

# 7 Research and Study on the Establishment of a System for Promoting the Use of Digital Contents

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*In preparation for the 21st century, the demand for digital contents is expanding, and the development of new industries relating to the production, processing, distribution and transmission of those contents is beginning. Although there is a need to create new rules in order to ensure the smooth implementation and activation of these contents transactions, the illegal use of digital contents and the complexity of the countermeasures are still in a state that cannot be ignored despite the series of law revisions and so forth starting last year. If this situation is left unattended, there is the risk of both the right holders and their users becoming passive with respect to the distribution and utilization of digital contents. Thus, it will be important in the future to examine policies for expanding and promoting distribution while paying heed to the protection of rights of contents.*

*This paper provides an abstract of a report that was prepared based on the viewpoint described above and analyzes the results of research and study on the present state of business relating to digital contents, the determination of the actual status of rights processing, and deal the future policy issues based on those results.*

## I Trends of the Digital Contents Industry

In this chapter, an overview is first provided of trends in the digital contents industry (including software and hardware industries relating to the production, distribution and utilization of contents) as the premise for an examination of the promotion of the use of digital contents. The trends in this industrial field are changing every day, and although it is difficult to get an overall understanding, the following is a description of some characteristic trends relating to the digital contents industry.

### 1 Diversifying User Terminals

Although user terminals for digital contents have so far been limited to specific dedicated equipment such as personal computers, digital audio equipment and so on, user terminals are now rapidly becoming diverse, including connection of cellular telephones and video game machines to the Internet and combination of functions. The following provides a description of some of their characteristic trends.

#### (1) Cellular Telephones

Cellular telephones and PHS phones witnessed a rapid increase in the number of subscribers starting in 1995 due to lower communication fees and smaller terminals. In 1999, the number of these subscribers broke the 50 million barrier. In 2000, this number is expected to surpass the number of stationary telephone subscribers, becoming the mainstream means of communication. For example, NTT's "i-mode" service, which was started in February

1999, is equipped with a function that enables connection to the Internet using only a dedicated cellular telephone unit without connecting to a portable information terminal (such as a notebook PC or electronic organizer). This has made it possible to use information services such as news and others, contents services such as games, horoscopes and others as well as commercial services such as Internet banking and others. As of February 2000, roughly one year after the start of this service, the number of subscribers has reached about 4.24 million, which considerably exceeds the roughly 3.62 million subscribers to "@Nifty", the largest Internet service provider in Japan. When considering next-generation cellular telephones for which applications for business licenses have begun to be accepted in 2000, it is considered certain that cellular telephones will become important user terminals for digital contents in the future.

#### (2) DVD

The DVD has a recording capacity about seven times larger than that of the conventional CD in roughly the same size as CD through the use of the image compression standard MPEG2. Ever since the release of DVD-video for video playback only in 1996, they have been given high expectations of comprehensively taking the place of conventional digital recording media like the CD, CD-ROM, HD and LD. The number of titles has also begun to increase gradually. Since some video rental shops began to rent DVD software starting at the end of 1998, the DVD is expected to propagate rapidly in the future in Japan as well.

#### (3) 128-bit Home Video Game Machines

"PlayStation 2" was released by Sony Computer Entertainment Inc. in March of this

year. Due to its high data processing capabilities, it allows playback of DVD software. Together with "Dreamcast" released by Sega Enterprise in November 1998, these home video game machines are subjects of high expectations as new contents exploiting terminals that go beyond the concept of conventional video game machines.

#### **(4) Portable MP3 Players**

At present, various types of portable MP3 players are being released throughout the world, and these models are becoming increasingly compact and more reasonably priced. Although there have been moves such as legal actions taken against some manufacturers by RIAA (Record Industry Association of America), countermeasure of right holders organizations regarding copyright protection issue has currently changed over to attempting to propagate security technologies in collaboration with manufacturers. As a result, further propagation of "secure" MP3 players using the SDMI (Secure Digital Music Initiative) standard is predicted for the future.

## **2 Multiplying Distribution Channels**

Following the start of its commercial use in 1993, the Internet realized a household propagation rate in excess of 10% in just five years (it took roughly 15 years for cellular and car telephones to achieve the same propagation rate), and the number of users in 1998 reached approximately 16 million (1999 Communications White Paper). As a result of this rapid propagation of the Internet, the distribution form of contents, which previously consisted primarily of package media such as CD, CD-ROM and others, is currently undergoing a gradual transformation to contents distribution using network media. In addition, accompanying the full-scale propagation of digital broadcasting, the distribution of contents by broadcast media is likely to further increase in the future.

