where strict liability attaches.

12. See *infra* notes 45–50.

13. The discussion in the United States about the balance between intellectual property protection, on one hand, versus the protection of the public domain, on the other, is rich and fascinating. See, e.g., Maya Alexandri, *The International News Quasi-Property Paradigm and Trademark Incontestability*, 13 HARV. J.L. & TECH. 303 (2000); Keith Aoki, *Authors, Inventors and Trademark Owners: Private Intellectual Property and the Public Domain*, 18 COLUM. J.L. & ARTS 1, 5–34 (1994); Dan L. Burk, *Muddy Rules for Cyberspace*, 21 CARDOZO L. REV. 121 (1999); Anupam Chander & Madhavi Sunder, *The Romance of the Public Domain*, 92 CAL. L. REV. 1331 (2004); Graeme B. Dinwoodie & Rochelle Cooper Dreyfuss, *International Intellectual Property Law and the Public Domain of Science*, 7 J. INT'L ECON. L. 431 (2004); Jane C. Ginsburg, *The Right to Claim Authorship in U.S. Copyright and Trademark Law*, 41 HOUS. L. REV. 263 (2004); Leslie A. Kurtz, *The Independent Legal Lives of Fictional Characters*, 1986 WIS. L. REV. 429 (1986); Edward Lee, *The Public's Domain: The Evolution of Legal Restraints on the Government's Power to Control Public Access Through Secrecy or Intellectual Property*, 55 HASTINGS L.J. 91 (2003); Lawrence Lessig, *The Architecture of Innovation*, 51 DUKE L.J. 1783 (2002); Jessica Litman, *The Public Domain*, 39 EMORY L.J. 965 (1990); Christine Nickles, *The Conflicts Between Intellectual Property Protections when a Character Enters the Public Domain*, 7 UCLA ENT. L. REV. 133 (1999); Tyler T. Ochoa, *Origins and Meanings of the Public Domain*, 28 U. DAYTON L. REV. 215 (2002); Samuel Oddi, *The Tragicomedy of the Public Domain in Intellectual Property Law*, 25 HASTINGS COMM. & ENT. L.J. 1 (2003); Simone A. Rose, *Will Atlas Shrug? Dilution Protection for "Famous" Trademarks: Anti Competitive "Monopoly" or Earned "Property" Right?*, 47 FLA. L. REV. 653 (1995); Kurt M. Saunders, *A Crusade in the Public Domain: The Dastar Decision*, 30 RUTGERS COMPUTER & TECH. L.J. 161 (2004); Steven Wilf, *Who Authors Trademarks?*, 17 CARDOZO ARTS & ENT. L.J. 1 (1999); Margaret Ann Wilkinson, *National Treatment, National Interest and the Public Domain*, 1 U. OTTOWA L. & TECH. J. 23 (2003); James Boyle, *The Second Enclosure Movement and the Construction of the Public Domain* (2003), <http://www.law.duke.edu/pd/papers/boyle.pdf> (last visited Nov. 12, 2006). All of these authors find the expansion of intellectual property rights troublesome because of their interference with the public domain. To summarize all of these articles, a rich and free public domain may be better for a growing economy than an economy with distinct monopolies carved out.

14. See, e.g., *Feist Publ'ns, Inc. v. Rural Tel. Serv. Co., Inc.*, 499 U.S. 340, 353 (1991).

I. THE STATUTE

The statute itself is quite simple and straightforward. The current version of Article 2-1-3 of the UCPA states that:

Selling, distributing, exporting or importing goods which imitate the product configuration of another (excluding functional configurations) [shall constitute an act of unfair competition].¹⁵

Article 19-1-5 of the UCPA places a three-year restriction on the assertion of the dead copy right calculated from the date of first sale of the good in Japan.¹⁶ That is, the statute contemplates prohibiting another from using a product configuration for a period of three years. This three-year period is, essentially, a head start that the first user of a product configuration receives as a statutory gift.

Although the Japanese Diet elected to use banal, generic terms that do not provide much direction at all, the 2005 amendments to the UCPA codified definitions of both "product configuration" (*shohinnokeitai*) and "imitation" (*moho*) as follows:

The term "product configuration" in this Act shall mean the shape of a good or the shape of the good combined with the design, color, luster or mass, the distinctiveness of which is perceptible by a consumer through normal use.¹⁷

The term "imitation" in this Act shall mean creating a product configuration which depends upon and is essentially identical to that configuration.¹⁸

For the first time, functional configurations are expressly excluded from protection. However, functionality has been defined using competitive need utilitarianism instead of normative functionality.¹⁹ There is still no requirement that the product configuration be well-known or famous,²⁰ and no requirement that any third party had prior notice of this claim whatsoever.

15. UCPA, Law No. 47 of 1993, amended by Law No. 87 of 2005, art. 2-1-3 (translated by author).

16. *Id.* The statute actually reads "*nihon kokunai ni oite*," which means "within Japan." *Id.* (translated by author). That is, it appears to mean that one could make substantial sales of a configuration outside of Japan and only the importation of the article into Japan would start the clock running on the Dead Copy Statute. However, this is ameliorated slightly by the definition of "*keitai*" (offering the configuration for sale, not only actual sales of the configuration, amounts to the use of configuration for purposes of the UCPA). See *infra* Part V.A.

17. UCPA, Law No. 47 of 1993, art. 2-15-4, translated in 6 EHS LAW BULL. SER. No. 6895-96 (2005).

18. *Id.* art. 2-15-5.

19. See *infra* notes 138-42 and accompanying text.

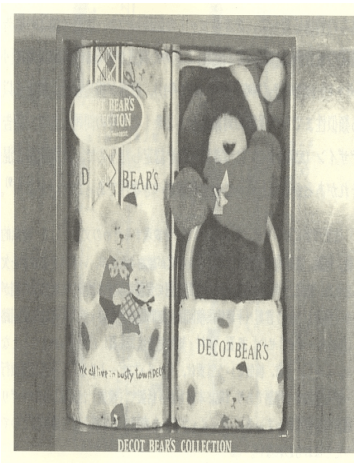
20. Appellations of source must be well recognized for protection under Article 2-1-1 of the UCPA and famous for protection under Article 2-1-2 of the UCPA. See Kenneth L. Port, *Japanese Trademark Dilution*, 4 NW. J. OF TECH. & INTELL. PROP. 228, 234 (2006), available at <http://www.law.northwestern.edu/journals/njtip/v4/n2/5>. Article 2-1-3 makes no mention of the distinctive capacity of the product configuration.

As such, this statutory endowment operates very much like a patent without an application process or notice to third parties. For example, in the *Bears Club Case*,²¹ the Osaka District Court found a towel set consisting of a stuffed teddy bear, a towel holder, and towels, bundled together in a cute package to be a valid product configuration.²² The court found that a nearly identical copy of the towel set infringed the Dead Copy Statute even though the plaintiff had not established any distinctiveness in the configuration, even though the defendant had no specific notice of the claim, even though the plaintiff had made no registration regarding the claimed configuration, and even though no consumer was shown to be confused by the configuration.²³

Plaintiff's Configuration



Defendant's Configuration



II. AMERICAN LAW

Some commentators in Japan imply that this same type of dead copy protection is available in the United States under a “misappropriation” theory of the common law.²⁴ It is understood in the following terms in Japan:

Under the Common Law, there is the tort of misappropriation. To establish this cause of action one generally needs to show the following: 1) the plaintiff produced the thing appropriated expending much effort and money over a long period of time; 2) the defendant used the thing appropriated at little or no cost,

21. Matsui Corporation, K.K. v. Shaday, K.K., 1659 HANREI JIHO 105 (Osaka D. Ct., June 18, 1998), translated in Kenneth L. Port, *Japanese Intellectual Property Law in Translation: Representative Cases and Commentary*, 34 VAND. J. TRANSNAT'L L. 847, 869–75 (2001).

22. *Id.* at 873.

23. *Id.*

24. See WATANABE ET AL., *supra* note 8, at 144.

such that one might characterize it as "reaping where you did not sow"; and 3) the plaintiff was financially damaged by the defendant's conduct.²⁵

Although this accurately states the cause of action under the Common Law,²⁶ it is misleading. To be sure, there are several United States cases that follow this theory of misappropriation and find the defendant liable;²⁷ however, these cases are all "information" cases, not "product configuration" cases.²⁸ The Japanese have extended a legal theory that, in the United States,

25. *Id.* Interestingly enough, J. Thomas McCarthy says the following regarding the elements of misappropriation:

(1) the plaintiff has made a substantial investment of time, effort, and money in creating the thing misappropriated, such that the court can characterize that "thing" as a kind of property right; (2) the defendant has appropriated the "thing" at little or no cost, such that the court can characterize the defendant's actions as "reaping where it has not sown"; and (3) the defendant's acts have injured the plaintiff, such as by direct diversion of profits from the plaintiff to the defendant or a loss of royalties that the plaintiff charges to others to use the thing misappropriated.

J. THOMAS MCCARTHY, MCCARTHY'S DESK ENCYCLOPEDIA OF INTELLECTUAL PROPERTY 273 (2d ed.1995).

26. *See id.*

27. *See, e.g., Int'l News Serv. v. Associated Press*, 248 U.S. 215 (1918) (stating that "hot news" is protected for a limited time); *Pittsburgh Athletic Co. v. KQV Broadcasting Co.*, 24 F. Supp. 490 (W.D. Pa. 1938) (finding that defendant's unauthorized play-by-play broadcasts of baseball games constituted unfair competition with plaintiffs and were in violation of the Communications Act of 1934). *But c.f., NBA v. Motorola, Inc.*, 105 F.3d 841 (2d Cir. 1997) (declining to follow *Int'l News Serv. v. Associated Press* and finding that the play-by-play rebroadcasts of plaintiff's games were not "hot news").

