

Judgments of Tokyo District Court, 47th Civil Division

Date of the Judgment: 2006.3.31

Case Number: 2003(Wa)No.29709

Title (Case):

A case wherein:

1. the court judged that the reproduction of the plaintiffs' works contained in textbooks for use in examination questions (supplementary study materials) for the subject of national language was not allowed by Article 36 of the Copyright Act, and constituted infringements of the reproduction rights and the rights to indicate name;
2. the court judged that, in a case where an educational material producer sends a copyright holder a written notification about the use of his/her works during a certain fiscal year, if the copyright holder has been aware of the educational material producer's long-lasting practice of unauthorized reproduction of copyrighted works, his/her right to demand damages for copyright infringement(s) occurred before the notified infringement also shall become extinct upon completion of the prescription for the notified infringement; and
3. the court judged that addition of any new word to an original work or deletion of any word from an original work constituted an infringement of the right to maintain integrity, whereas addition of any illustration or photograph or addition of a wavy or straight underline or numbers to an original work upon using the reproduction of the work in examination questions for the subject of national language did not constitute such an infringement.

Summary of the Judgment:

The outlines of this case are as follows. The plaintiffs were prominent poets, authors, and scholars, and their successors. They were copyright holders of works contained in textbooks for the subject of national language used in primary schools. The defendants were major corporations engaging in the production and sale of supplementary study materials for primary school students. Over many years, the defendants had been producing and selling examination questions for the subject of national language for primary school students throughout Japan as supplementary study materials designed to be used with textbooks for the subject of national language. Most of the said examination questions did not provide any indications of the authors. In some cases, expressions contained in a work of a plaintiff were modified.

In this case, the plaintiffs argued that the defendants' act of producing and selling the said examinations constituted infringements of the plaintiffs' rights of reproduction and moral rights

(right to maintain integrity and right to indicate name) to the said works and claimed (1) as the primary claim, that the defendants shall pay the plaintiffs damages to compensate the tort of infringing the plaintiffs' reproduction rights and moral rights (right to maintain integrity and right to indicate name) and (2) as the alternative claim, that even if the plaintiff's right to demand damages has already become extinct by the completion of prescription, the defendants still shall return the unjust enrichment to the plaintiffs because the defendants were, without any legal grounds, exempted from the payment of royalties for the use of the works.

First, the court opined that reproduction of a copyrighted work for use in examinations could not be considered as the reproduction of work for use in "questions for entrance examinations or other examinations of knowledge or skill or for a license" for the purpose of Article 36, para.1 of the Copyright Act (Questions for entrance examinations or other examinations of knowledge or skill or for a license), except for the reproduction of a copyrighted work for use in questions for entrance examinations or other examinations of knowledge or skill or for a license for which it was difficult to obtain the copyright holders' consent in advance because which work to be used to prepare questions must have been kept secret in order to ensure fairness of those examinations. Based on this principle, the court judged that the reproduction of the works for use in the examinations for primary schools in this case did not fall under the reproduction of works for use in "questions for entrance examinations or other examinations of knowledge or skill or for a license" for the purpose of Article 36, para.1 of the Copyright Act because it was not difficult in this case to obtain the copyright holders' consent in advance for the reproduction of their works for use in the said examinations, in view of the characteristics of the said examinations and the manner in which the said works were used in the examinations. Based on these grounds, the court concluded that the defendants' act of reproducing the said works for use in examinations for the subject of national language without the plaintiffs' consent constituted infringements of the reproduction rights of the plaintiffs.

Next, the court explained its criteria for finding an infringement of the right to maintain integrity as follows. The right to maintain integrity is considered to be infringed when a modification made to a creative expression of an idea or emotion against the author's will damages the integrity thereof. In this case, a judgment as to whether such an infringement has been committed should be made based on whether the integrity of a creative expression of an idea or emotion expressed in the form of a literary work has been damaged or not. The court also opined that the right to maintain integrity is designed to protect the spiritual and personal benefits of authors and to legally protect an author's sense of honor or dignity against any unauthorized modification to his/her work. Therefore, if an expression of a work is modified only to such an extent that does not damage the spiritual and personal benefits of the author, in other words, if the