### **(1) Network Distribution of Contents**

Chargeable contents distribution services through network are being rapidly deployed particularly in the field of music. "MP3.com", which was opened prior to other music distribution web sites in the United States in 1997, announced the establishment of a tie-up with ASCAP, a centralized copyright monitoring organization, in an attempt to further enrich its contents to be provided in June 1999. In addition, "Amazon.com", one of the largest online bookstores in the United States, began a free download service for music contents in April 1999. Full-scale entry into the chargeable

distribution services is predicted in the future.

In Japan as well, "music.co.jp" (to be mentioned later), a music distribution web site opened in 1997, began contents distribution using MP3 in 1999. In addition to music contents, this site also provides image and text distribution services. In addition, Sony Music Entertainment (Japan) Inc. began charged music distribution service "bitmusic" in December 1999 aiming at distribution of all of the Japanese music singles released by them in the future. By connecting a device compatible with copyright protection technology such as "Memory Stick Walkman" available from Sony or other to a personal computer and downloading contents from this web site, contents can be copied within the limit of only once.

### **(2) Digital Broadcasting**

Digitization of broadcast media in Japan began with the start of CS digital broadcasting in 1996. BS digital broadcasts are scheduled to start at the end of 2000, and digital terrestrial broadcasts are scheduled to get underway in the three metropolitan areas of Tokyo, Osaka and Nagoya in 2003 (terrestrial broadcasts are scheduled to become completely digitized by 2010). In addition, with respect to CATV, existing analog facilities has been converted to digital since 1997, and according to the 1998 "Communications White Paper" of the Ministry of Posts and Telecommunications, all broadcast media in Japan are scheduled to be completely digitized in 2010.

While digitization realizes high image quality, a larger number of channels (the "Broadcast Sophistication Vision" of the Ministry of Posts and Telecommunications of 1996 predicts 20-30 terrestrial channels, 400-500 satellite channels, and 200-250 CATV channels in 2010) and the realization of interactivity (enabling a viewer to access data sent along with images from a dedicated terminal) are attracting attention as the largest merits of digitization. It will be possible to realize the offer of an even larger amount of broadcast contents and a diverse range of services by taking advantage of interactivity. In addition, Internet connection services using CATV networks were started in 1996, and already more than 50 firms have entered this business. The use of CATV lines allows high-speed connection (several hundred Kbps to several Mbps) that is faster than conventional telephone lines (several tens of Kbps). It is also expected that the number of firms entering this business will increase in the future due to simplification of business-related license procedures (March 1999). Consequently, CATV is expected to become even more popular as a new form of network infrastructure.

### 3 Predicted Shortages of Contents

As described above, the establishment of an environment in terms of hardware is proceeding at a rapid pace to allow digital contents to be distributed and used by end users. Consequently, enrichment of contents provided to users by way of such an infrastructure will be an important issue for the future. While intensified competition in the contents service provider business is predicted, the securing of a full selection of attractive contents will become a question of vital importance more than ever before for contents service providers.

However, with respect to the distribution volume of contents (including analog contents) in Japan, although there are partially certain contents such as video games for which the distribution volume is steadily growing, there has been little growth in recent years overall.

In consideration of the increasing diversification of user terminals and distribution media in the future as previously mentioned, it can be said to be imperative to deploy efforts aiming at promotion of production and utilization of not only broadcast contents but also contents in other fields as well.

## II Actual State of Right Processing and Right Protection in the Contents Business

### 1 Summary of Interviews with Enterprises

As shown in the analysis of Chapter 1, business relating to digital contents is rapidly expanding while becoming increasingly diversified. In this chapter, an analysis is made at actual business scene of how rights are actually processed and protected and what types of problems occur based on interviews with enterprises.

The following provides a summary of interviews conducted.

[Interviewed Enterprises]

- ① Contents distribution - 3 firms
- ② Contents production - 2 firms
- ③ Distribution system provider - 1 firm

[Main Interviewed Items]

- Business Overview
  - Services offered
  - Contents covered in transactions
  - Major purchaser and user groups of products and services
  - Method supplying contents (network or media, compression method)
  - Form of license approval
  - Billing system

- Right protection technology in use
- Issues regarding business deployment
  - Issues relating to right processing of works (legal and technical issues)
  - Issues relating to right protection of works (legal and technical issues)

### 2 Results of Interviews

While giving business overview in the text of the report, the followings are to collect and organize issues to be examined relating to right processing and right protection as heard from interviews. It should be noted that since the following matters include those affected by the background characteristics of individual enterprise or industry, how these should be reflected in future policies requires further analysis and collection of actual cases.