28. Thorough discussion of the American law of product configuration is beyond the scope of this article. Generally speaking, there are three forms of trade dress: product packaging, product configuration and a "tertium quid." *See Wal-Mart Stores, Inc. v. Samara Bros.*, 529 U.S. 205 (2000). According to *Wal-Mart*, product configuration is only protected if it has secondary meaning—that is, some ability to identify source in the minds of the relevant consumers. *Id.* at 215. Secondary meaning is not required under the Japanese Dead Copy Statute. For more on product configuration protection in the United States and all that it entails, see Margreth Barrett, *Consolidating the Diffuse Paths to Trade Dress Functionality: Encountering TrafFix on the Way to Sears*, 61 WASH. & LEE L. REV. 79, 136 (2004) ("*TrafFix* indicates that the policy considerations enunciated in [*Sears*, *Compco*, and *Bonito Boats*] should shape Lanham Act protection for product features."); Thomas F. Cotter, *Is This Conflict Really Necessary?: Resolving an Ostensible Conflict Between Patent Law and Federal Trademark Law*, 3 MARQ. INTELL. PROP. L. REV. 25 (1999); Theodore H. Davis, Jr., *Management and Protection of Brand Equity in Product Configurations*, 1998 U. ILL. L. REV. 59 (1998); Paul Heald, *The Worst Intellectual Property Opinion Ever Written: Sunbeam Products, Inc. v. The West Bend Co.: Exposing the Malign Application of the Federal Dilution Statute to Product Configurations*, 5 J. INTELL. PROP. L. 415 (1998); Mark A. Lemley, *The Modern Lanham Act and the Death of Common Sense*, 108 YALE L.J. 1687, 1697 (1999) (stating that "doctrinal creep" is resulting in the propertization of trademarks which will result in additional transaction costs to society); Glynn S. Lunney, Jr., *Trademark Monopolies*, 48 EMORY L.J. 367 (1999); Stephen K. Marsh, *Patents are Forever: Construing the Federal Trademark Dilution Act to Apply to Product Configurations in Sunbeam Products, Inc v. The West Bend Co.*, 4 J. INTELL. PROP. L. 421

is primarily used to prohibit the use of someone else's "information" (which may take different forms)²⁹ and to prohibit slavishly copying someone's product configuration.³⁰ Furthermore, the common law notion of misappropriation requires that the plaintiff be financially damaged.³¹ There is no such express requirement in the Dead Copy Statute.

Therefore, the Dead Copy Statute goes too far. To rely on American misappropriation theory to justify it is just wrong. To imply that Japan's Dead Copy Statute can rely, in any way, on the Common Law for its justification is a gross overstatement.

Additionally, the Dead Copy Statute would be unconstitutional if enacted in the United States; therefore, any harmonization is impossible. The UCPA provision fails to provide for notice of any claims arising thereunder, would likely be void for vagueness, and would obviously be preempted by the Patent Act and Article 1, Section 8, Clause 8 of the United States Constitution (the so-called Patent and Copyright Clause).³²

To be constitutional under the Due Process Clause of the 14th Amendment to the United States Constitution, statutes must provide sufficient notice of claims that may arise thereunder.³³ Product configuration claims in the United

(1997); Willajeane F. McLean, *Opening Another Can of Worms: Protecting Product Configuration as Trade Dress*, 66 U. CIN. L. REV. 119 (1997); Gary Myers, *Statutory Interpretation, Property Rights, and Boundaries: The Nature and Limits of Protection in Trademark Dilution, Trade Dress, and Product Configuration Cases*, 23 COLUM.-VLA J.L. & ARTS 241 (2000); David W. Opderbeck, *An Economic Perspective on Product Configuration Trade Dress*, 24 SETON HALL LEGIS. J. 327, 363 (2000) ("Product configuration trade dress can provide the same economic benefits as traditional trademarks."); Judith Beth Prowda, *The Trouble with Trade Dress Protection of Product Design*, 61 ALB. L. REV. 1309 (1998); Lars Smith, *Trade Distinctiveness: Solving Scalia's Tertium Quid Trade Dress Conundrum*, 2005 MICH. ST. L. REV. 243 (2005); Mark Alan Thurmon, *The Rise and Fall of Trademark Law's Functionality Doctrine*, 56 FLA. L. REV. 243 (2004); David S. Welkowitz, *Trade Dress and Patent—The Dilemma of Confusion*, 30 RUTGERS L.J. 289 (1999).

29. Rex Y. Fujichaku, *The Misappropriation Doctrine in Cyberspace: Protecting the Commercial Value of "Hot News" Information*, 20 HAW. L. REV. 421, 425 (1998) (arguing that the common law of misappropriation of databases should be allowed to "wither away").

30. See UCPA, Law No. 47 of 1993, translated in 6 EHS LAW BULL. SER. No. 6895–96 (2005).

31. MCCARTHY, *supra* note 25, at 273.

32. U.S. CONST. art. I, § 8, cl. 8; see, e.g., Barrett, *supra* note 28; Amy B. Berge, *Trade Dress Protection: What's Left for the States?*, 27 N. KY. L. REV. 1055 (2000); Margaret Chon, *Postmodern "Progress": Reconsidering the Copyright and Patent Power*, 43 DEPAUL L. REV. 97 (1993); Timothy R. Holbrook, *The Treaty Power and the Patent Clause: Are there Limits on the United States' Ability to Harmonize?*, 22 CARDOZO ARTS & ENT. L.J. 1 (2004); William Patry, *The Enumerated Powers Doctrine and Intellectual Property: An Imminent Constitutional Collision*, 67 GEO. WASH. L. REV. 359 (1999); Edward C. Walterscheid, *Divergent Evolution of the Patent Power and the Copyright Power*, 9 MARQ. INTELL. PROP. L. REV. 307 (2005).

33. Mathews v. Eldridge, 424 U.S. 319, 333 (1976) (stating that the essence of the Due Process requirement is that a person in jeopardy of serious loss be given the opportunity to be

States meet this notice requirement if the configuration has secondary meaning.³⁴ Under the UCPA provision, distinctiveness and secondary meaning are not required. As such, a third party will not have any notice of a plaintiff's claim to a configuration and the provision would lack constitutional justification under the Due Process Clause of the 14th Amendment.

The UCPA provision would also be void for vagueness if enacted in the United States. In *Bama Tomato Co. v. U.S. Dept. of Agriculture*,³⁵ the Eleventh Circuit held that a statute will be void if "it fails to afford a 'person of ordinary intelligence a reasonable opportunity to know what is prohibited, so that he [or she] may act accordingly.'"³⁶ Vagueness and notice are related because if the ordinary person is not able to determine what the statute states, then notice is lacking. In *Roth v. U.S.*,³⁷ the Supreme Court stated that the language must be clear enough to sufficiently and definitely warn of the "proscribed conduct when measured by common understanding and practices."³⁸

The UCPA provision does not warn of the proscribed conduct when measured by a common understanding of trade practices because no one knows which configurations fall under its vast web. This may be ameliorated somewhat by the fact that the defendant must be shown to have both subjectively and objectively intended to imitate.³⁹ However, the UCPA provision would also be inconsistent with the policy behind the Patent Act⁴⁰ and the Patent and Copyright Clause of the United States Constitution.⁴¹ This

heard); *Mullane v. Central Hanover Bank & Trust Co.*, 339 U.S. 306, 314–15 (1950) (explaining that a fundamental requirement of the 14th Amendment Due Process Clause is that all statutes must give notice; notice is to be calculated on the situation of the case and in such a way that it "reasonably conveys" all the information necessary to allow all interested parties the opportunity to participate).

34. *Wal-Mart Stores, Inc. v. Samara Bros.*, 529 U.S. 205, 215 (2000) (holding that product configurations must have secondary meaning to be protected). Secondary meaning is created in a mark through use in commerce where consumers come to think of it as an appellation of source instead of the primary meaning of the term. *Int'l Kennel Club of Chicago, Inc. v. Mighty Star, Inc.*, 846 F.2d 1079, 1085 (7th Cir. 1988).

35. *Bama Tomato Co. v. U.S. Dept. of Agric.*, 112 F.3d 1542 (11th Cir. 1997).

36. *Id.* at 1547 (quoting *Grayned v. City of Rockford*, 408 U.S. 104, 108 (1972)).

37. 354 U.S. 476 (1957).

38. *Id.* at 491 (quoting *United States v. Petrillo*, 332 U.S. 1, 7–8 (1947)).

39. *See infra* Part V.C.

40. Pub. L. No. 593, 66 Stat. 792 (1952) (as amended and codified at 35 U.S.C. § 1-376 (2000)); *See, e.g., King Instruments Corp. v. Perego*, 65 F.3d 941, 950 (Fed. Cir. 1995) (noting that the policy behind the Patent Act is to create incentives for innovation); *Hilton Davis Chem. Co. v. Warner-Jenkinson Co.*, 62 F.3d 1512, 1536 (Fed. Cir. 1995) ("The patent law is directed to the public purposes of fostering technological progress, investment in research and development, capital formation, entrepreneurship, innovation, national strength, and international competitiveness.") (Newman, J., concurring).

41. U.S. CONST. art. I, § 8, cl. 8.

point was perfectly and succinctly summarized by the United States Supreme Court in *Dastar Corp. v. Twentieth Century Fox Film Corp.* as follows:

The right to copy, and to copy without attribution, once a copyright has expired, like “the right to make [an article whose patent has expired]—including the right to make it in precisely the shape it carried when patented—passes to the public.” The rights of a patentee or copyright holder are part of a “carefully crafted bargain,” under which, once the patent or copyright monopoly has expired, the public may use the invention or work at will and without attribution. Thus, in construing the Lanham Act, we have been “careful to caution against misuse or over-extension” of trademark and related protections into areas traditionally occupied by patent or copyright. “The Lanham Act,” we have said, “does not exist to reward manufacturers for their innovation in creating a particular device; that is the purpose of the patent law and its period of exclusivity.” Federal trademark law “has no necessary relation to invention or discovery,” but rather, by preventing competitors from copying “a source-identifying mark,” “reduces the customer’s costs of shopping and making purchasing decisions,” and “helps assure a producer that it (and not an imitating competitor) will reap the financial, reputation-related rewards associated with a desirable product.”⁴²

It is difficult to find a clearer statement of United States policy on the idea of slavish imitation. In short, if the copyright and the patent have expired (or a patent or copyright was never obtained), there is no right to prevent a third party from slavishly imitating a configuration which has no source-denoting capacity. That is, in the United States, unless a configuration is the subject of a patent, if secondary meaning is lacking, it is dedicated to the public and anyone can use it for any purpose.⁴³ As such, it is hard to understand what United States law Japan is pretending to “harmonize” when a Dead Copy Statute is adopted under the pretext of “harmonization.”⁴⁴

42. *Dastar Corp. v. Twentieth Century Fox Film Corp.*, 539 U.S. 23, 33–34 (2003) (citations omitted).

43. *Crescent Tool Co. v. Kilborn & Bishop Co.*, 247 F. 299, 301 (2d Cir. 1917) (“Thus the plaintiff has the right not to lose his customers through false representations that those are his wares which in fact are not, but he may not monopolize any design or pattern, however trifling. The defendant, on the other hand, may copy the plaintiff’s goods slavishly down to the minutest detail; but he may not represent himself as the plaintiff in their sale.”).

