COPYRIGHT INFRINGEMENT LIABILITY OF PLACESHIFTING SERVICES IN THE UNITED STATES AND JAPAN

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ABSTRACT

Placeshifting is a convenient service that enables customers to enjoy television programs from their home countries even if they are in foreign countries. Placeshifting works by receiving/recording a television program in one country and then transmitting the digital data to customers everywhere in the world via the Internet upon each customer’s request. Because placeshifting may be involved with recording and/or transmitting copyrighted content, service providers must face the question whether they may be liable for copyright infringement. In the United States, the Second Circuit in Cartoon Network v. CSC Holdings decided the legality of placeshifting by requiring a “volition element” for direct infringement. In Japan, however, court decisions have varied. Most of the courts have applied an overall consideration standard such as the “Karaoke rule.” As a result, there remains large uncertainty about the state of the law in Japan. This Article introduces the legal basis and judicial decisions for

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placeshifting both in the United States and Japan and suggests introducing the volition requirement as one possible solution for the uncertainty in Japan.

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INTRODUCTION

If you go abroad for business or to study for a long period, wouldn’t it be convenient to be able to watch your favorite television programs from home? Recently, a so-called “placeshifting” service has come to fulfill such a demand. With placeshifting, customers can watch television programs, including copyrighted ones, through a device installed by the service provider, who then must face the question whether the service provider may be liable for copyright infringement.

The U.S. copyright statute does not answer this question directly because such a service did not exist at the time the legislation was drafted, and there has been no case law directly addressing this issue. In the digitalization and networking era, as the Supreme Court indicated in *MGM Studios v. Grokster*, it is essential to consider not only “copyright protection” but also “promoting innovation in new communication technologies.”

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> [W]hat we believe is this notion of placeshifting is the next major evolution in television viewing. And what does it do? It greatly increases the number of displays, that I can watch my familiar television, which is the key word here, but also greatly increases the number of places that I can watch my familiar television as well. . . . So quite simply, the Slingbox, which is this small box that you can buy now at Best Buy, CompUSA, over 3,000 stores nationwide, is $200, $249 retail. Basically take your television signal, put this in your home, take your basic cable, take your TiVo, take your satellite box, really over 5,000 different devices, plug your TV signal in, connect it to your home network, and then wherever you happen to be, you can watch and control your living room TV just like you were sitting on the couch.

*Id.* at 16.


3 *Id.* at 928. Also in the Japanese Copyright Act, its purpose is not limited only to the protection of an author’s benefit. Namely, the Japanese Copyright
deciding the legality of the placeshifting service, therefore, courts must balance these factors.\textsuperscript{4} Without a proper balance, any company that wants to introduce new technology services may be too cautious to start its business.

In Japan, conclusions on this issue have varied among court decisions. Thus, there is uncertainty for any company that plans to introduce a placeshifting service to predict whether its business will be legal. In the United States, however, the Second Circuit rendered a decision in \textit{Cartoon Network v. CSC Holdings}\textsuperscript{5} (\textit{Cablevision}) that lends some guidance. The most remarkable point in this decision is that the court required a “volition”\textsuperscript{6} element for the existence of direct infringement. The court held that the placeshifting provider was not liable for direct infringement on the ground that any “volitional” conduct associated with copying the copyrighted content at issue was not made by the provider but by individual customers instead.\textsuperscript{7} This Article analyzes the current legal problems for placeshifting, both in the United States and Japan.

Chapter I provides a general overview of placeshifting services, both in the U.S. and in Japan. Chapter II introduces, as

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\textsuperscript{5} \textit{Cartoon Network v. CSC Holdings}, 536 F.3d 121 (2d Cir. 2008), cert. denied, 129 S. Ct. 2890 (2009) (hereinafter \textit{Cablevision}).

\textsuperscript{6} Generally, the term “volition” means “the power to choose something freely or to make your own decision.” \textit{OXFORD ADVANCED LEARNER’S DICTIONARY OF CURRENT ENGLISH} 1391 (7th ed. 2005). The substantial meaning of the term “volition” as used in \textit{Cablevision} will be introduced later.

\textsuperscript{7} See Chad Woodford & Mitchell Zimmerman, \textit{Second Circuit Paints Digital Cloudscape Favoring Technology Firms’ Use of Copyrighted Content}, 25.12 \textit{COMPUTER & INTERNET LAW.} 5, 5 (2008); see also \textit{Cablevision}, 536 F.3d at 130-133.
the basis of comparative law, the basic structures of the U.S. and Japanese copyright laws regarding the liability of an indirect actor. Chapter III discusses the *volition* requirement in *Cablevision*. Chapter IV discusses Japanese case law regarding placeshifting services and shows the problems caused by uncertainty. Chapter V analyzes how Japanese law should treat the legality of placeshifting.

I. WHAT IS “PLACESHIFTING”?

A. Characteristics of Placeshifting Service

Placeshifting is a service whereby: (1) a device set by the provider receives and records 8 television programs broadcast in one country and (2) transmits the programs to its customers via the Internet, so that (3) its customers can then view the programs anywhere in the world. It must also be recognized that most of the services use a device that is individually allocated to each customer at the provider’s central place of business and is manipulated via remote control by each customer, not by the service provider. It is not a mere rebroadcasting of the TV broadcast, 9 but is similar to the use of a DVD recorder or a video cassette recorder (VCR).

Sling Media Inc., one such placeshifting provider, defines the term “placeshifting” as:

[A] service that “allows anyone with a broadband Internet connection to have video streams from their home television set, DVR or other video source (such as a DVD player or home security camera)

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8 Some placeshifting services do not have a function for recording television programs by its central device, but merely transmit it to the customer such as Maneki TV in Japan.

9 In Japan, rebroadcasting constitutes infringement of the neighboring right of broadcasting organizations. Japanese Copyright Act, *supra* note 3, art. 99(1). Also, rebroadcasting might be infringement of copyright (right of public transmission). *Id.* at art. 23(1). Similarly, rebroadcasting might constitute infringement of the public performance right in the U.S. 17 U.S.C. §106(4), §101 (“To perform . . . a work ‘publicly’ means . . . (2) to transmit or otherwise communicate a performance . . . of the work . . . to the public . . . “).
forwarded for viewing remotely on a computer, netbook, or mobile phone at any location where they have a high-speed Internet connection or cellular data network.10

Accordingly, placeshifting can best be understood in relationship to its predecessor, “timeshifting.” Sony Corporation of America v. Universal City Studios11 centered on whether the defendant, Sony, was liable for contributory infringement by making and selling Betamax video tape recorders. The Supreme Court emphasized that the “timeshifting” function of Betamax was a permissible “substantial noninfringing use.”12 The Court explained timeshifting as follows:

[T]he practice of recording a program to view it once at a later time, and thereafter erasing it. Time-shifting enables viewers to see programs they otherwise would miss because they are not at home, are occupied with other tasks, or are viewing a program on another station at the time of a broadcast that they desire to watch.13

However, it can be said that placeshifting is well beyond such a timeshifting function14 because the user can view the program anywhere in the world as long as she is connected through the Internet. Namely, the user may select the place to view TV programs. That is why it is known as “placeshifting.”

Although placeshifting is a successor to timeshifting, it is not a completely novel technology. Placeshifting combines some preexisting technologies such as digital recording technology and networking technology.15 The innovative point in placeshifting is

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12 Id. at 442.
13 Id. at 423.
15 See Rivers, supra note 4, at 159. In this regard, the Second Circuit in Cablevision explained that the device at issue, the Remote Storage Digital Video Recorder System, “use[s] a technology akin to both traditional, set-top digital
its combination of these pre-existing technologies with new services designed to match consumers’ demands.

B. Placeshifting Service Providers in the U.S. And Japan

In the United States, placeshifting service providers include Cablevision (Service: “RS-DVR”), \(^{16}\) Sling Media (Product: “Slingbox”), \(^{17}\) SageTV, LLC (Product: “SageTV Placeshifter”), \(^{18}\) Orb Networks (Service: “MyCasting”), \(^{19}\) and Sony (Product: “LocationFree”). \(^{20}\) Similarly, in Japan there have been several placeshifting services such as “Maneki TV” by Nagano Syōten K.K., \(^{21}\) “Rokuraku II” by Nihon Digital Kaden K.K., \(^{22}\) “Rokuga Net” by FA Vision K.K. \(^{23}\) and “Yoridorimidori” by Kuromusaizu K.K. \(^{24}\) Any one of these companies risks being sued by content owners in the future due to the unpredictability of copyright liability. \(^{25}\)

C. Differentiation from the Term “Space-Shifting”

for television programs such as Maneki TV or Rokuraku II. In the United States, providers of Internet-related services, such as file-sharing services, originally used the term “space-shifting” to emphasize their service’s legality as “fair use” by drawing a comparison to “time-shifting,” which was held to be legal in *Sony*. These service providers argued under the term “space-shifting” that, “[A] person who owns a copyrighted compact disc who then copies the content to a digital file does not engage in infringement. Instead, that person is merely shifting material that she already owns from one ‘space’ to another.” However, such a fair use defense was later denied by the courts. Accordingly, this Article distinguishes the term “placeshifting” from the term “space-shifting” and uses the former for the services at issues in the *Cablevision* case in the United States and some cases in Japan.

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28 *Sony*, 464 U.S. at 454-55 (affirming the district court’s conclusion that “home time-shifting is fair use.”).

29 Rivers, *supra* note 4, at 175-76 (emphasis added).

30 *Id.* at 176; see also *Napster*, 239 F.3d at 1019; *MP3.com*, 92 F. Supp. 2d at 351.