#### (1) Issues Relating to Rights Processing of Contents

[Issues Relating to the Current Copyright Law]

- ① Right to Claim the Compensation for Copyright Neighboring Rights Relating to Public Transmission

It has been pointed out that the transition from the right to exclusively license to the right to claim compensation should be examined in the future with respect to secondary use in network distribution of digital contents including movies and games in order to enhance precognition regarding consent of use and smoothly deploy business.

- ② Legal Security of Validity of Special Agreements not to claim the Right of Integrity

Since there can be cases that complaint will be made later by the author (such as use of a character), even if a special agreement not to claim the right of integrity is concluded in a previous contract with respect to processing of an original work, there has been a request for legal security of validity of special agreements not to claim the right of integrity resembling British copyright law.

[Issues Relating to Copyright-Related System]

- ① Expansion of Object Fields of Centralized Rights Management

There are many cases being bothersome to identify the right holders of works to be digitized in the digital archive business. However, the arbitration system under the Copyright Law is inconvenient due to its complicated procedures and there are cases that even if the right holder has been identified, excessive royalties are demanded for individual licenses. Consequently, there have been requests for the implementation

of rights management by multiple centralized management organizations in the fields in which no centralized management was previously implemented as art works. At the same time, since the opportunities for demanding licenses from record producers and performers for utilization in digital form are increasing with the deployment of digitization and multimedia, requests have been made for management of copyright neighboring rights by centralized management organizations.

## ② Review of the Arbitration System Relating to License

It has been pointed out that the currently established arbitration system should be reviewed, and arbitration by Commissioner for Cultural Affairs of the Agency for Cultural Affairs can be referred to in case that license is refused without justifiable reason.

## (2) Issues Relating to Contents Protection

[Issues Relating to Protection Technology]

### ① Further Advance of Protection Technology

It was pointed out that since, there is no de facto standard of technical protection measures for visual contents, differently from music, it would be extremely risky to employ own technology individually and it is necessary to establish a standard with industry's consensus in the future.

### ② Legal Construction of Evidence Competency of Electronic Watermarks

Although distribution companies are warning against the infringing party as soon as an illegal use at a private site is discovered through the search of electronic watermarks, it is still unclear whether or not the evidence competency will be recognized in electronic watermarks in legal actions against the infringing parties. A request was made that some legal construction must be shown.

[Issues Relating to Monitoring of Illegal Conducts]

### ① Implementation of Monitoring by Public Institution of Illegal Conducts

Even when employing electronic watermarks, since individual companies or creators to search for infringements incur tremendous costs, it was requested that monitoring services conducted by public monitoring institution (such as nonprofit corporation) is necessary.

### ② Conflict Between Monitoring of Illegal Conducts and Protection of Privacy

Since it is predicted that personal information will also be accessed during the course of monitoring illegal use of contents in the future, there is concern over conflict with protection of privacy. In the case that individual

right holders, in particular, who tend to be unfamiliar with legal issues distribute contents and attempt to monitor illegal uses, there is a greater possibility of invasion of privacy. Thus, it was pointed out that it would be important to enhance individual awareness and draft certain rules.

[Protection of Interests of Contents Distributors]

### ① Legal Protection of Rights of Contents Distributors

Since no right under copyright law is entitled at all for enterprises engaged in contents distribution, legal support of monitoring of infringements and warning against infringing parties is considered to be inadequate. It was therefore requested that granting of copyright neighboring rights to contents distributors and the introduction of regulations for illegal use of contents under the Unfair Competition Prevention Law be considered.

### ② Establishment of Regulations for Exemption of Contents Distributors

In case the number of contents suppliers increases in the future, It will be virtually impossible to check illegal acts in each contents. An opinion was offered that such measures that an innocent distributor who, for example, have distributed an illegal copy of contents without knowing that is exempted from liability should be taken, as the exemption provision for on-line service providers in US DMCA (Digital Millennium Copyright Act).

### ③ Legal Protection of Databases

Although digital archives per se are protected as database, it becomes difficult to claim the rights if they are copied and their configuration is changed. Thus, an opinion was expressed that it will be necessary to protect databases from illegal use (as protection of investments).