44. Although Japanese commentators do not recognize this, one potential justification from American law could have been the Semi-Conductor Chip Protection Act of 1984. 17 U.S.C. § 901–14 (2000). In essence, this law prohibits the slavish imitation of another’s chip. In 1998, the United States Congress also passed the Vessel Hull Act. 17 U.S.C. §§ 1301–32 (Supp. IV 1999). This act, too, essentially protects boat hulls from being slavishly imitated. The Japanese literature is silent on the relevance of these two developments, and it is a rare United States scholar who believes this is any indication of a “trend” in the protection of “market entry industrial designs.” See William T. Fryer, III, *The Evolution of Market Entry Industrial Design Protection: An International Comparative Analysis*, 21 EURO. INTELL. PROP. REV. 618, 618–23 (1999). On the other hand, the United States Congress seems prepared to continue this expansion as the Senate

III. GERMAN LAW

The claim that Germany has a perfectly analogous cause of action to the Dead Copy Statute is also misleading.⁴⁵ Although it is true that Civil Law jurisdictions generally are more sympathetic to the notion of protecting against imitations without a showing of confusion,⁴⁶ "'slavish imitation' (*sklavische Nachahmung*) require[s] there to be confusion as to origin in one way or another."⁴⁷

In Germany, imitations of another's product that result in confusion are prohibited (*Herkunftstauschung*); however, under such a theory, such use of a product configuration must actually cause confusion and be recognized by the public⁴⁸—two significant elements that are lacking in Japan's Dead Copy theory. Under this German theory, technical innovations have been protected when it is proven that they are capable of indicating origin.⁴⁹

The author of the only English study I could locate concludes as follows:

German jurisdiction stresses that . . . direct adoption is not unlawful per se, but only in certain cases because of the "special features" of the product, if imitation is very easy (especially by electronic means, and also for databases), when otherwise incentives for development would be stifled or when imitation was undertaken systematically and for a whole range of goods.⁵⁰

This does not sound much like the Japanese Dead Copy statutory monopoly at all.

Therefore, just as the reliance on the United States common law tort of misappropriation, reliance on German law as justification for the Dead Copy provision of the UCPA is simply unfounded.

IV. INTERNATIONAL LAW

The Paris Convention was enacted in 1883 and has since provided the basis for most international laws regarding industrial property.⁵¹ From its inception, it has been the lynchpin of international industrial property (patents and trademarks).

Therefore, it is of some note that, at least in the United Kingdom, the Paris Convention has been held to *not* require trade dress protection for product

has recently passed a bill that makes it clear that either the hull or the deck of a boat is subject to its provisions. S. 1785, 109th Cong. (2005).

45. See, e.g., WATANABE ET AL., *supra* note 8, at 143.

46. Christopher Heath, The System of Unfair Competition Prevention in Japan 121 (2001).

47. *Id.*

48. *Id.*

49. *Id.* at 122.

50. *Id.*

51. Convention of Paris for the Protection of Industrial Property, arts. 2(1), 3, Mar. 20, 1883, 13 U.S.T. 25.

designs.⁵² In *Philips Electronics N.V. v. Remington Consumer Products, Ltd.*, the court held that the Paris Convention did not require trade dress protection for product designs in Article 6bis. because the drafters of the Paris Convention could not have been thinking about product configuration when it drafted 6bis.⁵³ Another potential international source, and one referred to in Japanese literature on the subject,⁵⁴ is the World Intellectual Property Organization's so-called "Model Laws."⁵⁵ These laws are drafted from time to time to encourage harmonization. However, it is pertinent to note that the Model Laws apparently relied upon by the Japanese do not actually contain any provision regarding "slavish imitation." The Commentary to the 1996 Model Law on unfair competition reads as follows:

The Model Provisions do not contain a specific provision against so-called "slavish imitation" because, at least for the time being, it has not been possible to establish generally accepted conditions for such protection that would justify introducing it in addition to protection by patent law.⁵⁶

That is, it was impossible for Japan to have accurately relied upon WIPO Model Laws three years before it was declared that, to date, no agreement could be reached by the member states regarding the level of protection, independent of patent law, that product configurations should enjoy. Although the Japanese apparently relied upon these Model Laws when enacting their Dead Copy Statute, nothing in the Model Laws required or implied that countries give product configuration this level of protection.

Although it did not exist in 1993, and therefore cannot be said to have had any impact on the development of Japanese law, the European Union currently does have a rather expansive system by which claimants of product configuration might enjoy some protection. Although not binding on Japan in any way because Japan is, obviously, not (yet) a member of the European Union, the EU Design Regulation provides for the protection of product configuration in two ways.⁵⁷ First, if the configuration claimant registers the design with the Office for Harmonization of the Internal Market (OHIM) in

52. *Philips Electronics N.V. v. Remington Consumer Prods., Ltd.*, 1998 R.P.C. 283 (Eng. Ch.).

53. *Id.*

54. WATANABE ET AL., *supra* note 8.

55. Paul Salmon, Cooperation Between the World Intellectual Property Organization (WIPO) and the World Trade Organization (WTO), 17 ST. JOHN'S J. LEGAL COMMENT. 429, 431 (2003).

56. MODEL PROVISIONS ON PROTECTION OF UNFAIR COMPETITION 14 (World Intell. Prop. Org. eds. 1996), reprinted 1997 (WIPO Publication 832(E)).

57. Council Regulation 6/2002 on Community Designs, 2002 O.J. (L3) 1 [hereinafter *EU Design Regulation*]. "Design" is defined as the "appearance of the whole or a part of a product resulting from the features of, in particular, the lines, contours, colours, shape, texture and/or materials of the product itself and/or its ornamentation." *Id.* art. 3.

Alicante, Spain, the protection lasts for twenty-five years.⁵⁸ A second possibility, and one that sounds quite familiar, is that a configuration claimant who does not register the design can obtain three years of protection from the date of first sale of the product in the EU.⁵⁹ The right for unregistered designs came into effect on March 6, 2002.⁶⁰

However, there is at least one significant difference between the EU scheme and the scheme in Japan. Under the EU regime, designs are protected only if they are new and have an "individual character." This means that the overall impression of the design on the informed user must create a different impression than any prior design.⁶¹ There is no such similar requirement under the Japanese regime. As such, it makes any analogy to the Japanese situation obsequious.

Therefore, despite the persistent Japanese insistence that international law requires or encourages the Dead Copy Statute level of protection from slavish imitation, in fact, there are no actual mandatory requirements that Japan must pass and maintain the Dead Copy Statute. Today, the EU has adopted a system of protecting designs that is analogous to Japan's Dead Copy Statute, but it differs significantly in the way the protected configurations are defined.

V. JAPANESE LAW ON "DEAD COPIES"

The Japanese Dead Copy Statute is intended to provide the first manufacturer a good lead time in the market place.⁶² The rationale is that there should be a reward for expending the time, money, and effort necessary to bring a unique product to market. It should not just be dedicated to the public domain upon its initial sale. Some view this as gap filler because it takes up to a year in order to obtain a registration under the Design Law. During pendency of the Design Law application, sales can be freely made without concern of imitation.⁶³

In the Japanese cause of action, there are essentially six elements. These elements are: 1) the good is a prescribed product configuration (*shohin no keitai*); 2) protection lasts for three years from the date of first sale; 3) the configuration was imitated (*moho*) as defined in the statute; 4) the

58. *Id.* art. 12.

59. *Id.* art. 11; see also, Dana Beldiman, *Protecting the Form But Not the Function: Is U.S. Law Ready for a New Model?*, 20 SANTA CLARA COMPUTER & HIGH TECH. L.J. 529, 570 (2004).

60. John Richards, *European Design Regime* (2003), <http://www.ladas.com/Patents/PatentPractice/EUDesignRegulation/EUDesignRegime01.html> (last visited Nov. 12, 2006).

61. Council Regulation (EC) No 6/2002 of 12 December 2001 on Community designs, available at <http://europa.eu.int/scadplus/leg/en/lvb/l26033.htm>; Okaguchi, *supra* note 3, at 457.

62. See Jerry Reichman, *Legal Hybrids Between the Patent and Copyright Paradigms*, 94 COLUM. L. REV. 2432 (1994).

63. YOSHIYUKI TAMURA, *FUSEIKYOSHOH GAISETSU (UNFAIR COMPETITION LAW)* 322–24 (2d ed. 2003) (translated by author).

configuration is something that is commonly used with such goods; 5) the configuration can be considered a “good” (*shohin*); and 6) the configuration imitated is that of another person.⁶⁴ The configuration would be protected if the imitation damaged the original user’s business or was likely to damage that business.⁶⁵

There is very little debate about the normative value of Dead Copy protection, and the lack of a normative debate is odd given that Japan is rapidly becoming an “intellectual property society.”⁶⁶ That is, there is very little debate about where the outer edge of intellectual property should lie. There is almost no debate about the significance to the society or the economy.⁶⁷

The first articulated objection to the Dead Copy Statute postulates that sometimes courts require something more than mere slavish imitation.⁶⁸ Sometimes courts require parties to show that there was specific intent to engage in unfair competition.⁶⁹ This is exemplified in a situation where the copier is able to sell at substantially lower prices than the imitated plaintiff. By avoiding the cost of conceptualizing and developing the configuration, the copier saves a substantial amount of time and money. In such a case, simply empowering the plaintiff to enjoin the copier who, by way of his conduct, destroys the incentive that the plaintiff originally possessed to be the first on the market. In such circumstances, an injunction ought to be sufficient to prevent and deter infringements.⁷⁰

However, this issue dances around the underlying problem without properly identifying it. Low cost products should be rewarded. Artificial, statutorily supported monopolies drive consumer costs up. As such, Japanese consumers pay more for protected product configurations than, for example, Americans who do not have to pay for protected configurations.⁷¹ Protecting owners of configuration to this extent chills innovation by enabling owners to rely, for three years, on a once successful product configuration that someone

64. Okaguchi, *supra* note 3, at 457, 469.

65. *Id.*

66. *See supra* note 4 and accompanying text.

67. What does exist is rather superficial. *See, e.g.,* WATANABE ET AL., *supra* note 8, at 138–39. Although preventing all copying forever would harm the incentive to innovate, using someone’s product configuration when they made no investment in its development either in time, money, or thought should be considered “unfair.” As such, the Dead Copy Statute creates the appropriate balance between these two needs of society.

68. *See* TAMURA, *supra* note 63, at 301.

69. *Id.*

70. *Id.*

71. *Crescent Tool Co. v. Kilborn & Bishop Co.*, 247 F. 299, 301 (2d Cir. 1917) (“Thus the plaintiff has the right not to lose his customers through false representations that those are his wares which in fact are not, but he may not monopolize any design or pattern, however trifling. The defendant, on the other hand, may copy the plaintiff’s goods slavishly down to the minutest detail; but he may not represent himself as the plaintiff in their sale.”).

wanted to buy or copy. However, this basic inquiry remains conspicuously absent from Japanese literature.

The next issue postulates that actual, specific, head-to-head competition in the marketplace is not a technical requirement for protection under the Dead Copy Statute.⁷² If competition were a requirement and one put a configuration into the stream of commerce in Osaka, slavishly copying it in Tokyo would not be actionable. Additionally, designing a licensing scheme that would account for all of this would be extremely difficult. If party A started selling a configuration in Tokyo, and party B started selling it in Osaka, who would have the rights to it in Fukuoka? To be workable, the rights contemplated under the Dead Copy Statute must be nationwide in scope, and clearly nationwide protection is too broad.