II. U.S. AND JAPANESE COPYRIGHT LAW REGARDING INDIRECT LIABILITY

A. U.S. Copyright Law

There are two legal theories to hold liable a service provider who causes exploitation of copyrighted works by its customers: direct infringement and secondary liability.

1. Direct infringement in the digital and networking era

Direct infringement can be established by showing that a defendant directly infringes exclusive rights listed in Section 106 of the Copyright Act, such as the reproduction right or the public performance right. Because current services in the digital and networking era did not exist at the time the Copyright Act of 1976 was drafted, it is difficult to determine the scope of the exclusive rights applied to such services.

Further, courts might have difficulty trying to decide who actually exploits a particular copyrighted work, and thus who directly infringes a particular exclusive right—the service provider or its end users. Professor Ginsburg has indicated:

[T]he exclusive rights are capacious, but new technologies may have caused some of the general phrases to become more constraining than might have been expected from a text whose drafters took pains to make forward looking. . . . Entrepreneurs and users of new technological means of exploiting copyrighted works have urged narrow constructions of each of these terms, arguing that broad interpretations will chill future innovation (and suppress present markets for copyright-exploiting...

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32 17 U.S.C. §106(1) (identifying “the exclusive right[] . . . to reproduce the copyrighted work in copies or phonorecords”).

33 17 U.S.C. §106(4) (identifying “the exclusive right[] . . . in the case of literary, musical, dramatic, and choreographic works, pantomimes, and motion pictures and other audiovisual works, to perform the copyrighted work publicly”).
devices or services). Copyright owners, concerned that unfettered new uses will supplant traditional copyright-controlled markets, have contended that the literal language, or, failing that, congressional intent, encompass the contested use. In addition, new technologies have called into question the identification of the person who “does” the copyright-implicating acts.34

The legality of placeshifting is directly related to this question.

a. Netcom decision

Religious Technology Center v. Netcom On-Line Communications Services is one example of a direct infringement case in the digital and networking era.35 In Netcom, the court addressed whether an Internet service provider (ISP) is liable for direct infringement by automatically copying user-posted content in the random access memory (RAM) of its central computer.36 An Internet user could post a copyrighted work without any consent of its copyright holder on a certain bulletin board system (BBS) through Netcom facilities. During that process, the posted content was automatically copied in the RAM of Netcom’s central computer. The plaintiff, a copyright content owner, sued Netcom, in addition to the Internet user and the BBS operator, for direct infringement of the reproduction right and for secondary liability.

The District Court for the Northern District of California concluded that Netcom was not liable for direct infringement,37 reasoning that “[a]lthough copyright is a strict liability statute, there should still be some element of volition or causation which is lacking where a defendant’s system is merely used to create a copy

36 See id. at 1367-73.
37 Id. at 1372-73.
by a third party.” In other words, Netcom required a *volition* element for direct infringement.

Under this requirement, a service provider should not be liable for direct infringement unless it engages in some *volitional* conduct in relationship to the copying of a particular copyrighted work. For example, if a BBS operator censors a specific posted content and then later decides to display it on the bulletin board, the *volition* requirement might be satisfied. However, Netcom—an ISP—neither censored any posted content nor decided whether a specific content may be displayed or not. Consequently, the court was not persuaded that Netcom committed such *volitional* conduct concerning the plaintiff’s specific copyrighted work at issue posted by the Internet user.

The *volition* standard in Netcom has been adopted by subsequent courts. Netcom also influenced the safe harbor provisions in the Online Copyright Infringement Liability Limitation Act, an integral component of the Digital Millennium Copyright Act (DMCA). By including the language “*automatic technical process*” in the statute, Congress essentially codified Netcom as a safe harbor for “transitory digital network

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38 Id. at 1370.
39 See id. at 1372.
41 17 U.S.C. §512(a)(2) (“[T]he transmission, routing, provision of connections, or storage is carried out through an *automatic technical process* without selection of the material by the service provider.”) (emphasis added); 17 U.S.C. §512(b)(1)(C) (“[T]he storage is carried out through an *automatic technical process* for the purpose of making the material available to users of the system or network who . . . request access to the material from the person . . .”) (emphasis added).
communications” (17 U.C.C. §512(a)) and “system caching” (17 U.C.C. §512(b)).

2. Secondary Liability

Although the U.S. Copyright Act does not have any statutory provision for secondary liability, there are three categories of well-established secondary liability under case law: vicarious, contributory, and inducement liability. Before analyzing

42 See 3-12B Nimmer on Copyright §12B.06 [B][2][a]-[b] (2010). Professor Nimmer said, “to apply the law as it is actually written, courts at present must advert to the Netcom factor of there being ‘some element of volition’ when it comes to the safe harbors for transmitting [note: §512(a)] and caching [note: §512(b)].” Id. at §12B.06 [B][2][a]. Professor Nimmer also indicated, after codifying the volition requirement in the safe harbor provisions, “Netcom’s requirement for ‘some element of volition’ should not be viewed as a free-standing feature of copyright law. Rather, it should be followed to the extent that Congress deliberately embodied it into the law, and not followed in the other instances for which Congress chose not to codify it.” Id. at §12B.06 [B][2][b].

In contrast, some lower courts have actually required the Netcom’s volition element even after birth of the safe harbor provisions. Thus, it can be said that there is still uncertainty on this issue regarding the relationship between the volition requirement in Netcom and the safe harbor provisions. Just as with the Cablevision case, placeshifting providers lost the occasion that the U.S. Supreme Court would discuss this issue because it denied granting a writ of certiorari. See infra Chapter III.D of this Article. Addressing such U.S. Supreme Court’s denial, Professor Nimmer finally said, “[t]he last word therefore has yet to be pronounced here.” Id. at §12B.06 [B][2][b].

43 Vicarious liability exists if the following two requirements are satisfied: (1) “the defendant must possess the right and ability to supervise the infringing conduct” and (2) “the defendant must have an obvious and direct financial interest in the exploitation of copyrighted materials.” Nimmer, supra note 42, §12.04 [A][2] (citation omitted). See Fonovisa v. Cherry Auction, 76 F.3d 259 (9th Cir. 1996).

44 “[I]f there is knowledge that the work in question constitutes an infringement, then one who causes another to infringe will himself be liable as an infringer.” Nimmer, supra note 42, §12.04 at [A][3][a]. See Gershwin Pub’g v. Columbia Artists Mgmt., 443 F.2d 1159, 1162 (2d Cir. 1971).

45 The Supreme Court in Grokster clarified the inducement rule, holding that “one who distributes a device with the object of promoting its use to infringe copyright, as shown by clear expression or other affirmative steps taken to foster infringement, is liable for the resulting acts of infringement by third parties.” Grokster, 545 U.S. at 936-37.
placeshifting, it is important to note two important issues related to
secondary liability: the staple article doctrine and the role of direct
infringement.

a. *Sony’s* staple-article rule for contributory liability

The Supreme Court in *Sony* ruled that copying equipment
should not constitute contributory infringement if it is capable of
“substantial noninfringing uses,” referring to the “staple article of
commerce” doctrine regulated in Section 271(c) of the U.S.
Patent Act:

The staple article of commerce doctrine must strike
a balance between a copyright holder’s legitimate
demand for effective -- not merely symbolic --
protection of the statutory monopoly, and the rights
of others freely to engage in substantially unrelated
areas of commerce. Accordingly, the sale of
copying equipment, like the sale of other articles of
commerce, does not constitute contributory
infringement if the product is widely used for
legitimate, unobjectionable purposes. Indeed, it
need merely be capable of substantial noninfringing
uses.  

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46 Section 271(c) provides the contributory liability for patent infringement:
Whoever offers to sell or sells within the United States or
imports into the United States a component of a patented
machine, manufacture, combination or composition, or a
material or apparatus for use in practicing a patented process,
constituting a material part of the invention, knowing the same
to be especially made or especially adapted for use in an
infringement of such patent, and not a staple article or
commodity of commerce suitable for substantial non-
infringing use, shall be liable as a contributory infringer.
35 U.S.C. §271(c) (emphasis added).

It expressly provides an exception for contributory liability that the sale of a
“staple article or commodity of commerce suitable for substantial noninfringing
use” is not contributory infringement. Thus, this exception is called the “staple
article of commerce doctrine.” See *Sony*, 464 U.S. at 442.

47 *Sony*, 464 U.S. at 442. This rule was applied to the ISP case. See, e.g.,
b. Necessity of direct infringement for secondary liability

In order to establish a secondary liability claim, there must be direct infringement as a basis of the secondary liability. In this regard, Professor Nimmer suggests:

[I]t is more in keeping with traditional notions of third party liability to confine the inquiry into whether there can be culpable participation in an infringement to those instances when such infringement has in fact occurred. The Supreme Court [in Grokster] has recognized the validity of this proposition in its explication of one branch of third party liability, commenting that “the inducement theory of course requires evidence of actual infringement by recipients of the device.” . . . [T]he rule should generally prevail that third party liability, as its name implies, may exist only when direct liability, i.e., infringement, is present.\(^{48}\)

Thus, in a case of placeshifting, a service provider should not be secondarily liable for its customer’s exploitation of a particular copyrighted work, provided that the customer is not liable for direct infringement, perhaps because the customer can establish a valid defense such as fair use.\(^{49}\)

3. Fair use exception

Even if someone exploits a copyrighted work without consent by the copyright holder, he or she is not liable for copyright infringement provided such exploitation constitutes “fair use.”\(^{50}\)

\(^{48}\) Nimmer, \textit{ supra} note 42, \$12.04 at [D][1] (citing Grokster, 545 U.S. at 940).

\(^{49}\) See Woodford, \textit{ supra} note 7, at 10; \textit{see also} Michael Bartley, \textit{Slinging Television: A New Battleground For Technology And Content Holders?}, 48 IDEA 535, 558-59 (2008).