## III Present Status of Efforts Relating to Rights Processing and Rights Protection of Contents

In this chapter, an analysis will be made of the situation and problems involving technical and legislative efforts being taken both in Japan and overseas towards the smooth implementation of rights processing and suitable rights protection of contents. Since such numerous examples of efforts and project details are given it will be requested to refer to the text of the report.

### 1 Efforts Toward Smooth Processing of Rights

Experimental operations and examinations are currently conducted throughout the world with the aim of prompt and reliable rights processing along with suitable rights protection in contents utilization.

**(1) Experimental Projects Relating to Electronic Copyright Management Systems**

- ① VERDI Project (Europe)
- ② Madison Project (USA)
- ③ J-CIS (Japan)

**(2) Efforts by Rights Management Organizations**

In addition to the above, in response to the progress of digitization and networking, right management organizations in various countries are beginning to implement own counter-measures of utilization of works in digital form.

- ① ASCAP (USA)
- ② BMI (USA)
- ③ JASRAC "DAWN2001" (Japan)

**(3) Establishment of a Legal Foundation Relating to Centralized Rights Management**

[Review of the Intermediary Service Law of Japan]

As using forms of works become increasingly diverse due to digitization and networking, the adequacy of the legal foundation that has served as the background of existing rights management organizations is beginning to be questioned as evidenced by the conflict between distributors and right management organizations with respect to the license fee for charged music distribution through network. Consequently, a review based on the current trends of use of works is being requested by not only users but also by some right holders. In response to such requests, the Agency for Cultural Affairs is working on revision of the "Law Relating to Intermediary Services Relating to Copyrights" (hereinafter abbreviated as the Intermediary Service Law) with respect to centralized copyrights management. The Agency for Cultural Affairs is proceeding with preparations for revision of the act in the direction of abolishing the current Intermediary Service Law and establishing a new "Copyrights Management Service Law (tentative title)" based on the contents of the report of a subcommittee of the Copyright council. This report contains the substance of the above subcommittee report along with an outline of the new act currently being studied by the Agency for Cultural Affairs.

**2 Efforts Towards Suitable Protection of Contents**

**(1) International Efforts Relating to Examination of Technical Measures**

In order to promote the utilization of digital contents, it is essential to secure a safe distribution environment by effectively preventing unauthorized copying and access to contents. For this purpose, the following international efforts are currently being implemented through unification of organizations of right holders and industries with respect to developments and propagation of technical measures for contents protection.

① MUSE Project

This is a European evaluation project of electronic watermarks for audio contents funded by the EU.

② SDMI

This is a global project aiming at establishing standard specifications for security technology relating to music distribution through networks.

③ CPTWG (Copy Protection Technical Working Group)

This group was formed as a conference organization engaged in technical discussions on copy protection relating to DVD and other media. The objects of this group are to examine issues relating to copy protection from a technical standpoint and provide advice.

**(2) Establishment of Legal Foundation Relating to Protection of Technical Measures**

As previously stated, although technical protection measures for restricting unauthorized copying and access to contents are steadily becoming more advanced, techniques for circumventing or modifying these technical protection measures applied to contents are also becoming more advanced and general at the same pace continuously resulting in a vicious circle. Accordingly, to provide the effectiveness of technical protection measures with legal security is essential in terms of promoting secure distribution of contents, and after the enactment of WCT, legal measures are being implemented throughout the world as follows:

① WCT (WIPO Copyright Treaty) and WPPT (WIPO Performances and Phonograms Treaty)

② EU "European Parliament and Council Directive on legal protection of services based on, or consisting of, conditional access"

③ EU Proposal for a "European Parliament and Council Directive on the harmonization of certain aspects of copyright and related rights in the Information Society"

④ US DMCA (Digital Millennium Copyright Act)

⑤ Japan Revised Copyright Law and Revised Unfair Competition Prevention Law

## **IV Issues to Be Studied Towards Promotion of Digital Contents Utilization**

This chapter organizes future issues extracted from the results of analyses thus far. In this survey, the actual status of the contents business, and the present status of efforts being made at the government and private levels both in Japan and overseas were analyzed with respect to the promotion of the protection and distribution of digital contents. As a result, the extracted issues are reflected different circumstances corresponding to the respective standpoints of right holders, suppliers and users of contents, and a conflict of opinions was observed among some parties with respect to the same subject. In addition, since the interviews were conducted with limited six enterprises, it would be hasty to conclude that the extracted issues are problems confronting the entire digital contents industry.