The final concern is that services are not protected under the Dead Copy Statute. This gap in protection can lead to some bizarre results. For example, should someone copy the configuration of dishes used at a restaurant or costumes worn by the service staff, which otherwise satisfy the Dead Copy Statute, relief might be had under the Statute. But if someone slavishly imitates the service that very same restaurant is offering, no relief can be had. This is because product configuration, by definition, can never be a service.⁷³

If the purpose of the law is to provide an incentive to innovation, what possibly could be the difference between services and product configuration?

A. "*Keitai*"

I translate *keitai* as "configuration." This term is commonly translated as "form"⁷⁴ or "shape."⁷⁵ One way or the other, *keitai* as used in Article 2-1-3 of the UCPA is defined as something far broader than either term found in any Japanese dictionary. *Keitai* in the Dead Copy Statute includes not only an item's actual shape, but also its design, coloration, mass, and luster.⁷⁶ That is, *keitai* refers to a good's overall external appearance, not just its shape.⁷⁷

72. TAMURA, *supra* note 63, at 301 (translated by author).

73. *Id.* at 303 n.1.

74. THE GREAT JAPANESE DICTIONARY 654 (Tadao Umesao, et al. eds., 1989) (translated by author).

75. KENKYUSHA'S NEW POCKET JAPANESE-ENGLISH DICTIONARY 520 (1964). This translation is the common, non-legal translation.

76. TSUNEYUKI YAMAMOTO, YOSETSU FUSEIKYOSOBOSHIHO [OUTLINE OF THE UNFAIR COMPETITION PREVENTION ACT] 136 (2002) (translated by author); *see* SHIGEIHIKO KANEI ET AL., FUSEIKYOSOBOSHIHO KOMENTARU [UNFAIR COMPETITION PREVENTION LAW AND COMMENTARY] 61 (2004) (translated by author).

77. KANEI ET AL., *supra* note 76, at 61; *see also* K.K. Milane-Tomoda v. Lovely Queen, K.K. (Intellectual Property High Court, Dec. 15, 2005) (a product configuration includes not only the external appearance of a good, but also includes the configuration necessary for the dismantling and reshaping a good), available at [http://legal.lexisnexis.jp/jp/lngateway.dll?f=templates&fn=defaultHome_JP.htm&vid=Japan:10.1048/Enu](http://legal.lexisnexis.jp/jp/lngateway.dll?f=templates&fn=defaultHome_JP.htm&vid=Japan:10.1048/Enu;); MINORU TAKEDA,

The *Wire Brush Set Case*⁷⁸ was one of several cases which provided the language for the change in the Dead Copy Statute in the 2005 Amendments. In that case, the Osaka District Court determined that “product configuration” includes a good’s shape, design, color, luster, and overall external appearance.⁷⁹ The court also found that, in addition to the actual shape and design of the brush itself, the packaging of a hair brush set should be included in the definition of product configuration.⁸⁰

Both three-dimensional and two-dimensional product configuration are included in this definition.⁸¹ The configuration need not give the claimant any specific economic advantage.⁸² The key is that effort must have been expended in the form of time, labor, or money in the creation of the configuration.⁸³

The only real restriction on the concept of “*keitai*” (configuration) is that it cannot amount to the idea or concept of a configuration, only the physically manifested configuration itself.⁸⁴ Simply stated, the claimant must establish that it is protecting the manifestation of the configuration, not the idea of the configuration. This, at least, provides some restriction to the dead copy right. As we will see below, this is not the only place where the dead copy right sounds, looks, and feels like a copyright.

The Japanese government has created many “councils” to advise the Diet on particular matters. The “Industrial Structure Council” (*sangyokozo shingikai*) is one such council with a committee on intellectual property policy (*chitekizaisan seisakubuka*) that has studied the matter rather closely and reports as follows:

CHITEKIZAISANKEN SHINGAIYORON [INFRINGEMENT OF INTELLECTUAL PROPERTY RIGHTS] 43 (2003) (translated by author).

78. *Basheen, K.K. v. Eko Metal, K.K.*, 1826 HANREI JIHO 132 (Osaka D. Ct., Apr. 9, 2002) (translated by author).

79. *Id.*

80. *Id.* However, there is some academic debate as to whether packaging (*hoso*) alone should be separately protected. The preponderance of opinion is that when the packaging is not an integral portion of the overall configuration of the product, it should not be protected. See TAMURA, *supra* note 63, at 298; see also *J. T. Hockins, Ltd. v. Osaka Chem. Indus., K.K.*, 28 MUTAIZAIHAN HANREISHU 140 (Osaka D. Ct., Mar. 29, 1996) (translated by author) (holding that product configuration includes the shape, design, and color of a product, but not the container or product explanation brochures attached to the goods, in this case sandals).

81. See KANEI ET AL., *supra* note 76, at 62.

82. TAMURA, *supra* note 63, at 298 (translated by author).

83. *Id.* This is yet another significant difference from either the common law tort of misappropriation or the German notion of fair competition.

84. *K.K. Sunlemon v. K.K. Oike*, 1610 HANREI JIHO 112 (Tokyo D. Ct., June 27, 1997) (translated by author) (“‘Product Configuration’ as contemplated under Article 2-1-3 of the UCPA refers to the physical manifestation of a product. It does not include the idea or concept behind the product.”); TAMURA, *supra* note 63, at 298.

The creation of new things based on the fruit of a firstcomer's efforts is generally conducive to a socially healthy and long-lasting growth. Preventing imitation is inconsistent with freedom of competition and economic growth. On the other hand, allowing all copying defeats the incentives of the firstcomer. Balancing the incentives provided to the firstcomer to create socially healthy and long-lasting growth and prevent imitations is to be determined based on the prevailing social and economic conditions. From this point of view, in the form of attaching intellectual property rights to specific objects, standardized restrictions are fixed in response to copying. From the point of view of identifying specific acts of unfair competition, the Unfair Competition Prevention Act provides for a civil system (injunctions and damages). Through this system, fair competition is maintained. Recently, because copying has become so much easier and the life cycle of products has become increasingly shorter, the merit of being on the market first with any given product has been reduced and the competition between firstcomers and imitators has become intense. As such, the will to develop individual products and exploit markets has been hindered. If this situation is neglected, the competitive conditions will collapse. As such, there is a need to place "dead copies" into the [scheme of intellectual property protection].⁸⁵

That is, this right to prevent dead copies appears to be very similar to the right to "hot news" as set down in *International News Service v. Associated Press*⁸⁶ some ninety years ago, but never again really followed to the fullest extent envisioned there.⁸⁷ That is, through the definition of "*keitai*," the Japanese Diet has managed to make product configuration, whether three dimensional or two, whether the color, shape, or even luster of the object, "hot news" as contemplated in *International News Service v. Associated Press*. In the name of harmonization, the Japanese protect the very same "sweat of the

85. YAMAMOTO, *supra* note 76, at 111 (quoting SANGYO KOZO SHINGIKAI CHITEKI ZAISAN SEISAKU BUKAI HOKOKUSHO [REPORT OF THE INTELLECTUAL PROPERTY POLICY COMMITTEE OF THE INDUSTRIAL STRUCTURE COUNCIL] 115 (1992)) (translated by author).

86. *Int'l News Serv. v. Associated Press*, 248 U.S. 215 (1918).

87. In fact, in *Cheney Bros. v. Doris Silk Corp.*, 35 F.2d 279 (2d Cir. 1929), Judge Learned Hand, in private communications with the other judges on that panel, had the following to say about the "hot news" doctrine:

I confess that the Associated Press Case is somewhat of a stumbling block, but I do not believe that the five justices who united in Pitney, J.'s opinion meant to lay down a general rule that a man is entitled to "property" in the form of whatever he makes with his labor and money, so as to prevent others from copying it. To do so would be to short-circuit the Patent Office and throw upon courts the winnowing out of all such designs that might be presented. While I agree that on principle it is hard to distinguish, and that the language applies, I cannot suppose that any principle of such far-reaching consequence was intended. It will make patent cases an exception; it will give to State courts jurisdiction over inventions; it will overthrow the practice of centuries.

Kenneth L. Port, *Learned Hand's Trademark Jurisprudence: Legal Positivism and the Myth of the Prophet*, 27 PAC. L. J. 221, 238 (1996).

brow” that has long been discounted as justification for intellectual property protection in the United States.⁸⁸ The intellectual property committee of the Industrial Structure Council was clearly aware of *International News Service v. Associated Press*, but it is not clear that the Council was aware of the subsequent ninety years of American jurisprudence on the topic of slavish copying.⁸⁹

B. Three Years Priority

The term of protection is three calendar years to the day from the date of first sale (*saishoni hanbai saretahi*).⁹⁰ Therefore, if a good is “first sold” on December 3, 1995, the term of protection would be through December 2, 1998.⁹¹ Three years was determined to be the appropriate amount of time because the Design Law allows for six years of protection, and it was perceived that any such Dead Copy Protection should be shorter than the shortest existing intellectual property protection.⁹² The Japanese Government commissioned a survey of the Japanese Design Protection Association to study the life cycle of designs in Japan.⁹³ According to the results of this survey, the life cycle of most designs in Japan is under three years,⁹⁴ and so three years became the magic number.⁹⁵

The date of first sale is interpreted very broadly. Therefore, sale in Japan or abroad constitutes a “sale” (*hanbai*),⁹⁶ and the sale of just one article constitutes a sale for purposes of this statute.⁹⁷ The statute does not differentiate or discriminate against non-Japanese. In fact, even the shipping

88. See, e.g., *Feist Publ'ns, Inc. v. Rural Tel. Serv. Co.*, 499 U.S. 340, 353 (1991).

89. It is axiomatic in United States jurisprudence that so long as a configuration is not subject to patent protection and does not identify source, it may be copied without restraint. “Our natural inclination to disapprove of such conduct must give way to the public policy favoring competition, even by slavish copying” *Keene Corp. v. Paraflex Indus., Inc.*, 653 F.2d 822, 824 (3rd Cir. 1981); see also *Thomas & Betts Corp. v. Panduit Corp.*, 65 F.3d 654 (7th Cir. 1995); *Second Earth Enter. Inc. v. Allstar Prod. Mktg. Co.*, 717 F. Supp. 302 (E.D. Pa. 1989); *Standard Terry Mills, Inc. v. Shen Mfg. Co.*, 622 F. Supp. 791 (E.D. Pa. 1985); *U.S. Golf Ass'n v. St. Andrews Sys.*, 219 U.S.P.Q. 143 (D.N.J. 1982).

90. UCPA, Law No. 47 of 1993, art. 19-5, translated in 6 EHS LAW BULL. SER. No. 6895–96 (2005).

91. This manner of calculation is dictated by Articles 138 and 143 of the Japanese Civil Code.

92. YAMAMOTO, *supra* note 76, at 120.

93. *Id.*

94. *Id.*

95. See generally TAMURA, *supra* note 63, at 310–13.

96. CHIKUJO KAISETSU FUSEIKYOSOBHOSHIHO [CLAUSE BY CLAUSE EXPLANATION OF THE UNFAIR COMPETITION PREVENTION ACT] 53 (2005).