\(^{50}\) 17 U.S.C. \$107.
determining whether exploitation of copyrighted work is “fair use,” Section 107 of the U.S. Copyright Act stipulates that the following factors should be considered:

(1) the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes;

(2) the nature of the copyrighted work;

(3) the amount and substantiality of the portion used in relation to the copyrighted work as a whole; and

(4) the effect of the use upon the potential market for or value of the copyrighted work.\(^{51}\)

In *Sony*, the Supreme Court held that the home timeshifting use by an individual user of Betamax constituted fair use\(^ {52}\) and that the Betamax was capable of “substantial noninfringing uses.”\(^ {53}\)

**B. Japanese Copyright Law**

Similar to the United States, an indirect actor who does not directly exploit a particular copyrighted work, but is indirectly involved with it, may be liable for copyright infringement in Japan. However, in contrast with the United States, Japanese copyright law does not have an independent rule for “secondary liability.”\(^ {54}\)

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\(^{51}\) Id.

\(^{52}\) See *Sony*, 464 U.S. at 454-55.

\(^{53}\) See id. at 455.


However, the term “Kansetsu Shingai” [indirect infringement] itself legally have no meaning. Thus, in Japan, the literal differentiation between the terms “direct infringement” and “indirect infringement” never provides any substantial legal rule.
Instead, Japanese court interprets liability through the lens of direct infringement.

1. Copyright Holder’s Claims of Damage and Injunction Relief

In a copyright infringement case, a copyright holder may seek both damages and injunctive relief. A damages claim is based on tort law. There is a general tort rule, Article 719(2) of the Japanese Civil Code, that provides an indirect actor’s liability:

Article 719 [(1) If more than one person has inflicted damages on others by their joint tortious acts, each of them shall be jointly and severally liable to compensate for those damages. . . .] (2) The provisions of the preceding paragraph shall apply to any person who incited or was an accessory to the perpetrator, by deeming him/her to be one of the joint tort-feasors.

This provision has been applied to damages claims in copyright infringement cases, but not to claims seeking injunctive relief. Under tort law, a copyright holder can therefore benefit only from monetary compensation, not injunctive relief.

In contrast, in intellectual property infringement cases, Japanese court may grant injunctive relief when explicit statutory authorization allows it. Explicit legislative authorization for

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56 Id. art. 719 (emphasis added).

57 Id. art. 721 (1), 417, 723.


The reason why courts need statutory authorization is because the origin of
copyright infringement, Article 112 of the Copyright Act provides:

Article 112. (1) Against those who infringe or are likely to infringe the moral rights of authors, copyright, right of publication, moral rights of performers or neighboring rights, the author, the performer or the owner of a copyright, right of publication or neighboring rights may make a demand for cessation or prevention of such infringements.  

According to the plain language of Article 112 (1), a copyright holder who wants injunctive relief must prove that a defendant falls within the scope of the principal committing infringement.

Because injunctive relief is an important tool for copyright holders to stop infringing conduct, it is quite common in Japan that a plaintiff will seek injunctive relief in a copyright infringement lawsuit. As a result, in the case that an indirect actor’s liability is contended, it is common to discuss whether the indirect actor falls within the scope of the principal committing the infringement in injunctive relief in intellectual property law (such as Japanese Patent Act, Japanese Copyright Act) is derived from “Haitateki Shihai Ken” [exclusive possession] inhered in “Ｙūtai Butsu” [tangible thing], a terminology of “Bukken Hō” [real right law].

Professor Ryū Takabayashi indicated, under Japanese law:
[A]n object covered by Haitateki Shihai Ken is limited to Ｙūtai Butsu (JAPANESE CIVIL CODE, art. 85). . . . There cannot exist the concept “Mutai Butsu” [intangible thing] under JAPANESE CIVIL CODE. Furthermore, the Bukken [real right] as the Haitateki Shihai Ken for Butsu [thing] must be created by JAPANESE CIVIL CODE or other legislations (“Bukken Houtei Syugi”) [Policy that real rights must be established by legislation]; JAPANESE CIVIL CODE, art. 175). Thus, in order to create a right having Haitateki Shihai Ken akin to the Bukken and to grant Haitateki Shihai Ken for “Mutai no” [intangible] information derived from human, each intellectual property act such as Japanese Patent Act and Japanese Copyright Act has been enacted as special act of JAPANESE CIVIL CODE.

Takabayashi, supra note 58, at 3 (2005).

Japanese Copyright Act, supra note 3, art. 112. Similar provisions of injunctive relief exist in other IP acts.
order to obtain injunctive relief in addition to the damages available under tort law.

2. Case Law Enlarging the Scope of a Principal Committing Copyright Infringement

In cases in which an indirect actor’s liability for copyright infringement is contended, courts in the past would flexibly enlarge the scope of the principal committing such copyright infringement. The origin of this practice is called the *Karaoke* rule, which was originally adopted to decide whether a manager of a traditional Japanese Karaoke bar was liable for infringement of the “right of performance” on copyrighted musical works when it provided occasions for its customers to perform such works.

Copyright holders wanted to charge the manager of such a Karaoke bar instead of an individual customer. Thus, the establishment of a copyright infringement claim against a Karaoke bar manager was discussed. The Supreme Court in *JASRAC (Japanese Society for Rights of Authors, Composers and Publishers) v. Ju San Fou (“Club Cat’s-eye”)* concluded that the manager was a principal of performance on the ground that: (1) the customers’ performance was made under the manager’s management through inducement to sing by the employees, selecting musical works within the scope of karaoke cassette tapes

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61 At a karaoke bar, it sets a karaoke device that can perform musical works and/or videos showing their lyrics and background movies by running tangible recording media (cassette tape, laser discs, etc.) or through online. Using the karaoke device, the customers enjoy singing songs with their accompaniments.

62 *Japanese Copyright Act, supra* note 3, art. 22 (“The author shall have the exclusive right to perform his work publicly (“publicly” means for the purpose of making a work seen or heard directly by the public…”)).

63 *See Takeshi Mizuno, Karaoke Bansō nī yoru Kyaku no Kashō nī tsuki Karaoke Souchi wo Setti Shita Sunakkü tou no Keieisha ga Ensōuen Shingai ni yoru Fuhoukou Sekinin wo Ou tosareta Jirei [Case Holding that the Manager of Bar, etc. Who Set the Karaoke Device Is Liable under Tort Theory for Infringement of Performance Right as to Singing by Customers with Accompaniment by Karaoke], Saikō Saibansho Hanrei Kaisetsu Minji Hen [Commentary of the Supreme Court’s Civil Cases](for the year 1988) 150, 158 (1990).

64 It was the name of the defendant’s karaoke bar.
set by the manager and manipulating the karaoke device by the employees; and that (2) the manager earned a commercial benefit through the customers’ performance. The court emphasized two factors: (1) management and (2) commercial benefit.

Beyond the Karaoke bar case, the Karaoke rule has been more broadly applied to other kinds of services when the provider is merely an indirect actor, but the customers directly exploit particular copyrighted works (the so-called “variation” of the Karaoke rule). For example, a file sharing service using peer-to-peer technology was held illegal under the Karaoke rule in JASRAC v. Nihon Emu Emu Ō (“File Rogue”). Also, recently, a

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67 In Japanese, it is called “tenyō” of the Karaoke rule. Tamura, supra note 54, at 42, 51.
68 Id. at 51. Professor Yoshiyuki Tamura indicated, “the Karaoke rule was originally applied to the entities of which it can be said that there is some personal relationship and personal instructions with the direct using actor, such as a karaoke bar, a cabaret, or an organizer of performance, a projector, etc.” Id. at 43.
69 The service name was “File Rogue.” Some lower courts handled this case. All their decisions adopted the Karaoke rule and held that the service provider is liable for its users’ direct infringing conduct.


Principal case [Appellate instance]: JASRAC v. Nihon Emu Emu Ō Ltd., available at
website for posting and sharing videos was held illegal under the Karaoke rule in *JASRAC v. Just Online K.K.* (“TV Break”). Such variation of the Karaoke rule has appeared in Japan because of its two main merits: (1) a copyright holder can benefit from injunctive relief according to Article 112 of the Japanese Copyright Act because the Karaoke rule is directed to the issue of who is a principal committing copyright infringement; and (2) a copyright holder can establish a copyright infringement claim against a service provider even if its customers’ (the direct actors) physical exploitation of copyrighted works is not regarded as illegal according to the limitations of copyright, such as the private use limitation of the reproduction right.

3. Limitation on the Reproduction Right for Private Use

The Japanese Copyright Act has no general fair use exception like the United States. Instead, Japan has explicitly enumerated limitation provisions depending on each kind of bundle rights and relevant exploitations.

One such limitation is the private use limitation for the...
reproduction right,\textsuperscript{73} which exempts the liability for reproducing a copyrighted work for the purpose of private use:

\begin{quote}
Article 30. (1) It shall be permissible for a user to \textit{reproduce} by himself a work forming the subject matter of copyright \ldots for the purpose of her \textit{personal use}, \textit{family use} or other similar uses within a \textit{limited circle} (hereinafter referred to as “\textit{private use}”)\ldots \textsuperscript{74}
\end{quote}

According to such limitation, each customer of certain Internet-related services should not be liable for infringement of the reproduction right provided the use is for a “private use.”\textsuperscript{75} Even if each customer is exempted from liability based on such a limitation, however, a service provider still may be liable for the customer’s exploitation of the particular copyrighted works under the \textit{Karaoke} rule or its variation.