This survey does not provide a specific solution to the important and complicated issue of promoting utilization of digital contents, but rather was conducted for the purpose of determining the actual status and extracting issues towards future studies. Consequently, the issues extracted from this survey were intentionally not constricted to a specific direction, but rather are described in a form that partly combines both sides of the arguments.

### **1 Issues Towards Smooth Rights Processing**

As product life cycles become shorter, such an age is approaching that digital contents are consumed (used) in large volumes and short cycles and further new contents are supplied to the market. Under such circumstances, the rapid and accurate rights processing relating to contents utilization is essential from the viewpoint of promoting contents distribution. In order to accomplish that, suitable countermeasures for the following issues are considered necessary.

#### **(1) Organization and Supplying of Rights Management Information**

(where rights lie and license conditions for use and so on)

In comparison with music contents, efforts to organize and supply rights management information for visual contents are lagging behind. It was particularly pointed out with respect to broadcast contents in this committee that since television stations had previously tended to retain their own contents, organization of rights management information (including

extraction of copyright items) supposing secondary utilization has hardly been conducted. In case of movie contents, since nearly all rights are concentrated on movie producers supposing secondary utilization, its rights processing for utilization is relatively easier. In case of broadcast contents produced thus far, since only rights processing relating to broadcast rights had been conducted between broadcast stations and individual right holders, it will be necessary to conduct rights processing with respect to secondary utilization (such as copy, distribution and performance) again with individual right holders. Accordingly, it is essential to organize and provide rights management information.

Image & Movie Copymart (Chairman: Zentaro Kitagawa, Professor Emeritus, Kyoto University), which has been conducting studies on a new copyright management system, has been proceeding with the extraction and organization of copyright items of visual contents in accordance with the "Contents Data Sheet" in a commissioned project of the government since 1998. However, an extremely large number of right holders are involved in the production of visual contents, and tremendous costs are incurred for their analysis and constructing a database. Besides, although the construction of database has begun for rights information in stage performer organizations, efforts have not made that much progress for the same reasons as mentioned above.

Practical application of the "J-CIS Project" indicated in Chapter 3 are also far behind its original schedule (the establishment of the administrative corporation in 2000). One of the factors for this delay is the lack of organization of rights management information in the industry as mentioned above.

With the full-scale start of digital broadcasting, the need for secondary utilization of broadcast contents is extremely high. Consequently, the organization and providing of rights management information relating to visual contents is considered as an important task for the future.

#### **(2) Improvement of Convenience of Rights Processing**

As summarized in chapter 3, in order to realize rapid and accurate rights processing of digital contents, in addition to the construction of various electronic copyright management systems being pursued on a trial basis by government agencies and consortiums of corporations, efforts by existing rights management organizations are also under way. The following four items were pointed out by this committee.

① Technical limitations: At the present time, it

is technically difficult to know the utilization status of contents converted from digital form to analog form.

- ② Cost issues: If excessive costs are incurred for introducing and operating systems, it is predicted to be a significant obstruction to the propagation of the systems. In the interviews, it was pointed out that there are problems in terms of cost with respect to the introduction of technical measures.
- ③ Conflict between grasp of utilization status and protection of privacy: Since information on utilization status contains information relating to privacy, careful studies are required to determine to what extent access to the information by the rights management side should be allowed. In the interviews as well, opinions were voiced that the above-indicated concern particularly with respect to rights management by individual right holders expected in the future.
- ④ Excessive protection by technology: There is concern over a breakdown in the balance between contents utilization and protection caused by enclosure (monopolization) of information that should inherently be in the public domain due to the progress of management technology.

### **(3) Clarification of Rules Relating to License of Contents**

As mentioned in (1) above, since generally only processing of rights of broadcast is performed in the production of broadcast contents and contracts supposing multi-use are rare, secondary utilization has not progressed that far. Since it is difficult to obtain licenses separately from individual right holders with respect to broadcast programs involving large numbers of right holders, it is required to make rules for rights processing in line with multi-use of programs among various right holders organizations.

On the other hand, it is said that since contracts supposing secondary utilization are concluded between production companies and directors, scenarists and original authors with respect to movie contents, rights processing for secondary utilization is relatively easy. In recent years, however, performers organizations have advocated a review for rights of licenses of secondary utilization to be granted to performers as well, and future movements on this issue are paid attention to.