97. *Id.* at 54 n.42; see also [Parties Not Provided], 181 HANREI TIMES 83 (Osaka High Ct., Oct. 31, 1962) (holding that even one sale of pyrometer constituted a “sale” for purposes of the Unfair Competition Prevention Act; this case predated the Dead Copy Statute).

of samples would start the clock running under the theory that this is the first date anyone could confirm the specific nature of the configuration—the date the public would be exposed to the configuration.⁹⁸ Likewise, the publication of brochures or other pamphlets where specific products were offered for sale would also amount to the “date of first sale,” even though no money exchanged hands.⁹⁹ The key to calculating the first sale date is to determine when the plaintiff has commercialized (*shohinka*) the good. This commercialization may take many different forms.¹⁰⁰

For example, as a container for a rose-shaped chocolate for Valentine’s Day, one company manufactured and sold a heart-shaped cup.¹⁰¹ A company, Nagoya Match, K.K., ordered some 315,000 cups.¹⁰² The court held that this order, placed with specific knowledge of what the product looked like, commenced the running of the three-year period.¹⁰³ In this case, the defendant’s use of a very similar cup commenced within three years of the literal sales of goods, but more than three years after this first order was placed.¹⁰⁴ Accordingly, the court held that the three-year period had tolled and denied the claim for an injunction.¹⁰⁵

Similarly, if alterations are made to the good after the first date of sale, these alterations will not restart the clock. In the *Unit Systems Case*,¹⁰⁶ the manufacturer of a piping system for air conditioners claimed a date of first sale in August of 1997, some five years after its original good first made it to the market.¹⁰⁷ The court held that the date of first sale for these revised goods was August of 1997, but the date of the first sale of the original good was March of 1992.¹⁰⁸ As such, not only did it predate the effectiveness date of the amendments to the UCPA, it also far exceeded the three years of protection afforded by the statute.¹⁰⁹

Therefore, three years from the first sale of the configuration is to be interpreted very broadly. The clock will commence immediately upon the public becoming exposed to the configuration in any form, be it in specific sales, marketing or other brochures and pamphlets, or through any kind of

98. YAMAMOTO, *supra* note 76, at 118.

99. *Id.* at 121.

100. *Id.*

101. K.K. J. Seven v. K.K. Best Co., 26 MUTAIZAISAN HANREISHU 1323, 1325 (Kobe D. Ct., Dec. 8, 1994).

102. *Id.* at 1326.

103. *Id.* at 1330.

104. *Id.* at 1326.

105. *Id.* at 1330.

106. Kyoritsu Air Tech., K.K. v. Air Conditioning Star, K.K., 1718 HANREI JIHO 120 (Tokyo High Ct., Feb. 17, 2000).

107. *Id.* at 121–22.

108. *Id.* at 126.

109. *Id.* at 129.

advertising. It would be a rather diligent plaintiff that could take full advantage of the full three-year period of protection.

C. *Slavish Imitation (moho)*

Another element of this cause of action is that a configuration actually is imitated or copied. The Japanese use a particular word for copy or imitate: *moho*. It means more than just “copied;” it means “slavish imitation.”¹¹⁰ Slavish imitation means using an exact replica of the configuration or an important portion of that configuration.¹¹¹ It does not merely mean “copied.”

Determining if a configuration was slavishly imitated is a factually intensive inquiry. There must be a subjective as well as an objective intent to slavishly imitate.¹¹² First, there must be objective facts in the record to show that the defendant did in fact slavishly imitate the plaintiff’s configuration. This is satisfied if the slavish imitation is done completely (*doitsu*) or substantially (*jishhitsuteki*).¹¹³ Therefore, even if the color of the defendant’s product is slightly different, or the dimensions are not precisely the same, so long as the defendant’s configuration is substantially the same as the plaintiff’s, it will be deemed a slavish imitation.¹¹⁴

This is rather paradoxical. On one hand, the meaning of “*moho*” is to slavishly imitate. On the other hand, a substantially similar copy will be deemed to be a slavish imitation. This may be the definition of an oxymoron. It is technically not possible that something is a substantially similar slavishly imitated object. It is either slavishly imitated or it is not. There should be no substantial similarity with which to be concerned. If that were supposed to be the test, the Japanese Diet would have presumptively used a term other than “*moho*.” They could have used a host of other terms that would allow for a “substantial” similarity to be the test of slavish imitation, but clearly they did not. It is equally clear that courts and commentators have grafted the notion of substantial similarity of Dead Copies onto the Dead Copy Statute.

This ability to call substantial similar product configurations “slavish imitations” is yet another manner in which the Dead Copy Statute might be abused to stifle legitimate competition.

The Diet used the word “*moho*” for a reason. They felt that entities needed a head start. They felt that providing this head start, would motivate entities to

110. YAMAMOTO, *supra* note 76, at 126.

111. *Id.*

112. *Id.*

113. *Id.*; see also, K.K. K. & T. v. Yasutake, 1613 HANREI JIHO 134 (Tokyo D. Ct., Mar. 7, 1997).

114. YAMAMOTO, *supra* note 76, at 126.

innovate. By protecting the configurations of entities for three years, it was felt that these entities would recognize a significant incentive to innovate.¹¹⁵

At the same time, a balance had to be struck. If the right was too narrow, it would chill the very innovation it was intended to promote.¹¹⁶ If the right was too broad, competition would become difficult and entities would simply not enter the game. This dilemma was the reason for using the word "*moho*" in the first place. There are multiple other words that could have been used. In Trademark Law, when referring to the concept of "similarity", the Japanese Diet uses the term "*ruiji*." In Copyright Law, the Diet chose the term "*doitsu*." In Design Law, they chose the term "*ruiji*."¹¹⁷ It is only in the context of the Dead Copy Statute that the Diet elected to use the term "*moho*." Presumably, the choice is of some significance. That is, "*moho*" was supposed to have a distinctive meaning for the Dead Copy Statute. To say that a configuration that is substantially similar to another satisfies the expectations of using the term "*moho*" is disingenuous at best.

One way or another, there also needs to be subjective evidence that the defendant intended to slavishly imitate the plaintiff's configuration. If the defendant's configuration is the result of the actual expenditure of time, money, and actual innovation, it cannot be slavish imitation even if the result is a configuration that is the same or substantially the same as the plaintiff's.¹¹⁸

115. See TAMURA, *supra* note 63, at 301.

116. See, e.g., YAMAMOTO, *supra* note 76, at 127.

117. But cf., *id.* at 129–30 (noting that Takada says "*doitsu*" and "*ruiji*" are the same thing).

118. K.K. Genyo v. Miyuki Technologies Yugen Kaisha, 1644 HANREI JIHO 153 (Tokyo High Ct., Feb. 26, 1998) (finding that defendant's key chain that was shaped as a very similar dragon carrying a sword did not infringe because it was nearly twice the size of the plaintiff's); see also K.K. Simree v. K.K. Belluna, 1822 HANREI JIHO 138 (Tokyo D. Ct., Nov. 27, 2002) (regarding the configuration of women's clothing); K.K. Western Arms v. K.K. Anges Seiki Hanbai, 1815 HANREI JIHO 123 (Tokyo High Ct., Jan. 31, 2002) (stating that the configuration of air guns is protected); Yubisha Sangyo, K.K. v. Leather Products, K.K., 1770 HANREI JIHO 136 (Tokyo High Ct., Sept. 26, 2001) (finding a small women's shoulder bag to be a valid product configuration and infringed); Citizen Watch, K.K. v. Yugen Kaisha Timely Bass, 1692 HANREI JIHO 129, 132 (Tokyo D. Ct., June 29, 1999) (finding that a watch face was infringed where time was told by two rotating concentric discs rather than by a digital display or hands).

For examples of cases where the Dead Copy Statute was determined to not be infringed, see K.K. Basheen v. Eiko Metals, K.K., 1826 HANREI JIHO 132 (Osaka D. Ct., Apr. 9, 2003) (finding that the configuration of defendant's packaging and a hair brush were one and the same and therefore appropriate subject matter for UCPA 2-1-3, but finding no infringement); K.K. I-Face v. Yugen Kaisha Bit Gang, 1828 HANREI JIHO 121 (Tokyo D. Ct., Jan. 28, 2003) (denying the protection of schedule managing software); Yugen Gaisha Harada Golf v. Citizen Mfg., K.K., 1677 HANREI JIHO 127 (Tokyo D. Ct., Jan. 28, 1999) (finding that a golf bag was not infringed); K.K. Sunlemon v. K.K. Oike, 1610 HANREI JIHO 112 (Tokyo D. Ct., June 27, 1997) (finding that fasteners shaped like animals were not infringed); J.T. Hawkins, Ltd. v. Osaka Chem. Indus., K.K., 28 MUTAIZISAN HANREISHU 140 (Osaka D. Ct., Mar. 29, 1996) (finding that explanation attached to a sandal was not imitated).

In other words, as another exception, the Dead Copy Statute recognizes independent creation as an affirmative defense.¹¹⁹ However, if the configurations are nearly identical, it will be presumed that it would be extremely unlikely that the development was truly independent, and therefore, it may be subject to the provisions of the Dead Copy Statute.¹²⁰

One of the most cited cases regarding “*moho*” is the *Dragon Sword Case*.¹²¹ In the words of the Tokyo High Court:

“Imitation” [*moho*] for purposes of Article 2-1-3 of the Unfair Competition Prevention Act means producing and offering for sale products whose configuration is identical or substantially identical to another’s. Objectively, this means that when viewing the products produced by another, one would have to say that the products are the same or substantially the same. Subjectively, this means that [the infringer] knows it is the product configuration of another and that the product is objectively recognized as the same or substantially the same as that of another.¹²²

That is, subjectively and objectively, the configurations must be identical. Yet, the court provides some leniency when it finds that a “substantially” identical configuration infringes just the same as an exact imitation.

In the *Dragon Sword Case*, the High Court reversed the lower court’s finding of infringement.¹²³ The product at issue was a key chain that consisted of a sword with a dragon wrapped around it.¹²⁴ The defendant’s dragon was wrapped more times around the sword and was nearly twice the dimensions of the plaintiff’s.¹²⁵ The plaintiff’s key chain had a jewel embedded in what would be the handle of the sword.¹²⁶ The High Court found that these differences made the defendant’s key chain not “substantially” identical to the plaintiff’s key chain.¹²⁷ The key chains are represented below. Obviously, they are quite similar. It appears that Japanese courts are very careful when applying the Dead Copy Statute. Perhaps they are aware of the economic destructive capacity of the Dead Copy Statute.

By looking at this litany of cases, it is reasonable to conclude that the Dead Copy Statute has not been a significant aspect to Japanese intellectual property protection because there are no cases that address truly remarkable innovations. This does not mean that the potential for such cases is not there, just that the potential has yet to be realized.