\textsuperscript{73} Id. art. 30.
\textsuperscript{74} Id. art. 30(1) (emphasis added).
\textsuperscript{75} For example, in the file sharing service using peer-to-peer technology, if a user who downloads the illegal data of a musical work and makes a copy on her or his own PC only for the purpose of listening to it personally, such reproducing behavior may fall within the “private use.” However, please note that, after 2009 revision of the Japanese Copyright Act, the user must be illegal if she or he is aware of infringement at the time of downloading. \textit{See id.} art. 30(1)(iii).
III. U.S. CASE LAW REGARDING PLACESHIFTING - CABLEVISION

A. Background

In the United States, the Second Circuit recently addressed the legality of a placeshifting service. In *Cartoon Network v. CSC Holdings (Cablevision)*, defendant Cablevision was an operator of a cable television system called the “Remote Storage Digital Video Recorder” (RS-DVR) 76. The RS-DVR allowed Cablevision customers to record cable programming on central hard drives housed and maintained by Cablevision at a remote location. 77 The customers could then play back those programs through their home television sets, using only a remote control and a standard cable box equipped with the RS-DVR software. 78 The plaintiffs, who owned copyrights on various movies and television programs, sued Cablevision for declaratory and injunctive relief. 79

The central device of Cablevision’s RS-DVR was the Arroyo Server. The Arroyo Server consisted of two data buffers 80 and a number of high-capacity hard disks. 81 The entire stream of TV program data moved to the first buffer regardless of whether any customers requested to record that program. 82 If a certain customer had requested a particular program, the data of that requested program moved from the first buffer to the secondary buffer, and then onto a portion of one of the hard disks allocated to that customer. 83 Even when different customers requested to record the same television program simultaneously, “separate copies [were] made for each requesting customer.” 84 The first buffer held the data for each television program at any moment for no more than

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76 See Figure 1, Appendix.
77 Cablevision, 536 F.3d at 124.
78 Id.
79 Id.
80 Buffers are “forms of random access memory that hold data for a brief amount of time, usually shortly before use, typically to improve the performance of the computer or other digital device.” Woodford, supra note 7, at 5.
81 Cablevision, 536 F.3d at 124.
82 Id.
83 Id.
84 Woodford, supra note 7, at 6.
0.1 seconds, and the second buffer held the data for no more than 1.2 seconds. After that, the data residing on the buffers was automatically erased and replaced with newer data.

According to a customer’s request, the Arroyo Server transmitted its data to the customer. As a result, the customer was able to view the requested program every time and everywhere as long as he or she was connected with the Internet. In contrast, if there was no request to record, the data in the first buffer would be automatically overwritten and deleted without moving to the second buffer or any portion of the hard disks.

In *Cablevision*, interestingly, the parties voluntarily limited the issue only to direct infringement. The plaintiffs alleged that *Cablevision* directly infringed:

1. the reproduction right by recording TV program data in a buffer of the Arroyo Server;
2. the reproduction right by recording programs in HDs allocated for each customer; and
3. the public performance right by transmitting the recorded program data to customers.

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85 *Cablevision*, 536 F.3d at 124-25.
86 *Id.*
87 *Id.*
88 *Id.*
89 *Id.*
90 Prior to filing a lawsuit, through mutual bargaining, the plaintiffs agreed not to argue secondary liability. In consideration, Cablevision agreed not to argue the fair use defense. The parties’ intent was to “use this case to ‘set a standard for copyright protection in the marketplace of automated access to and delivery of copyrighted works.’” Brief for the United States as Amicus Curiae, Cable News Network v. CSC Holdings, 129 S. Ct. 2890 (2009) (No. 08-448), at 11. Also, the plaintiffs were unwilling to suggest that private use of DVRs violated the rights of the audience. See Jon M. Garon, *Colloquium: The Second Annual Conference on Innovation and Communication Law*, 48 U. LOUISVILLE L. REV. 771, 784 (2010).
91 See *Cablevision*, 536 F.3d at 125; *see also* Attorney General’s Amicus brief, 129 S. Ct. 2890 at (I).
B. The District Court Decision

On cross-motions for summary judgment, the District Court for the Southern District of New York ruled in favor of the plaintiffs on all three issues and granted their request for declaratory and injunctive relief.92

C. The Second Circuit Decision

The Second Circuit reversed/vacated the district court’s decision, denying the establishment of direct infringement for all three issues.93 The most relevant issue with relationship to the volition requirement is issue two (concerning recording in HDs). This Article will now compare this issue with Japanese law.

1. The Volition Standard

The core of issue two concerns “the authorship of the infringing conduct.”94 In the recording process of RS-DVR, “a copy of the program – a copyrighted work – resides on the hard disks of Cablevision’s Arroyo Server.”95 Thus, the central question was “who made this copy;”96 in other words, who [was] the maker of such a copy, Cablevision or its customer?97 If Cablevision made the copy, then it directly infringed the reproduction right of the plaintiffs’ works; if its customer made the copy, then Cablevision would not be liable for direct infringement, although it may face a secondary liability claim.98

As a standard for deciding this issue, the Second Circuit applied the volition requirement from Netcom, which stated, “there should still be some element of volition or causation which is

93 See Cablevision, 536 F.3d at 123.
94 Id.
95 Id.
96 Id.
97 Woodford, supra note 7, at 8.
98 See Cablevision, 536 F.3d at 130.
lacking where a defendant’s system is merely used to create a copy by a third party.” 99 The Second Circuit drew its reasoning from the Fourth Circuit’s decision in CoStar Group v. LoopNet, 100 which had endorsed Netcom:

[T]o establish direct liability under . . . the Act, something more must be shown than mere ownership of a machine used by others to make illegal copies. There must be actual infringing conduct with a nexus sufficiently close and causal to the illegal copying that one could conclude that the machine owner himself trespassed on the exclusive domain of the copyright holder. 101

2. Application of the Volition Standard to Cablevision’s RS-DVR

Applying the volition standard, the Second Circuit identified two volitional acts in the RS-DVR context: (1) “Cablevision’s conduct in designing, housing, and maintaining a system that exists only to produce a copy;” and (2) “a customer’s conduct in ordering that system to produce a copy of a specific program.” 102 The court assessed these volitional acts between Cablevision and its customers in the RS-DVR and held that they were the same as those in a VCR, where its maker may not be liable for direct infringement concerning its users’ infringing act by the recorder:

In the case of a VCR, it seems clear … that the operator of the VCR, the person who actually presses the button to make the recording, supplies the necessary element of volition, not the person who manufactures, maintains, or, if distinct from the operator, owns the machine. We do not believe that an RS-DVR customer is sufficiently distinguishable from a VCR user to impose liability as a direct infringer on a different party for copies that are made automatically upon that customer’s

99 Netcom, 907 F. Supp. at 1370 (emphasis added).
101 Cablevision, 536 F.3d at 130 (citing CoStar, 373 F.3d at 550).
102 Cablevision, 536 F.3d at 131.
command. 103

Also, considering the volitional conduct in this case, the court distinguished the RS-DVR from a copy shop service whereby an employee of the shop makes copies of a certain book from a customer’s request to make a copy. 104

Further, although the district court emphasized Cablevision’s “unfettered discretion in selecting the programming that it would make available for recording,” 105 the Second Circuit denied that such discretion should affect the issue of direct infringement. Accordingly, it held that Cablevision’s discretion did not extend to selecting to record a particular program and was less than that of a video-on-demand provider. 106

In conclusion, the Second Circuit held that Cablevision did not commit any volitional conduct by copying the plaintiffs’ copyrighted television programs on hard disks of the Arroyo

103 Id.
104 The court stated:
In determining who actually “makes” a copy, a significant difference exists between making a request to a human employee, who then volitionally operates the copying system to make the copy, and issuing a command directly to a system, which automatically obeys commands and engages in no volitional conduct…. Here, by selling access to a system that automatically produces copies on command, Cablevision more closely resembles a store proprietor who charges customers to use a photocopier on his premises, and it seems incorrect to say, without more, that such a proprietor “makes” any copies when his machines are actually operated by his customers.

Cablevision, 536 F.3d at 131-32 (emphasis added).

105 Cablevision, 478 F. Supp. 2d at 620.
106 The court stated that
[T]his control is limited to the channels of programming available to a customer and not to the programs themselves. Cablevision has no control over what programs are made available on individual channels or when those programs will air, if at all. In this respect, Cablevision possesses far less control over recordable content than it does in the video on demand context, where it actively selects and makes available beforehand the individual programs available for viewing.

Cablevision, 536 F.3d at 132.
Server, and thus Cablevision should not be liable for direct infringement of the reproduction right.

D. The Supreme Court Denies Certiorari

Although the plaintiffs appealed to the Supreme Court, the Court denied certiorari on June 29, 2009, as recommended by the Solicitor General in an amicus brief.

E. Remaining Problems of Volition Standard in Cablevision

1. Significance of the Volition Standard in Cablevision

The Second Circuit in Cablevision became the first federal

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108 The Solicitor General stated that Cablevision is not suitable for the US Supreme Court’s uniform decision because two other “critical issues” – contributory infringement and fair use – had been removed by the parties such that the Supreme Court cannot wholly address these critical issues. See Attorney General’s Amicus brief, 129 S. Ct. 2890, at 6.
appellate court to apply the *volition* requirement to “services not accessible via the internet.”110 Requiring this *volition* element, the court “found no substantive difference between supplying a free-standing recording device that a user operates *at home* and supplying a remote digital recording system that the user operates *from home.*” 111 As a result, it can be said that *Cablevision* diminished uncertainty regarding the legality of the placeshifting service.112

2. Criticism of the *Volition* Requirement in *Cablevision*

   The district court in *Cablevision* refused to adopt the *volition* requirement, differentiating the placeshifting in *Cablevision* from the ISP in *Netcom.* 113 The ISP at issue in *Netcom* was a “‘mere conduit’ online service provider, which simply conveyed copies of works from one subscriber to another.” 114 In contrast, “Cablevision’s own transmissions [were] the *source* of the copies the subscribers request.” 115 Thus, the district court reasoned that *Cablevision* had more power to control the content stream; in other

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110 Woodford, *supra* note 7, at 8. The case decisions requiring the volition element before *Cablevision* are related to the ISP’s liability. *See supra* note 40.
112 Prof. Ginsburg says, The Second Circuit’s determination that a business which establishes and manages an automated system that invites end users to request the making of copies which it stores for the users for subsequent communication to them lacks the agency sufficient for direct liability for infringement of the reproduction right, and could herald the development of business models designed to elude copyright control over the exploitation of works, particularly in a technological environment in which pervasive automation is increasingly foreseeable.