### **(4) Promotion of the Establishment of a Legal Foundation Relating to Rights Management**

As discussed in chapter 3, it is scheduled for the Agency of Cultural Affairs to abolish the current Intermediary Service Law and establish a new "Copyright Management Service Law

(tentative title)" with respect to centralized copyright management. If this new act deregulates copyright management business conducts and its substances so as to promote new entry of rights management firms providing services flexibly corresponding to diversifying forms of contents utilization (such as management on commission by individual works or specialized in each specific supporting right), it is expected to indirectly promote utilization of digital contents. However, sufficient studies with respect to the application of this new act to contents business fields expected its future expansion should be conducted in the introduction of this new act so as to minimize the influences on business.

In addition, with respect to centralized management of copyright neighboring rights as requested in the interviews, early accommodation of this issue has been proposed in the final report of the copyright committee as necessary, and consideration of a system adapted to the actual business situation is requested.

## **2 Issues Towards Suitable Contents Protection**

In comparison with analog contents, since digital contents have the characteristics of easy duplication and modification with high quality, there are many right holders taking a negative attitude toward the digitization of contents for fear of unauthorized use, as mentioned in the interviews. Consequently, the development and propagation of security technology for suitably protecting digital contents is essential subject to be conducted for promoting distribution on the digital contents market. Furthermore, with respect to legal issues, it is necessary to examine legal measures with which right holders and providers of contents can take effective counter actions against unauthorized uses.

### **(1) Development and Propagation of Technical Measures**

As summarized in chapter 3, drafting of technical standards is progressing, as technical measures are rapidly becoming advanced. Whereas there is a problem in the propagation of the established technical standards from the viewpoint of competition policy, problems in the enforcement that effectiveness should be secured by forming de facto standard according to market movements have been pointed out. In particular, with respect to projects supported by public institutions and supposing no business, the propagation of their results is considered as the subject for the future. In addition, since it takes considerable time both for public projects and efforts by consortiums of corporations to draft

standards, it is pointed out that they are not matching the speed of actual business. On the other hand, since as witnessed in the DeCSS case of DVD, once standardization of rights protection technology by industry is circumvented, the influence is immeasurable, such negative opinions on standardization of technical measures were heard in the interviews that several technical alternatives should always be available.

Furthermore, as mentioned in "(2) Improvement of Convenience of Rights Processing" in section 1 above, advancement and generalization of technical measures also has the risk of causing enclosure of the information conventionally considered in the public domain as out of protection under the Copyright Law. It will therefore be necessary to continue to examine the balance between the law and technology in the future while taking into consideration the influence of overriding copyright by technology on contents utilization.

#### **(2) Legal Measures Relating to Protection of Right Holders and Providers**

It was pointed out in the interviews that, according to the current intellectual property laws, contents providers using networks are not granted any own rights so as to be unable to take an adequate measure with respect to an infringement. With respect to protection of business, although protection of publishers based on copyright neighboring rights has been requested, there are many counsels of caution regarding the grant of exclusive rights and a conclusion has not yet been reached. Under such circumstances, with respect to protection of contents providers (e.g. music distributors, database service providers and so on) who have newly entered into the business market due to the propagation of digitization and networking, it should be studied while getting into perspective approaches with not only protection by copyright neighboring rights, but also under the Unfair Competition Prevention Law and other regulatory laws.

#### **(3) Establishment of Rules for International Transactions on Networks**

With the development of networking, there is considerable potential to cause numerous problems in external relations with respect to intellectual property rights in the future. Prompt examination of the intellectual property system concerning international disputes is needed both in terms of substantial rules and procedural rules.

For example, in case of conducts on the Internet, a conduct such as transmission in one country has the risk of causing infringement of intellectual property rights in other countries

around the world. In connection with this problem, "Preliminary Draft convention on Jurisdiction and Foreign Judgment in civil and commercial matters" is currently examined in the Hague Conference on Private International Law, in which the effect of intellectual property rights and handling of legal actions regarding infringement are also discussed.

## **V Conclusion**

The progress of technology for digitizing contents, and Internet technology for transmitting digital contents to users throughout the world have brought unlimited possibilities for the promotion of contents utilization. However, these technologies are "double-edged sword" that enables unauthorized copy of contents and the spread of unauthorized products to many and unspecified persons. Therefore, the balance between utilization and protection of works must always be taken into consideration when utilizing these technologies.

This committee has attempted to determine the present status and extract important issues with respect to various subjects involved in promoting the utilization of digital contents while also focusing on aspects of rights protection as much as possible. Since it is rapidly developing field, it is hoped to promptly take measures for the extracted issues in the future.

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