119. YAMAMOTO, *supra* note 76, at 127, 129.

120. *Id.* at 129. As in copyright law, if access is proven, copying might be presumed. *Id.*

121. K.K. Genyo v. Miyuki Technologies Yugen Kaisha, 1644 HANREI JIHO 153 (Tokyo High Ct., Feb. 26, 1998).

122. *Id.* at 155 (translated by author).

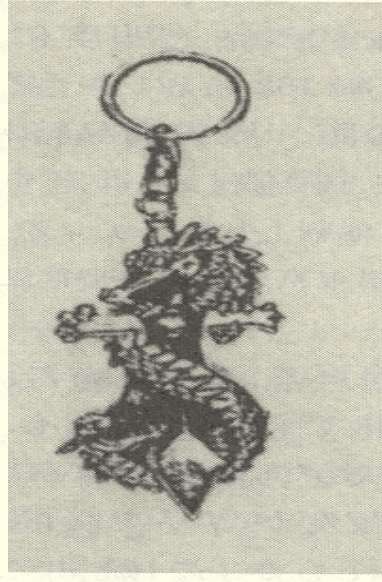
123. *Id.* at 154.

124. *Id.*

125. *Id.* at 154–55.

126. K.K. Genyo, 1644 HANREI JIHO at 155.

127. *Id.*

Plaintiff's Configuration**Defendant's Configuration**

D. Configuration Commonly Used with Such Goods

A "configuration commonly used with such goods" is viewed as an exception to the provisions of the Dead Copy Statute.¹²⁸ That is, when a configuration consists of a good that is commonly used by others in association with the sale of the product at hand, such a configuration will not be protected under the Dead Copy Statute.¹²⁹ There are two perceived types of exceptions under this provision. The first is that the configuration is trite or commonplace (*arifureta*).¹³⁰ The other is that the configuration is functional (*kinoteki*).¹³¹

In a case that is sure to drastically narrow the definition of a "configuration commonly used with such goods" and drastically expand the reach of the Dead Copy Statute, the Intellectual Property High Court¹³² found the following

128. See *K.K. K. & T. v. Yasutake*, 1613 HANREI JIHO 134 (Tokyo D. Ct., Mar. 7 1997).

129. See *KANEI ET AL.*, *supra* note 76, at 71.

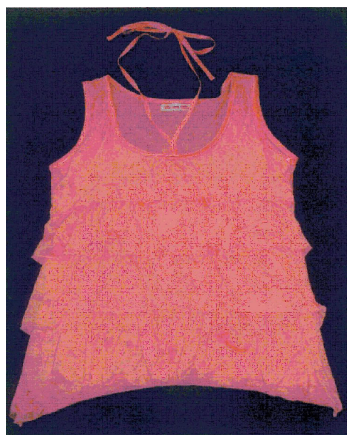
130. *YAMAMOTO*, *supra* note 76, at 123.

131. *Id.*

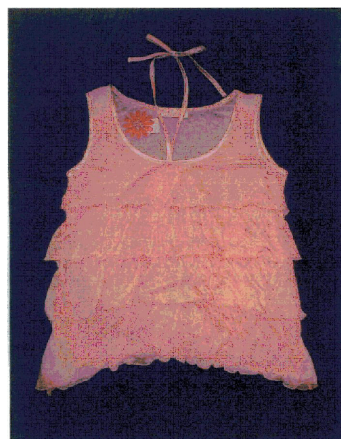
132. Although it has a circuitous history, the Intellectual Property High Court was established on April 1, 2005. See Intellectual Property High Court: History, <http://www.ip.courts.go.jp/eng/aboutus/history.html> (last visited Nov. 12, 2006). It is charged with hearing appeals of only intellectual property law cases that arise out of one of the four Tokyo District Courts or two Osaka District Courts that specialize in intellectual property law cases. See *id.* What amounts to

configuration, in the form of a shirt worn by young women, to be not functional, not trite, and therefore protectable.¹³³

Plaintiff's Shirt



Defendant's Shirt



The defendant claimed that the shirt was of an inevitable design given that it was a sleeveless top and that it was merely a combination of two different designs that were on the market long before the plaintiff began selling shirts.¹³⁴ The court stated that even though this design might be a combination of other designs, “it cannot be said that the plaintiff’s configuration lacks personality.”¹³⁵

Additionally, the defendant argued that the configuration in question was “trite.”¹³⁶ In response to this argument, the court held:

Article 2-1-3 of the UCPA is a provision aimed at preventing the imitation of a firstcomer’s contribution [*kaihatsu rieki*]. As such, the product configuration

“intellectual property” is determined by the statute under which rights are claimed in any given case. *See* Intellectual Property High Court: Jurisdiction, <http://www.ip.courts.go.jp/eng/aboutus/jurisdiction.html> (last visited Nov. 12, 2006). If rights are claimed under any one of the intellectual property law statutes, the case is initially heard by one of the specialized district courts, then the specialized high court, and finally the Supreme Court. *See id.* For a fuller treatment of the history of these courts by the Japanese Patent Office in English, *see id.* *See also* John Kakinuki & Ryota Charles Goto, *Getting Technical—Japan’s New Intellectual Property High Court*, 165 PATENT WORLD 15 (2004).

133. K.K. Young Fashion Research Center v. K.K. Vent International (Intellectual Prop. High Ct., Dec. 5, 2005), *available at* <http://courtdomino2.courts.go.jp/chizai.nsf/Listview01/B3DD56C8F981C672492570D00005FA55/?OpenDocument> (translated by author). The court held in favor of the original plaintiff, but awarded only 334,750 yen in damages, including 100,000 yen in attorney’s fees (approximately \$2,900). *See id.*

134. *Id.*

135. *Id.*

136. *Id.*

protected thereunder refers to the overall product [*shohinzentai*] and does not require that the configuration be novel [*dokusokuteki*]. Therefore, judging this configuration considering the totality of the configuration instead of on a piecemeal basis as the defendant argues for, it cannot be said that the configuration is trite.¹³⁷

Trite or not, it seems that the shirt in question here is completely functional. Functionality, for these purposes, is defined as "a configuration chosen to inevitably or naturally realize the benefit or utility of the product."¹³⁸ However, in reasoning that might be deemed trite, the court found that the configuration at issue here (the shape of a girl's shirt) is not the *common* shape of this good as *commonly* used in this industry.¹³⁹ In other words, it was possible for the defendant to compete fairly without adopting an exact copy of the plaintiff's design, and therefore, the design was not functional.¹⁴⁰ That is, where the configuration is needed to compete, the configuration is considered functional.¹⁴¹ There is no room in Article 2-1-3 of the UCPA to deny protection of a configuration based on its *normative*¹⁴² functionality, only its *competitive*¹⁴³ functionality.

Similarly in a case regarding the NuBra,¹⁴⁴ the plaintiff claimed that the defendant had copied the shape of its bras.¹⁴⁵ The MAGICUPS, SWIVELIFT, STAYKUPS, CLEARLY NATURAL and EXTREME PLUNGE were all allegedly copied by the defendant.¹⁴⁶ The court found no copying, but did hold

137. *Id.*

138. YAMAMOTO, *supra* note 76, at 123.

139. K.K. Young Fashion Research Center v. K.K. Vent International, *available at* <http://courtdomino2.courts.go.jp/chizai.nsf/Listview01/B3DD56C8F981C672492570D00005FA55/?OpenDocument> (Intellectual Prop. High Ct., Dec. 5, 2005) (translated by author).

140. YAMAMOTO, *supra* note 76, at 123.

141. K.K. Young Fashion Research Center (Dec. 5, 2005).

142. For a United States case, see *In re Morton-Norwich Prod., Inc.*, a case before the Trademark Trial and Appeal Board regarding the appropriateness of registering the Fantastic bottle configuration. 671 F.2d 1332, 1340 (C.C.P.A 1982). The court held that competitive need is only one element in the larger question of utility. *Id.*

143. It seems as if this would closely approximate the standard used today in the United States. See *Traffix Devices v. Mktg. Displays*, 532 U.S. 23, 33 (2001) (stating that the primary test for determining whether a product feature is functional is whether the feature is "essential to the use or purpose of the device or [whether] it affects the cost or quality of the device."); see also Sheldon W. Halpern, *A High Likelihood of Confusion: Wal-Mart, Traffix, Moseley and Dastar—The Supreme Court's New Trademark Jurisprudence*, 61 N.Y.U. ANN. SURV. AM. L. 237, 258 (2005).

144. Gold Flag, K.K. v. K.K. Peach John, 1927 HANREI JIHO 134 (Osaka D. Ct., Sept. 8, 2005).

145. *Id.*

146. *Id.*

that even though the bras at issue were described in the Patent Communiqué,¹⁴⁷ this alone was insufficient to render them a Configuration Commonly Used with Such Goods.¹⁴⁸ The court held that even though the bras were described in various Patent Communiqués, the point of Article 2-1-3 of the UCPA is to prevent free-riding by second-comers on the innovations of the firstcomer.¹⁴⁹ Therefore, the judgment regarding copying must be based on tangible products.¹⁵⁰ Mere descriptions of the products in the Patent Communiqué are insufficient.¹⁵¹ For the above reasons, the bras at issue were not “configurations commonly used with such goods.”¹⁵²

Of course, it is important to recognize that for purposes of “first sale,” the mere publication of the configuration in a pamphlet or sales brochure is enough to start the clock running on the three-year period of protection.¹⁵³ However, the court apparently held that these types of publications would not be sufficiently tangible products with which comparisons could be made.¹⁵⁴ Therefore, publications might be used to start the three-year clock running.¹⁵⁵ Publications could not be used as a basis for comparison to determine if the configuration is either copied or if it would fit into the exceptions and not be protectable at all.¹⁵⁶

In the end, this exception is satisfied and the Dead Copy Statute will not apply if, when compared to goods of the same type, there is nothing distinctive about the configuration and it only represents the form or function of the configuration.¹⁵⁷

E. Goods (*shohin*)

One might think that the word “goods” (*shohin*) would not require a specific definition. However, as it turns out, a definition is primarily necessary to differentiate “goods” from “services” (*yakueki*), because the Dead Copy

147. A Patent Communiqué is an official publication of the Japanese Patent Office regarding pending and published patent applications, available at <http://www.jipii.or.jp/koho/> (translated by author).

148. *Gold Flag, K.K.*, 1927 HANREI JIHO 134.

149. *Id.*

150. *Id.*

151. *Id.*

152. *Id.*

153. *See supra* Part V.B.

154. *Gold Flag, K.K.*, 1927 HANREI JIHO 134.

155. *Id.*

156. *See id.*

157. *See K.K. Young Fashion Research Center v. K.K. Vent International* (Intellectual Prop. High Ct., Dec. 5, 2005), available at <http://courtdomino2.courts.go.jp/chizai.nsf/Listview01/B3DD56C8F981C672492570D00005FA55/?OpenDocument> (translated by author).