*Id.* Also, Mr. Zimmerman and Mr. Woodford indicated the volition requirement in *Cablevision* is important because it succeeds in making uncertainty of the DMCA safe harbor (17 U.S.C. §512) less relevant to the extent of direct infringement for technology companies and entertainment conduits. *See Woodford, supra* note 7, at 10.
113 *See Cablevision*, 478 F. Supp. 2d at 620.
115 *Id.*
words, Cablevision had an option not only to distribute, but also to remove, any content if it found that such content would constitute copyright infringement.\textsuperscript{116}

However, “Cablevision’s ‘continuing relationship’ with its RS-DVR customers, its control over recordable content, and the ‘instrumentality’ of copying to the RS-DVR system . . . seem . . . more relevant to the question of contributory liability.”\textsuperscript{117} They do not relate to Cablevision’s direct infringement liability because, in a direct infringement claim, the court should decide whether a defendant service provider makes “copies” of a particular copyrighted work by itself. Even if a provider has power to control the general content stream, such power does not necessarily mean that the provider makes “copies” of a particular copyrighted work. Thus, it should not be relevant to the direct infringement issue.\textsuperscript{118}

3. Secondary Liability of a Placeshifting Provider

The Solicitor General stated in its amicus brief that secondary liability can be another legal issue in these situations.\textsuperscript{119} However, the outcome seems to be negative because, in order to establish the secondary liability claim, there must be an illegal direct infringement.\textsuperscript{120} Nonetheless, a general customer of the RS-DVR might establish a fair use defense for his or her conduct under the well-established doctrine in \textit{Sony},\textsuperscript{121} as long as it uses the service for a private use.\textsuperscript{122} Accordingly, Cablevision might not be secondarily liable.

In discussing the establishment of fair use, the impact by the placeshifting service on the television content market may be

\textsuperscript{116} See \textit{Cablevision}, 478 F. Supp. 2d at 620.
\textsuperscript{117} \textit{Cablevision}, 536 F.3d at 132; see also \textit{Woodford}, supra note 7, at 10.
\textsuperscript{118} See \textit{Woodford}, supra note 7, at 9.
\textsuperscript{119} See supra note 108.
\textsuperscript{120} See supra Chapter II.A.2.b.
\textsuperscript{121} See \textit{Sony}, 464 U.S. at 447-56.
\textsuperscript{122} That is because the customer’s placeshifting use in the RS-DVR has little difference from the timeshifting use of Sony’s Betamax. See \textit{Woodford}, supra note 7, at 10; \textit{Bartley}, supra note 49, at 558-59; \textit{Pla}, supra note 109, at 102.
considerable.\textsuperscript{123} Because the placeshifting service is so convenient and attractive for many audiences, it could have some effect on the existing content market. However, the Supreme Court ruled in \textit{Sony}:

\begin{quote}
[A] use that has no demonstrable effect upon the potential market for, or the value of, the copyrighted work need not be prohibited in order to protect the author’s incentive to create. . . . A challenge to a noncommercial use of a copyrighted work requires proof either that the particular use is harmful, or that if it should become widespread, it would adversely affect the potential market for the copyrighted work.\textsuperscript{124}
\end{quote}

Thus, it is possible that the placeshifting use by an individual user may fall within fair use until any substantial harm on the television content market is proven. Furthermore, because the placeshifting service “only provides access to the same video that is available on a home television, and Internet content providers can offer greater options,”\textsuperscript{125} the placeshifting might still be fair use like the Betamax in \textit{Sony}, even though the RS-DVR will have some market impact.\textsuperscript{126} Therefore, even if copyright holders sued Cablevision for contributory infringement, Cablevision might not

\textsuperscript{123} The impact of the placeshifting service on the TV contents market can be considered in the fourth factor of fair use exception. \textit{See} 17 U.S.C. §107(4) (“[T]he effect of the use upon the potential market for or value of the copyrighted work.”.). Ms. Sakai indicates, “[i]n the case of the library purpose that a customer records for the purpose of viewing continuously later, there is a possibility that such conduct would not be deemed as fair use if it affects the package market such as a video cassette or a DVD according to the consideration in the US.” \textit{Sakai}, \textit{supra} note 109, at 49.

\textsuperscript{124} \textit{Sony}, 464 U.S. at 450-51.

\textsuperscript{125} \textit{Bartley}, \textit{supra} note 49, at 558.

\textsuperscript{126} \textit{Id.} at 558-59; \textit{see also} \textit{Rivers}, \textit{supra} note 4, at 188-91. Professor Rivers introduced possible policies in favor of affirming fair use. According to her, they are “to prevent the chilling innovation . . . that it is undermined whether copyright owners have or will suffer any net damages as a result of placeshifting technologies” and “that it encourages mobility among the populace, and that banning it would suppress one’s constitutional right to travel.” \textit{Id.} at 188-91.
4. Hypothetical Cases where Placeshifting Might Be Illegal under the *Volition* Requirement

Even under the *volition* requirement in *Cablevision*, every placeshifting service may not necessarily be legal. So, under what circumstances might a placeshifting service be illegal? If a placeshifting provider allows its customers to record and view unlicensed television programs, such circumstance can justify liability for copyright infringement.  

This is because the provider, in these hypothetical assumptions, stores and distributes on demand the content that each customer should individually obtain authorization from the copyright holder to view.

5. Conclusion

The *volition* requirement might be a preferable tool to reduce the uncertainty of liability for placeshifting services. Under this requirement, a placeshifting provider can offer its service legally, like Cablevision, by creating a service structure where the copying of a specific copyright work automatically occurs at the demand of

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127 See Woodford, *supra* note 7, at 10; Pla, *supra* note 109, at 102-05. But see Ginsburg, *supra* note 34, at 17. Professor Ginsburg indicated a possibility that the case law may deny establishment of fair use defense if business entity does copy on behalf of its user. *Id.* at 17. Also, Professor Brunstad has indicated the possibility that contributory liability can be established on a service provider of placeshifting according to US law. Jonathan Griffith & Signe Brunstad, *RCLIP Tokubetsu Seminā – Hōsō Kontentsu no Tensō wo Meguru Shisutenu Teikyosya Tou no Chosakukan Hō Jyō no Sekinin – Eibei no Jōkyō wo Humaete* (RCLIP Special Seminar – Liability of Provider of System Regarding Transmission of Broadcast Contents under Copyright Law– Considering Situations in the UK and the US], in Chizai Nenpō 2008 (NBL Supplement No. 123) [IP Annual Report 2008 (Bessatsu NBL No. 1123)] 309, 329 (2008).

However, even according to Professor Ginsburg, it is still unclear which circumstances cause the conclusion that the customer’s non-commercial copying conduct in RS-DVR does not constitute fair use.

128 See Ginsburg, *supra* note 34, at 16. Professor Ginsburg also indicates, “[i]f Cablevision simply redirected the signal to those customers, it would be directly liable for violating the copyright owner’s public performance rights.” *Id.* at 16-17.
each customer.  

IV. JAPANESE CASE LAW REGARDING PLACESHIFTING

A. Background

Table 1 at the end of this Article shows the outcome of Japanese cases regarding placeshifting. In Japan, meanwhile, the legality of placeshifting services centers mainly on whether a service provider falls within the definition of a principal committing copyright infringement, because there is no secondary liability theory in Japanese copyright law. Most courts have applied an overall consideration standard such as the Karaoke rule or its variation to this issue. Because courts apply an overall consideration standard, however, it is difficult to find the critical factor that would make a placeshifting service legal or illegal.

B. Rokuga Net

1. Facts

Rokuga Net was a service that enabled its customers who lived abroad to view Japanese television programs. The service provider was FA Vision, Inc. The provider placed personal computers called “TV-personal computers” together with

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\(^{129}\) Also, in Cablevision, the Second Circuit held no infringement of public performance right by transmitting the recorded program data from a central server to each customer. A service provider can benefit from that holding.

\(^{130}\) See Table 1, Appendix.


\(^{133}\) See Figure 2, Appendix.
television tuners having the function of receiving and recording television programs at its office. FA Vision allocated the TV-personal computers to each user, and connected them with a television antenna to enable them to receive television programs. Each user operated his or her own TV-personal computer from home through the Internet to reserve recordings of programs and could transmit the recorded files to his or her own personal computer located at home or even overseas. In addition, FA Vision and its customers agreed that each customer owned the TV-personal computer allocated to that user. Another characteristic of this service was that each user must access FA Vision’s website with a password to request the recording and transmitting of TV programs.

The Nihon Hōsō Kyōkai (Japanese Broadcasting Enterprise) sued FA Vision, seeking a preliminary injunction to enjoin FA Vision from infringing the organization’s “reproduction right.”