extent of a modification to a work is considered not to damage the sense of honor or dignity of the author with common sense, such a modification is not regarded as a modification made against the author's will, and therefore not considered as an infringement of the right to maintain integrity. Under such framework of discussion, the court found that some of the modifications pointed out by the plaintiffs constituted infringements of the right to maintain integrity under Article 20, para.1 of the Copyright Act. Those infringing modifications included the following: deletion of some words, phrases, and sentences from the works, addition of some words, phrases, and sentences to the works, replacement of some words in the works with completely different words, or replacement of some words in the works with blanks. On the other hand, the court held that addition of some illustrations and photographs that were not originally contained in the works did not constitute infringements of the right to maintain integrity, by differentiating it from a case where replacement of illustrations or photographs would damage the integrity of the creative expressions of ideas or emotions expressed in a literary form because the expressions made in a literary form were inseparable from the originally contained illustrations or photographs. Furthermore, the court held that such changes as addition of wavy or straight underlines, boldfacing some words, and addition of numbers to indicate the beginning of each paragraph were not regarded as modifications of literal expressions themselves and thus did not damage the integrity of the creative expressions of ideas and emotions expressed in a literary form. Consequently, the court concluded that such changes should not be considered in the first place as modifications and thus did not constitute infringements of the right to maintain integrity.

Most of the examination questions sold by the defendants did not have the indications of the names of authors. The court judged that such lack of indications constituted infringements of the rights to indicate name by holding that this case did not fall under the case specified in Article 19, para.3 of the Copyright Act where the indication of the name of an author may be omitted.

In the meantime, the defendants invoked extinctive prescription, arguing that the plaintiffs became aware of the damage through the commencement of another lawsuit and media coverage thereof and/or through the written requests for licenses sent by them to the plaintiffs. The court viewed that the time they "became aware of the damage" specified as the time from which prescription is reckoned in Article 724 of the Civil Code meant the time when the victim actually recognized the occurrence of damage, and that therefore, in principle, if a copyright holder of a work contained in a textbook recognized that a certain study material producer used a certain work of his/hers in an examination for the subject of national language, it would be necessary and sufficient to say that the copyright holder was aware of the infringement for the work. The court, however, continued to hold as follows. Even if a copyright holder recognizes that a certain work of his/hers was used in an examination produced and sold by a certain

study material producer, it would not necessarily mean that the copyright holder has also become aware of damage caused by any other study material producer or by the reproduction of his/her any other work. However, in a case where a certain study material producer has been reproducing works contained in a textbook for use in examinations for the subject of national language over many years on a large scale without the authors' consent and selling them, and if the author of a work contained in the textbook has been aware of such practice of the study material producer, it would be considered that, when such an author became aware of the reproduction of his/her work contained in the text book for use in examinations produced and sold by that study material producer, the author should be regarded as having also become aware of damages caused by infringement of his/her reproduction right that occurred before the damage recognized by the author. In other words, such damages should be regarded as integrated damage. Regarding rights to maintain integrity, on the other hand, the court refused the defendants' argument of extinctive prescription by holding that it cannot be regarded that an author actually recognized the occurrence of the damage by becoming aware of the damage and its perpetrator to the extent and under the circumstances that would practically enable the author to assert compensation for the damage unless the author actually recognizes in what form and manner modifications were made to his/her work in the said examinations.

The court judged that the amount of damages to be awarded under Article 114, para.3 of the Copyright Act should be calculated by multiplying the unit price of the examinations containing the work by the number of reproductions and further by the percentage of the plaintiff's work in the examinations (the use rate) and by the percentage of remuneration to be paid to the plaintiff for the use of his/her works (the royalty rate). More specifically, the court calculated the amount of damages by multiplying the sales price (or after the introduction of consumption tax, the sales price without tax) by the number of copies printed and further by the royalty rate (10%) and by the use rate calculated by dividing 0.5 by the total number of pages of the said examinations. Furthermore, for plaintiffs for whom extinctive prescriptions are regarded to be completed, the court calculated the amount of unjust enrichment that could be demanded by the plaintiffs based on their rights to claim return of the unjust enrichment, holding that the defendants, who had gained earnings without paying royalties despite the fact that they did not have any legal grounds to do so, were considered to have generated profits that should have been paid as royalties to the plaintiffs whereas the plaintiffs had suffered damage equivalent to the royalties that they could have received from the defendants if the plaintiff had licensed the defendants to use their works. Moreover, the court ordered the defendants to pay the plaintiffs the following amounts as compensation for non-pecuniary damage per work created by a plaintiff (an author) that was used in examinations produced by the same defendant: 100,000 yen

for an infringement of the right to maintain integrity and 50,000 yen for an infringement of the right to indicate name.

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