Statute applies to goods, but not to services.¹⁵⁸ Therefore, a "good" is defined as a chattel that is put in the stream of commerce for the purpose of making a commercial sale.¹⁵⁹ This means that the good must be a three dimensional product: abstract industrial property rights are not included.¹⁶⁰ This fact did not stop the Intellectual Property High Court from very recently finding the headlines of newspaper articles to be "goods" for purposes of the UCPA and granting relief based on the Civil Code.¹⁶¹

However, it is now rather clear that the Dead Copy Statute will *not* apply to pure databases.¹⁶² This conclusion is not entirely expected. Some commentators have argued that there is room for the Dead Copy Statute to protect things such as databases¹⁶³ or that the Dead Copy Statute should protect databases when they are marketed on a CD or other tangible form.¹⁶⁴ This amounts to a significant departure from the original intent of the Dead Copy Statute. The original intent of the Dead Copy Statute was to provide a period of protection so that those people considering Design Law protection could be adequately protected in the market while their design application is pending.¹⁶⁵ This is why the Dead Copy Statute only applies to goods and not services and why a three-year window of protection was needed (originally it took up to three years to obtain a Design Law registration).¹⁶⁶ As none of these objectives are satisfied by extending Dead Copy protection to databases, it would be unreasonable for such an extension to take place. Therefore, "good"

158. KANEI ET AL., *supra* note 76, at 60 (translated by author); *see also* TAMURA, *supra* note 63, at 303 n.1; Charles R. McManis, *Database Protection in the Digital Information Age*, 7 ROGER WILLIAMS U. L. REV. 7, 20–21 (2001). *But see* Tsubasa System, K.K. v. K.K. System Japan, 1774 HANREI JIHO 132 (Tokyo D. Ct., May 25, 2001) (translated by author) (finding that the defendant's use of the plaintiff's database regarding automobiles was a tort, "an unlawful infringement of plaintiff's legally protected business operations," under Article 709 of the Civil Code and ordering defendant to pay \$8 million in damages).

159. YAMAMOTO, *supra* note 76, at 55 (translated by author). Regarding the definition of "goods" for purposes of Article 2-1-1 of the UCPA, a provision closely related to the Dead Copy Statute, *see* K.K. Mochisawa v. Yamanochi, 1505 HANREI JIHO 136 (Tokyo High Ct., Dec. 24, 1993); Ito v. K.K. Kyobashi Iwada Bokei, 1057 HANREI JIHO 43 (Tokyo High Ct., Apr. 28, 1982).

160. YAMAMOTO, *supra* note 76, at 55.

161. Yomiuri Newspaper v. Digital Alliance (Intellectual Prop. High Ct., Oct. 6, 2005) (relying, however, on Article 709 of the Civil Code to support an injunction and damages), *available at* http://legal.lexisnexis.jp/jp/lngateway.dll?f=templates&fn=defaultHome_JP.htm&vid=Japan:10.1048/Enu.

162. That is, databases that lack originality.

163. YAMAMOTO, *supra* note 76, at 117.

164. McManis, *supra* note 158, at 21.

165. *See supra* note 1 and accompanying text.

166. This, at least, is the common wisdom. At least since 2002, the pendency period for Design Law applications has been 8 months. *See* JPO Annual Report 2005, *available at* http://www.jpo.go.jp/shiryou_e/toushin_e/kenkyukai_e/pdf/ar2005/ar2005_part05.pdf.

as used in the Dead Copy Statute should mean three-dimensional goods or two-dimensional designs for actual products.

F. Configuration of Another Person

The words “competition” (*kyoso*) and “confusion” (*kondo*) are conspicuously absent from the Dead Copy Statute. In fact, even the word “intent” (*ito*) is nowhere to be found in the Dead Copy Statute.¹⁶⁷ This would imply that they are irrelevant.

In other portions of the UCPA, such as Articles 2-1-1 and 2-1-2, which immediately precede the Dead Copy Statute, these terms are included (except for “intent”). Since they are absent from the Dead Copy Statute, normal statutory construction would also imply that they are irrelevant—that the Dead Copy Statute could be applied to competitors or non-competitors equally, irregardless of an intent to imitate or deceive.

Although competition is presumed to be a requisite element of each provision in the UCPA,¹⁶⁸ the only literal intimation that exists in the language of the Dead Copy Statute itself is the use of the term “*tanin no*” (another person’s) configuration.¹⁶⁹ Accordingly, the literal language of the Dead Copy Statute would permit its use against non-competitors. However, because the statute refers to the configuration “of another person,” it impliedly relates only to competitors.¹⁷⁰ Of course, this taxes the imagination a bit. One can easily envision “another person” with whom there is no competition. However, if one slavishly imitates the product of another, then presumably the target market for that product would be the same or similar to that of the original product. This, however, is not expressly stated and is only presumed by the Diet.

Regardless of the clear statutory omission, “another person” has been limited by Japanese courts to mean “the person who develops a product, commercializes it, and places it in the stream of commerce.”¹⁷¹ The imitator would presumably be in competition with the original, thus necessitating the imitation.

The requirement of competition should be clearly stated in the statute. The statute should be further amended to make it clear that the Dead Copy Statute should only apply in competitive situations. Failing to limit the Dead Copy

167. However, as noted in the material regarding imitation, intent is a judicially created requirement. See TAMURA, *supra* note 63, at 301.

168. YAMAMOTO, *supra* note 76, at 55.

169. UCPA, Law No. 47 of 1993, art. 2-1-3, *translated in* 6 EHS LAW BULL. SER. No. 6895–96 (2005).

170. *Id.*

171. Kono, K.K. v. Teihara, 1760 HANREI JIHO 138 (Tokyo D. Ct., Aug. 31, 2001) (translated by author); see also Basheen, K.K. v. Eko Metal, K.K., 1826 HANREI JIHO 132 (Osaka D. Ct., Apr. 9, 2002).

Statute to truly competitive situations potentially broadens the statute far beyond what was originally intended. If a three-year window is needed to give entities a leg up in the marketplace or a head start over their competition, then there seems to be a specific need to make certain that the parties are in competition in the first place. If there is no competition, one of the basic foundations of the Dead Copy Statute is not met and therefore no cause of action should arise.

VI. ANOTHER BITE OUT OF THE PUBLIC DOMAIN

It is now pretty well established that trademark or trademark-like monopolies are not positive things for an economy.¹⁷² The Dead Copy Statute establishes an unnatural, statutory monopoly for a period of three years.¹⁷³ We generally believe that all of intellectual property is an artificial monopoly.¹⁷⁴ If intellectual property assets were priced at marginal cost, return on investment would never be realized because the cost of creation is so high.¹⁷⁵ Therefore, governments create artificial monopolies to encourage innovation.¹⁷⁶ That is, the Dead Copy Statute will result in a monopoly control over each individual configuration, causing demand for that configuration to drop as prices for that configuration rise.¹⁷⁷ Free competition is the major loser with the Dead Copy Statute.

The Dead Copy Statute appears in the UCPA, but it really acts entirely as a *sui generis* law because it has no association with appellations of source or distinctiveness of any kind and it cannot be said to act like anything related to the Trademark Law,¹⁷⁸ Unfair Competition Law,¹⁷⁹ or intellectual property law

172. Glynn S. Lunney, Jr., *The Trade Dress Emperor's New Clothes: Why Trade Dress Does Not Belong on the Principal Register*, 51 HASTINGS L.J. 1131 (2000); Lunney, *supra* note 28.

173. UCPA, Law No. 47 of 1993, art. 19-5, *translated in* 6 EHS LAW BULL. SER. No. 6895-96 (2005).

174. Adam Mossoff, *Is Copyright Property?*, 42 SAN DIEGO L. REV. 29, 39 (2005).

175. Mark Klock, *Unconscionability and Price Discrimination*, 69 TENN. L. REV. 317, 368-69 (2002).

176. *Id.*

177. Lunney, *supra* note 28, at 367-68.

178. *See* Trademark Law, Law No. 68 of 1996, art. 1 ("By protecting trademarks, this law aims to maintain the goodwill of the businesses of trademark users and thereby to contribute to the growth and development of business and to protect the interest of the consumer."). Granting rights to prevent the slavish imitation of configuration that has no source denoting function does not meet this explicit objective of the Trademark Law. *See* KENNETH L. PORT, JAPANESE TRADEMARK JURISPRUDENCE 26 (1998).

179. *See* UCPA, Law No. 47 of 1993, art. 1, *translated in* 6 EHS LAW BULL. SER. No. 6895-96 (2005) ("The objective of this law is to contribute to the robust development of the Japanese national economy by preventing unfair competition and providing damages to aggrieved parties therefrom in order that fair competition among entrepreneurs be maintained and Japan's commitment to international agreements regarding unfair competition are observed."). Providing mini-monopolies for three years to the first party who places a product configuration into the

in general.¹⁸⁰ As competition is only a presumed element of the cause of action, it cannot be said that it is directly related to “unfair” competition either. As such, it is best conceptualized as a stand alone, *sui generis* law.

This cannot be good for the Japanese economy. Removing all product design from the marketplace of ideas for three years after the initial sale of that article will lead to less competition and unnatural higher prices. At a time when the Japanese economy is fragile at best,¹⁸¹ this cannot have overall positive results for the Japanese economy.

It is axiomatic in intellectual property law that as monopoly or monopoly-like rights expand, rents go up and competition goes down.¹⁸² The Japanese see this as an effective trade-off to encourage innovation. They see it as a gap-filler so that those creators of works that will ultimately be protected by the Design Law can be protected while their Design Law application is pending.

However, there is a flaw in the Japanese rationale for the Dead Copy Statute. For a period of three years, the first user of a configuration is granted the right to charge monopoly rents regarding that configuration. During this monopoly period, an intelligent or sophisticated user will take advantage of that three-year period to add a source denoting function to the configuration.¹⁸³ Once that source denoting function is added to the trade dress, it will become

stream of commerce with no explicit requirement that there be any competition and with no requirements that there be any notice, registration or distinctiveness does not contribute to the “robust development” of the Japanese economy.

180. Mitsuo Matsushita, *A Japanese Perspective on Intellectual Property Rights and the GATT*, 1992 COLUM. BUS. L. REV. 81, 86 (1992).

181. From the 1950s until the 1970s, great prosperity was recognized in Japan. Mitsuru Misawa, *Laws and Regulations on Problem Loans in Japan: Is Application of International Accounting Standards Possible?*, 18 COLUM. J. ASIAN L. 1, 2–5 (2004). In the 1970s, stagnation set in. *Id.* By 1980, the attempts to revive the economy resulted in a “bubble” economy where land was grossly overvalued. *Id.* By 1990, land prices dropped drastically. Arthur E. Wilmarth, Jr., *The Transformation of the U.S. Financial Services Industry, 1975-2000: Competition, Consolidation, and Increased Risks*, 2002 U. ILL. L. REV. 215, 451–53 (2002). In some places in Tokyo, land dropped 50% in value in a few years. *Id.* This was a problem because Japanese banks had secured massive amounts of loans with real estate that was now worth far less than when the loans were made. *Id.* at 451–52. The result was that Japanese banks were left holding massive amounts of nonperforming loans and had no new capital to lend. *Id.* at 452. In most countries, this would result in bread lines. However, the Japanese engaged in wholesale reforms to overcome this great economic as well as social crisis.