2. Court Decisions

The Tokyo District Court found that FA Vision was the principal committing infringement of the “reproduction right,” and granted an injunction. The Intellectual Property High Court (IPHC) affirmed the district court’s decision and concluded that FA Vision was the principal committing infringement of the “reproduction right” by wholly considering the actions, or lack

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134 Japanese Copyright Act, supra note 3, art. 98.
135 See Rokuga Net, 1895 HANREI JIHÔ at 127 [First instance].
136 The Intellectual Property High Court is one of the courts of appeal in Japan. It “was established on April 1, 2005 as a court specializing in intellectual property cases, which consists of the Special Division to deal with Grand Panel cases and other four divisions.” Intellectual Property High Court, http://www.ip.courts.go.jp/eng/aboutus/current.html (last visited May 26, 2011).

Unlike the US court of appeal, the Japanese court of appeal is basically allowed not only to review the lower court’s decisions but also to do fact-finding by themselves. Depending on the case, the Japanese courts of appeal may hear witnesses. See MAKOTO ITO, MINJI SOSYO HO [CIVIL PROCEDURE], 630-31 (rev. ed. 2002).
thereof, of Rokuga Net, such as: (1) all related apparatuses were owned and installed by FA Vision in its office (the court held the agreement that the customer owned the TV-personal computer to be merely fictitious); (2) FA Vision limited the scope of broadcast programs which could be transmitted; (3) a customer could not use the service without accessing FA Vision’s website each time; (4) FA Vision continuously gave support service to its customers; and (5) FA Vision advertised its service and received profits through service fees termed monthly maintenance fees.\textsuperscript{138}

\textsuperscript{138} See id. at 4-5 [Appellate instance].
C. Maneki TV[^139]

1. Facts[^140]

Like Rokuga Net, Maneki TV was a service that enabled its


There are some articles annotating Maneki TV. See, e.g., Fumio Sakka, Hōsō Bangumi no Rokuga/Haishin Sarbisu to Chosakukan Seido – Shiteki Riyō to Gyō Teki Riyō no Kyōkai Ryōiki ni Chitsuyou Keisei – [Services of Recording and Distributing Broadcasting Programs and Copyright System – Establishment of an Order for Border Area between Private Use and Commercial Use], 576 Kopiraito [Copyright] 33 (2009); Yutaka Sato, Chosakubutsu no Tekihouriyou notamen no Syudantei kyou no Zehi -Rokuraku II Jiken Kousohiten Hanketsu wo Daizai ni– [Whether Providing Means for Legal Use of Copyrighted Work Should be Allowed or Not –Considering the Decision by Court of Appeal in Rokuraku II Case-], 26 Chitekizaisan Houseisakugaku Kenkyu 75, 98 (2010); Yutaka Sato, “Terebi Hōsō wo Internet Kaisen wo Keiyusite Shichōsuru Sityōsuru Sisutemu” wo Sityōsurutameno Setsubi Teikyō no Zehi – Maneki TV jiken – [Whether Providing Facilities for Use for the “System of Viewing TV Programs through Internet Networking” Should be Allowed or Not –Maneki TV case -], 15 Chitekizaisan Houseisakugaku Kenkyu 243 (2007); Keiji Kondō, Zaikyō Hōsō no Kaigai Shichō Kanōka to Chosakukan Hō – Maneki TV jiken [Making National Broadcasts Viewable Abroad and Copyright Law], 44 LAW & TECH. 57 (2009), Tetsuya Imamura, Terebi Hōsō wo Internet Kaisen wo Keiyushite Setsuzoku Suru Shisutemu wo Sityō Suru Tame no Setsubi Teikyō no Tekihōsei ga Arasowareta Jirei [Case Discussing the Legality of Providing Facilities to Use a System of Viewing TV Broadcasts through Internet Network], Apr. 6, 2009, LEX/DB No. 25440151.

customers who lived abroad to view Japanese television programs. The service provider was Nagano Syōten K.K. The most characteristic feature of Maneki TV was the use of a commercially available placeshifting device called “Location Free,” made by Sony. Location Free consisted of a device called a “Base Station” that converted television broadcasts into digital data and transmitted them to a customer’s personal viewing device through an individual customer’s remote control. In Maneki TV, a customer must purchase the Location Free device on his or her own and then must deliver it to Nagano Syōten.

Thus, Nagano Syōten did not provide the Location Free device to its customers. Nagano Syōten only provided its office as a place to connect the Base Stations. Unlike the RS-DVR in Cablevision, Nagano Syōten did not operate any sole central server device, but instead set multiple Base Stations delivered to them by each customer. The other characteristic of this service was that the Base Station had only a transmitting function and no recording function. Therefore, only the issues of whether Maneki TV infringes the “right of public transmission” and the “right of making a work transmittable” were discussed. The “right of

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141 See Figure 3, Appendix.
142 See supra note 20.
143 A customer can substitute his own personal computer connected to the Internet for the personal viewer device.
144 Nagano Syōten merely posted an Internet link to Sony’s website, which introduces Location Free, on its own homepage.
145 Japanese Copyright Act, supra note 3, art. 23(1). Article 2(1)(viibis) defined the “public transmission” as:
the transmission of radio communication or wire-telecommunication intended for direct reception by the public, excluding the transmission (other than that of program works) by telecommunication installations, one part of which is located on the same premises where the other part is located or, if the premises are occupied by two or more persons, both parts of which are located within the area therein occupied by one person.
(emphasis added).
146 Japanese Copyright Act, supra note 3, art. 23(1) and art. 99bis. Article 2(1)(viibis) defined the “making transmittable” as:
making a work transmittable” is the right to prevent an infringer’s act of uploading illegal contents as prior stage of public transmission, which in turn is covered by the “right of public transmission.”

2. Court Decisions

In Maneki TV, a total of four lower-court decisions were issued, both in the preliminary-injunction case\(^\text{148}\) and the principal case.\(^\text{149}\) All lower courts concluded that Maneki TV did not

\[\text{[T]he putting in such a state that the interactive transmission can be made by either of the following acts:}
\]

\(\text{(a) to record information on public transmission memory of an interactive transmission server already connected with telecommunication networks for public use (“interactive transmission server” means a device which, when connected with telecommunication networks for public use, has a function of making the interactive transmission of information which is either recorded on such a part of its memory as used for the interactive transmission (hereinafter in this item referred to as “public transmission memory”) or inputted to such device; the same shall apply hereinafter), to add a memory recording information as a public transmission memory of such an interactive transmission server, to convert such a memory recording information into a public transmission memory of such an interactive transmission server, or to input information to such an interactive transmission server;}
\]

\(\text{(b) to connect with telecommunication networks for public use an interactive transmission server which records information on its public transmission memory or which inputs information to itself. In this case, where a connection is made through a series of acts such as wiring, starting of an interactive transmission server or putting into operation of programs for transmission or reception, the last occurring one of these acts shall be considered to constitute the connection.}
\]

\(^{147}\) As a result, copyright holder may more efficiently prevent an illegal public transmission of his copyright work.

\(^{148}\) In a preliminary injunction case, a petitioner of “preliminary injunction” may seek only interim injunction against an infringer.

\(^{149}\) In a principal case (meaning a general civil lawsuit), a plaintiff may seek both permanent injunction and monetary damage.
infringe the “right of making a work transmittable” or the “right of public transmission.”

a. Early decisions

Two district court decisions and one IPHC decision in the preliminary injunction case found that Nagano Syōten was not the principal committing copyright infringement by wholly considering the contents of Maneki TV. These decisions noted that one Base Station only had the function of transmission to one individual customer; that is, it made transmission between “1-to-1,” but not between “1-to-many.”150 Thus, these three decisions have been considered as examples of a variation of the Karaoke rule.151

b. Intellectual Property High Court’s decision in the principal case

In contrast, the IPHC in the principal case did not directly discuss the scope of the principal committing infringement. As to the claim of infringement of the “right of making a work transmittable,” the IPHC held that the system within Nagano Syōten’s office setting each customer’s Base Station did not constitute an “interactive transmission server”152 because “each Base Station could only make transmission to a particular and sole private monitor or personal computer and merely had the so-called ‘1 to 1’ transmitting function.”153

Next, as to the claim of infringement of the “right of public transmission,” the IPHC held that the transmission from Nagano Syōten’s office to many customers through the Internet did not

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151 Sato, supra note 139, at 75.
152 See supra note 146.
constitute such an infringement because:

[Nagano Syōten] not only never decided to transmit the digital data to each user’s monitor or PC individually but also was never involved with such a decision made by each user. . . . Whether the transmission of digital data from each Base Station to the corresponding monitor or PC of each user exists or not depended on a decision by each user completely.\(^\text{154}\)

c. Supreme Court’s decision in the principal case

The Supreme Court reversed the IPHC’s decision and held that Nagano Syōten was the principal committing infringement of both the “right of making a work transmittable” and the “right of public transmission.” The court interpreted “the principal [of interactive transmission] as an entity creating a state where a device at issue was capable of automatically transmitting information in response to a request from a receiver.”\(^\text{155}\) Further, the court held, “if the device was connected with telecommunication networks for public use and information was continuously inputted on the device, an entity which inputted the information on the device should be considered as the principal of transmission.”\(^\text{156}\) The court then applied this standard to Maneki TV and held that a Base Station\(^\text{157}\) constituted an “interactive transmission server,” and that Nagano Syōten was the principal of public transmission because its customer fell within the public:

Because anyone might use [Maneki TV] solely by entering into its service contract with [Nagano Syōten] regardless of relationship, etc. with it, the

\(^{154}\) *Id.* at 31-32 [Appellate instance of principal case] (emphasis added).

\(^{155}\) *Maneki TV*, http://www.courts.go.jp/hanrei/pdf/20110118164443.pdf, at 5 [Supreme Court of principal case].