182. Ernesto M. Hizon, *Virtual Reality and Reality: The East Asian NICs and the Global Trading System*, 5 ANN. SURV. INT’L & COMP. L. 81, 140 (1999).

183. Technically, because use is not required for a trademark registration in Japan, one could even file the trademark application prior to a mark having a source denoting function; however, this is rather unlikely. Once the configuration comes to represent the first comer in the market place, a trademark application would likely be filed. The configuration owner is thus granted a three-year head start on its attempts to create a strong trademark capable of sustaining an attack.

appropriate subject matter for a regular trademark registration.¹⁸⁴ Once registered, that first user of the configuration, now the owner of a broad Japanese trademark registration, will have the ability to exclude all others from using that configuration on confusingly similar goods (not just slavishly imitated goods) for as long as that first user maintains the registration.¹⁸⁵ Under the Japanese regime, one can obtain rights in classifications of goods where no use is made.¹⁸⁶ Although any such registration is subject to cancellation if it is not used for a period of three years,¹⁸⁷ it is quite common for Japanese competitors to broadly register under a variety of classifications where no use is had or is expected so that the unsuspecting second comer becomes technically liable for infringing the very mark it had been using. This could very well be in perpetuity.¹⁸⁸

Additionally, a Japanese trademark registration itself is far stronger and much less susceptible to challenge than a registration in the United States.¹⁸⁹ Therefore, this trademark registration is a very broad property right.¹⁹⁰ That is, what begins as an innocent, three-year head start (to encourage innovation of configurations and to allow for configurations to be used and not kept secret while the Design Law application is pending) can easily transform into a broad monopoly of indefinite duration. This cannot be a positive thing for the fragile Japanese economy.

184. Trademark Law, Law No. 68 of 1996, arts. 2-1, 3, 4. The Japanese actually refer to trade dress registrations as "*ritai shohyo*" or three dimensional marks. The Japanese Patent Office keeps no statistics as to how many three dimensional marks might be registered. To be sure, it is not an insignificant amount.

185. Trademark Law, Law No. 68 of 1996, arts. 37, 25 ("The registrant possesses the exclusive right to use the registered trademark on or in connection with the Identified Goods or Services.").

186. Trademark Law, Law No. 68 of 1996, art. 18 ("The trademark right shall subsist upon registration of the trademark application."); Trademark Law, Law No. 68 of 1996, art. 8 (providing that the first in time to file the application will be deemed the "Applicant"). And, of course, the Trademark Law extends to the protection of service marks. See PORT, *supra* note 178, at 26 (explaining that the Japanese trademark law does not define services but rather allows for marks to be registered as used on or in connection with services); see also SHOEN ONO, SHOYHOOGAISASTU [EXPLANATION OF TRADEMARK LAW] 159 (1999).

187. Trademark Law, Law No. 68 of 1996, art. 50-1.

188. Trademark Law, Law No. 68 of 1996, art. 19 (providing that trademarks are renewable in ten year terms without limitation). Because the right to register product configuration is quite new, starting in 1997, a very limited number of registrations for product configurations have been registered.

189. PORT, *supra* note 178, at 112.

190. See *id.* at 75-79 (reviewing cases regarding the protection of three dimensional trademarks under Article 2-1-1 of the UCPA and concluding that "the possibilities for protection seem nearly endless").

More importantly, the Trademark Law was amended, effective April 1, 1997.¹⁹¹ With this amendment, for the first time, configurations were recognized as possible trademarks. For the first time, three-dimensional trade dress became appropriate subject matter for registration as a trademark. Even if the justification was accurate for the Dead Copy Statute in 1993 (and I argue that it was not), it is, to be sure, no longer accurate post-April 1, 1997. Today, product configuration is protectable as a trademark, registrable as a trademark, and can be protected to the full extent of trademark law.¹⁹²

The Dead Copy Statute was drafted in 1993, some three years before the amendments to the Trademark Law were drafted.¹⁹³ At that time, product configurations were only protected if they had become well-known “Good[s] or other Appellation[s]” under the old Unfair Competition Prevention Act.¹⁹⁴ If they failed to qualify as well-known, there was no protection.

Between 1993 and 1997, the Dead Copy Statute was the only means by which one might protect product configuration that was not a well-known appellation of source. Today, one merely needs to register that configuration as a trademark and take full advantage of the Trademark Law. There is really no longer any need for the Dead Copy Statute and it ought to be repealed.

VII. THE NEW MORAL RIGHT

The Dead Copy Statute in Japan operates like moral rights under the Civil Law System. Many Civil Law countries protect moral rights.¹⁹⁵ Moral rights generally include the right of attribution, the right of integrity, and the right of withdrawal.¹⁹⁶ These rights are usually inalienable¹⁹⁷ and are usually reserved for the individual,¹⁹⁸ not the corporation.¹⁹⁹ In Japan, however, the notion that

191. Trademark Law, Law No. 68 of 1996.

192. Trademark Law, Law No. 68 of 1996, art. 4-1-18.

193. Trademark Law, Law No. 68 of 1996.

194. UCPA, Law No. 47 of 1993, art. 2, *translated in* 6 EHS LAW BULL. SER. No. 6895-96 (2005).

195. Roberta Rosenthal Kwall, *Copyright and the Moral Right: Is an American Marriage Possible?*, 38 VAND. L. REV. 1, 97, 98 (1985) (claiming that in 1985 there were 35 countries that protected the moral right). Moral rights are given statutory protection under the Copyright Law. See CHOSAKUKENHO [COPYRIGHT LAW], Law No. 48 of 1970, arts. 59-60.

196. MCCARTHY, *supra* note 25, at 280.

197. Adolf Dietz, *Alai Congress: Antwerp 1993 The Moral Right of the Author: Moral Rights and the Civil Law Countries*, 19 COLUM.-VLA J.L. & ARTS 199, 207 (1995).

198. 1 JOHN H. MERRYMAN & ALBERT E. ELSSEN, LAW, ETHICS, AND THE VISUAL ARTS 145 (2d ed., Univ. of Pa. Press 1987) (“The primary justification for the protection of moral rights is the idea that the work of art is an extension of the artist’s personality, an expression of his most innermost being.”).

199. This article is not intended to be a dispositive dissertation on moral rights. For a general discussion of moral rights, see MELVILLE B. NIMMER & DAVID NIMMER, NIMMER ON COPYRIGHT, § 8D.01[A] (2006); MARSHALL LEAFFER, UNDERSTANDING COPYRIGHT 376-80

moral rights are somehow reserved for individuals seems to go unrecognized.²⁰⁰ The hurdle of maintaining moral rights as personal rights has been long crossed. As such, the notion of creating rights that look and feel like moral rights and where a corporation is the principle benefactor is not a conceptually difficult task. Because moral rights are already exercised by corporations, creating one more right for the benefit of corporations is not a hard stretch to make.

Therefore, the best way to understand the Dead Copy Statute in Japan is to perceive of it as a moral right that corporations enjoy. As it is not one of the generally enumerated moral rights, to me, this is a "new moral right." To pretend this has to do with unfair competition is misleading, to say the least.

The Dead Copy Statute operates like a moral right because it seems to protect the personality of the corporation. The corporation mingles itself with the product configuration and therefore, on a natural rights sort of orientation, is protected regardless of any source denoting capacity of the configuration. That is, the corporate "self"²⁰¹ is extended to include any and all configurations which the corporation is the first to put into the stream of commerce (and which are not functional, etc.).

Therefore, the Dead Copy Statute creates a moral right that is capable of being exercised by the corporate owner of the relevant configuration. This may give other benefits to the corporation (such as a head start in creating trademark protection), but that is all ancillary to the mere fact of the protection of the configuration. The Japanese believe that the personality of the corporation, in the form of the configuration, must be protected to encourage innovation. Although this is the justification that is given, it is entirely unpersuasive. A more persuasive argument is that the personality of the corporation needs to be protected as a natural right and the best way to accomplish this is by protecting manifestations of the corporate self in the form of the configurations it places into the stream of commerce.

CONCLUSION

The Japanese Dead Copy Statute goes too far. It attempts to protect the developers of product configuration for three years from the date of first sale,

(4th ed. 2005); David B. Jordan, *Square Pegs and Round Holes: Domestic Intellectual Property Law and Native American Economic and Cultural Policy: Can it Fit?*, 25 AM. INDIAN L. REV. 93 (2001); Ellhyung Lee, *Toward an American Moral Rights in Copyright*, 58 WASH. & LEE L. REV. 795 (2001); Sheldon W. Halpern, *Of Moral Right and Moral Righteousness*, 1 MARQ. INTELL. PROP. L. REV. 65 (1997).

200. See, e.g., *Konami, K.K. v. Ichiro Komami*, 1696 HANREI JIHO 145 (Tokyo D. Ct., Aug. 30, 1999).

201. Although regarding individuals and not corporations, this argument is made by Arthur Katz. See Arthur S. Katz, *The Doctrine of Moral Right and American Copyright Law—A Proposal*, 24 S. CAL. L. REV. 375, 401 (1951).

but because there is no requirement that the configuration be distinctive, that registration be had, that notice be given, or that confusion be proved, it operates as a *sui generis* monopoly on product configurations. The Japanese claim that the Dead Copy Statute is somehow justified or necessary because of German, American, and even international law. However, these claims are spurious because there is no such broad requirement in any of these enacted laws. Therefore, the claim that the Dead Copy Statute is necessary for harmonization is also erroneous. In fact, the mere existence of the Dead Copy Statute makes harmonization very difficult.

Dead Copy protection in the United States would be unconstitutional. It goes against the most basic concepts of free and open competition. It flies in the face of the basic American notion that anything not protected by copyright, patent, or trademark is free for all to copy.

There is a fundamental difference between the United States and Japan (and perhaps other countries) in the manner in which each country conceptualizes the need to protect the developer of some configuration in order to encourage them to produce more. In the United States, we call this a patent; in Japan, they call it a monopoly.

The Dead Copy Statute is justified by the Japanese on the ground that it improves innovation. However, it has been shown that the nature of the configurations protected are not innovative, creative, or even all that interesting. If innovation were being encouraged by the Dead Copy Statute, one would expect the configurations to represent that. In fact, the Dead Copy Statute is merely being used as another method to further the competitive goals of individual corporations.

The only acceptable explanation of the Dead Copy Statute is that it operates as a personal right, much like the moral right in Civil Law legal systems. Of course, the huge distinction is that this personal right is also available to corporations and in every society other than Japan, moral rights are enjoyed only by individuals, not corporations. Strict liability attaches to violations of this right just like strict liability applies to violations of the moral right. As the Dead Copy Statute is inconsistent with economic realities and the Trademark Law now provides protection for product configurations, the Dead Copy Statute ought to be repealed.