\(^{156}\) *Id.* (emphasis added).

\(^{157}\) The Supreme Court stated “each Base Station” but the collection of all customer’s Base Stations at the Nagano Syōten’s office. Thus, we can understand the Supreme Court held that an individual Base Station constitutes an “interactive transmission server.”
customer fell within the public as an unspecific person from the viewpoint of [Nagano Syōten].

Unlike the IPHC, the Supreme Court held that a Basestation’s “1 to 1” transmitting function did not matter.

D. Rokuraku II

1. Facts

Rokuraku II was similar to Maneki TV in that it had individual recording/transmitting devices (named “Parent Device Rokuraku,” which is equivalent to the “Base Station” in Maneki

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159 Id. at 6 [Supreme Court of principal case].


There are some articles annotating Rokuraku II. See, e.g., Sakka, supra note 139; Sato, supra note 139; Kunitoshi Oka, Zoku/Chosakuen no Jikenbo (121) [Cont. Case List of Copyright (121)], 56-3 JCA JOURNAL 62 (2009); Naoki Mizutani, Terebi Hōsō Bangumi no Rokuga, Tensō Sarbisu no Sikumi ga Chosakuen Tou wo Shingai Shiteinai to Handan Sareta Jirei [Case Ruling That A System of A Service of Recording and Transmitting TV Broadcasting Programs Does Not Infringe Copyright, etc.], 106-5 Hatsume [The Invention] 40 (2009); Takashi Chōsa, Hanrei Hyōsyaku – “Rokuraku II” Jiken Kōsoshin Hanketsu (INTELL. HIGH CT., Jan. 27, 2009) [Case Review - Appellate Court Decision in “Rokuraku II” case (INTELL. HIGH CT., Jan. 27, 2009)], 62-6 Patent 29 (2009); Tetsuya Imamura, Terebi Bangumi Rokuga Sichō Sarbisu ni Okeru Fukusei no Syutai ni Tsuite Arasowaretan Jirei [Case Discussing the Principal of reproducing in a Service of Recording and Viewing TV Programs], Sep. 7, 2009, LEX/DB No. 25440283.

161 See Rokuraku II, 2029 HANREI JIHŌ at 127-128, 141-46 [First instance of principal case].
TV) allocated to each customer in the service provider’s office. Only the method used for procuring the devices differed. In Rokuraku II, the service provider lent to the customer its own original products (the Parent Device Rokuraku, which was set in the provider’s place, together with a set-top device named the “Child Device Rokuraku,” which was set in each customer’s home) while, in Maneki TV, each customer had to purchase the Location Free including Base Station, a commercially available placeshifting device. Furthermore, unlike the Base Station in Maneki TV, the Parent Device Rokuraku had both recording and transmitting functions.

In the beginning, Nihon Digital Kaden K.K., the provider of Rokuraku II, started by monitoring its business and placed the Parent Devices Rokuraku within its office. However, after starting its regular service, it contended that the Parent Devices Rokuraku were set in a different entity’s office, but not in its own office.

Plaintiffs, major television broadcasting companies, sued Nihon Digital Kaden, alleging that it infringed the “reproduction rights” to the plaintiffs’ TV programs and TV broadcasts.

2. Court Decisions

a. Tokyo District Court’s decision in the principal case

The Tokyo District Court in the principal case held that Nihon Digital Kaden was the principal reproducing the TV programs through Rokuraku II and granted injunctive relief and monetary damages. Referring to the Karaoke rule, the district court reached its conclusion by considering that: (i) the purpose of the service was to allow its customers to obtain copied data from Japanese TV programs; (ii) the Parent Devices Rokuraku were located under Nihon Digital Kaden’s management; (iii) Nihon Digital Kaden provided its customers the monetary-preferable option to trust Nihon Digital Kaden with the Parent Device Rokuraku; (iv) Nihon Digital Kaden set the area of recordable TV programs; and (v) Nihon Digital Kaden earned the initial registration fee and the

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162 See Figure 4, Appendix.
This decision has been categorized as one of the variations of the Karaoke rule.164

b. Intellectual Property High Court’s decision

The IPHC reversed the district court’s decision.165 Contradicting the district court, the IPHC held that the above (i) to (v) factors considered by the district court could never be a reason to conclude that Nihon Digital Kaden was the principal committed infringement of “reproduction rights.”166 The court reasoned that Rokuraku II only supported each customer’s legal acts of reproduction. That is, the court held that each customer’s reproducing acts through the Parent and Child devices “should be legal as private use set forth in Article 30(1) of the Japanese Copyright Act.”167 Then, the court noted that Rokuraku II that:

merely provided the environment and the conditions to ease the legal acts of reproduction by the users’ free will. . . . Because this service provided the circumstances and the conditions, etc. for the users’ legal private use, there was no room that such legal acts converted into illegal ones, and thus the reasonable benefit of the Appellees [note: copyright holders] could not be harmed even if users of Rokuraku II would increase and accumulate.168

In addition, the IPHC explicitly denied applying the Karaoke rule in Club Cat’s-eye169 on the ground that the factual basis in Club Cat’s-eye was clearly different from placeshifting cases.170

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163 See Id. at 146-50 [First instance of principal case].
164 See Sato, supra note 139, at 100.
166 See id. at 25-31.
167 Id. at 31-32 (emphasis added).
168 Id. at 32 (emphasis added).
169 See infra Chapter II.B.2.
c. Supreme Court’s decision

The Supreme Court reversed the IPHC’s decision.171 The court applied the overall consideration standard for determining the principal conducting a reproduction and then held that the critical factor was whether a reproduction of the TV broadcast by a reproducing device is made under a service provider’s management and control.172 The Supreme Court remanded the case for further judgment on who or how to manage and control the Parent Device Rokuraku because Nihon Digital Kaden contested that it was not set in its own office.173

E. Yoridorimidori174

1. Facts175

Although service content was different from those of Rokuga Net, Maneki TV, and Rokuraku II, Yoridorimidori also held that the placeshifting service at issue liable. Yoridorimidori was a central system that could record television programs for residents of an apartment building.176 The system consisted of a central server that recorded and transmitted the data of television programs and set-top viewers that were located in each room and received the data, converting it to visual and sound signals. Using the viewer, each resident could view the recorded programs in his or her own apartment. The characteristic of this system was that the central server made only one copy of a particular program even if multiple

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171 The Supreme Court has three panels. The handling panel in Rokuraku II was different from that in Maneki TV.
172 See http://www.courts.go.jp/hanrei/pdf/20110120144645.pdf, at 4 [Supreme Court of Principal case].
173 Id.
175 See Yoridorimidori, 1991 HANREI JIHŌ at134-36 [Appellate instance].
176 See Figure 5, Appendix.
residents requested that program. Using only the data from one copy, the central server transmitted it to each resident’s viewing device. Kuromusaizu K.K., the maker of Yoridorimidori, provided fee-based maintenance service by remote control for apartment buildings introducing this system.

The plaintiffs, television broadcasting companies, sued defendant Kuromusaizu, alleging that this system infringed the plaintiffs’ “reproduction right,” “right of public transmission,” and “right of making a work transmittable” for their TV programs and TV broadcasts.

2. Court Decisions

a. The Osaka District Court’s decision

The Osaka District Court held that Kuromusaizu was not the principal committing copyright infringement under the Karaoke rule. However, the court granted an injunction by applying Article 112(1) of the Japanese Copyright Act, a statutory basis of injunctive relief, to this case. Among Japanese case law, such a holding was exceptional because the court extended the Copyright Act to reach a new situation by analogy.

177 Japanese Copyright Act, supra note 3, art. 23(1); see supra note 145.
178 Japanese Copyright Act, supra note 3, art. 23(1), 99bis.; see supra note 146.
179 See Yoridorimidori, 1911 HANREI JIHÔ at 92 [First instance].
180 See infra Chapter II.B.1.
181 See Yoridorimidori, 1911 HANREI JIHÔ at 93-94 [First instance]. The characteristic of this theory is that, instead of enlarging the scope of the principal committing copyright infringement, it interprets the plain language “those who infringe or are likely to infringe” in Article 112(1) of the Japanese Copyright Act as the term that has broad meanings, including not only a person who directly does the exploitations set forth in Japanese Copyright Act but also a person who merely indirectly assists the direct actor. See Tamura, supra note 54, at 38-39; see also, FUMIO SAKKA, CHOSAKUKEN HÔ [COPYRIGHT ACT], 803-10 (3d. ed. 2004).
182 From the practical point of view, the weakest point of this theory is that no courts other than the Osaka District Court adopt it. Tamura, supra note 54, at 38-39. There are only two such decisions: Yoridorimidori and JASRAC v. Hit-One K.K., 1842 HANREI JIHÔ 120, 128 (Osaka Dis. Ct., Feb. 13, 2003).
b. The Osaka High Court’s decision

The Osaka High Court found that Kuromusaizu was the principal committing infringement.\(^{183}\) The court reasoned that Kuromusaizu technically decided/controlled each user’s reproducing act, which consisted of direct infringement by considering that: (1) the unique system of Yoridorimidori allowed all residents to take advantage of only one particular TV program data; and that (2) Kuromusaizu continuously gave maintenance/management by remote control.\(^{184}\) Also, the court held that Kuromusaizu had earned a benefit by this service.\(^{185}\)

**F. Remaining Problems of Japanese Case Laws**

The most common characteristic of these Japanese cases is that almost all of the court decisions have applied an overall consideration standard such as the *Karaoke* rule or its variation\(^{186}\) and have considered various factors depending on each placeshifting service’s content, leaving large uncertainty for deciding the legality of placeshifting technology.\(^{187}\) As a result, it

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\(^{183}\) *Yoridorimidori*, 1991 HANREI JIHÔ at 139 [Appellate instance].

\(^{184}\) Id.

\(^{185}\) Id.

\(^{186}\) See Sato, supra note 139, at 92.

\(^{187}\) See Ryūta Hirashima, *Chosakuen Shingai Syutai no Hyōka wo Meguru Giron ni Tuite – Shiteki Riyou Ryōiki no Kakudai to Sashitome Hani Kakutei no Shiten kara- [Discussion Regarding Assessment for Principal of Copyright Infringement –From Perspective of Expanding Area of Private Exploitation and Determining Scope of Injunctive Relief-]*, in SAITÔ HIROSHI SENSEI GOTAI SYOKU KINEN RONSHU - GENDAI SYAKAI TO CHOSAKUKEN HÔ [THE PRESENT SOCIETY AND COPYRIGHT LAW - ANNIVERSARY COLLECTION OF ARTICLES FOR RETIREMENT OF PROFESSOR HIROSHI SAITÔ] 228, 245-46 (Toyohiro Nomura & Toshiaki Makino ed., 2008); Shiomi, supra note 26, at
is impossible to distill a uniform rule as to the legality of placeshifting services in Japan. That is the problem that Japanese placeshifting businesses are now facing.

1. Inconsistency among the Court Decisions

In some cases, the conclusions have flipped back and forth in the same case. For example, in *Rokuraku II*, while the district court held that the provider was liable for the infringement of “reproduction rights,” the IPHC reversed the decision and denied liability. The Supreme Court then reversed the IPHC’s decision. In addition, in *Yoridorimidori*, while the district court and the high court reached the same conclusion of granting injunctive relief, they were completely opposed on the issue of whether or not the *Karaoke* rule should be applied.

2. Difficulty in Finding the Critical Factor

Table 2 at the end of this Article shows the central factors considered in each case and the outcome of the decisions. It is impossible to provide a consistent explanation for the relationships between these factors and the outcomes of each case.

a. Relationship between the number of TV program data recorded/transmitted at the service provider’s central place and the number of customers who can use that data

The lower court’s decisions in *Maneki TV* seemed to rely on the factor of how many customers can use particular television program data recorded and/or transmitted by the placeshifting device at the service provider’s central place. Under this consideration, if only one customer can use the particular program’s data, that is, if other customers can never use that data,

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such placeshifting service should not constitute copyright infringement (i.e. a “1-to-1 relationship”). Such services merely bundle and support each customer’s legal conduct like a traditional timeshifting device, such as a VCR or a DVR. If each customer conducts the placeshifting individually, there is no room that such conduct would constitute copyright infringement in Japan.\textsuperscript{189} There should be no reason to regard bundling each legal conduct as illegal.

In contrast, if any customer can use the program data that is recorded and/or transmitted by a placeshifting device at the service provider’s central place, such a placeshifting service might constitute copyright infringement (i.e. a “1-to-many relationship”) because it is more akin to the video on demand service, rather than merely bundling and supporting an individual customer’s placeshifting conduct.

According to such considerations, it may make sense that the courts have concluded that Yoridorimidori, with its 1-to-many relationship, should be liable for copyright infringement.\textsuperscript{190} However, because the courts in Rokuga Net and the Supreme Court in Maneki TV and Rokuraku II have concluded that service providers should be liable despite the services having a 1-to-1 relationship, these decisions seem inconsistent with that consideration.

\subsection*{b. Access to the service provider’s website}

One characteristic of Rokuga Net was that each customer had to access FA Vision’s website with a password to request the recording and transmitting of television programs. Such a characteristic might demonstrate much of the service provider’s ability to control/manage the particular exploitation by each user. While still unclear, there is a possibility that this factor pushed the

\begin{footnotes}
\item[189] The private use limitation might prevent infringement of the “reproduction right.” \textit{See} Japanese Copyright Act, supra note 3, art. 30 (1). As well, the “right of public transmission” and the “right of making a work transmittable” might not be infringed because the transmission is not made to the public. \textit{Id.} art. 23(1); \textit{see} supra notes 145 and 146.
\item[190] \textit{See} Tamura, supra note 54, at 65.
\end{footnotes}
c. An original device vs. a commercially available device

Only in *Maneki TV*, the service provider did not use its original device but rather a commercially available device (Sony’s “Location Free”). However, the Supreme Court in *Maneki TV* suggested that such a distinction has no meaning in holding the service provider liable.

3. Recent Supreme Court’s decision in *Maneki TV* and *Rokuraku II*

The Supreme Court recently has made disfavor of placeshifting clear. Under its standard in *Maneki TV* and *Rokuraku II*, almost every placeshifting service may be illegal in Japan. However, the Supreme Court’s decisions seem to expand the copyright protection against placeshifting too broadly and make the boundary of copyright law ambiguous. For example, in *Maneki TV*, the Supreme Court seemed to hold that an individual Base Station constituted an “interactive transmission server” solely because its customer might fall within the definition of public. Under the Japanese Copyright Act, “public” refers to unspecific people or a large number of specific persons.\(^{192}\) However, because individual Base Stations could transmit the data only to an individual customer, it might never constitute an “interactive transmission server.”\(^{193}\)

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\(^{192}\) *The Japanese Copyright Act, supra* note 3, art. 2(5) (providing, “the public’ includes a large number of specific persons”).

\(^{193}\) See *supra* note 146. In this regard, the IPHC correctly understood what the matter is. The IPHC analyzed whether the entire system of Maneki TV including all the Base Stations at the office constituted an “interactive transmission server” and whether an *individual* Base Station did or did not (consequently, holding negative conclusions for both questions). Then, the IPHC correctly held that an *individual* Base Station transmitted the data only to a *individual* customer and the other customers could never access that Base Station, and thus an *individual* Base Station might not constitute an “interactive transmission server.” *Maneki TV*,
Also, in *Rokuraku II*, the Supreme Court still used the overall consideration standard in disfavor for the placeshifting provider by reasoning that “reproduction” must be impossible but for the provider’s service. However, it is self-evident that the provider causes the customer’s reproducing act in a placeshifting service.\(^{194}\) Thus, the court’s reasoning seems to be insufficient to justify its conclusion.\(^{195}\)

V. HOW SHOULD JAPANESE LAW TREAT PLACESHIFTING?

A. Basic Standpoint

There is large uncertainty in deciding the legality of placeshifting services in Japan because the courts have applied an overall consideration standard. Such uncertainty might chill the incentive for new placeshifting providers. On the other hand, it is not clear how placeshifting services would damage content owners’ legitimate interests, which should be protected by copyright law. Under such a situation, whether placeshifting is illegal should be decided by a legislative body.\(^{196}\) In a civil law country such as Japan, it is preferable for the judicial body to be discreet in deciding an issue that has not been scrutinized by the legislative body. Thus, unless an explicit enactment (including revision of the Japanese Copyright Act) is made, the court should be reluctant to regard placeshifting as illegal by applying an overall consideration standard.\(^{197}\)

\[^{194}\text{If the provider gives no contribution and the customer must act all by himself, it is no longer called a service.}\]

\[^{195}\text{Or, we might understand the Supreme Court showed its belief that any service of automatically transmitting TV programs must be prohibited with no exception. But, such attitude too much favors the protection of contents holders’ interest and burdens service providers who try to introduce the novel and useful innovation.}\]

\[^{196}\text{See Tamura, *supra* note 54, at 69.}\]

\[^{197}\text{See id.}\]
B. IPHC’s Decisions Considering the Volition Factor

Two of the IPHC’s decisions, Maneki TV and Rokuraku II, denied placeshifting providers’ liability. It should be noted that these decisions did not apply the Karaoke rule. They demonstrate the IPHC’s attitude of reluctance to apply the Karaoke rule too broadly. This author agrees with this IPHC attitude because one should not overestimate a copyright holder’s interest by too broad an application of the Karaoke rule unless a legislative body has first legislated whether placeshifting is illegal or not.

What theory should Japanese courts rely on to avoid holding a placeshifting illegal until the legislative decision is made? This Article suggests the volition requirement as one such theory. Because, in Japan, an indirect actor’s liability depends on whether the actor falls within the scope of the principal committing an infringing act under Article 112 (1) of the Japanese Copyright Act, the volition factor requiring the principal’s active exploitation of specific copyright work might be suitable. Interestingly, as one of the reasons for denying the placeshifting providers’ liability for copyright infringement, the IPHC’s decisions noted the volition element similar to Cablevision: The service provider “not only never decided to transmit the digital data . . . but also was never involved with such decisions made by each user. . . . Transmitting . . . depends on a decision by each user completely.”198 [in Maneki TV] and “[t]he legal reproducing behaviors [was] conducted by the users’ free will”199 [in Rokuraku II]. Thus, the IPHC has come to focus on “the most direct and commonsense assessment to understand that each user selects the TV programs which would be recorded and transmitted on her own voluntary will and directs the recording and the transmission, and then such acts are automatically done . . .”200 Although these decisions were reversed by the Supreme Court, the IPHC’s discreet attitude might be preferable until a legislative body decides the legality of

200 Hirashima, supra note 187, at 246 (emphasis added).
CONCLUSION

Both in the United States and Japan, there remains some uncertainty for placeshifting service providers. In the United States, although Cablevision provided a clear conclusion that the placeshifting provider is not liable for direct infringement with the *volition* requirement, its potential for secondary liability and eligibility for the fair use exception still has not passed judicial scrutiny. Moreover, there is no guarantee that the *volition* requirement can always work for every placeshifting situation including the hypothetical instance that this Article discussed.

In Japan, the problem is more serious. According to the divided court decisions, the legality of placeshifting is uncertain. IPHC’s decisions in *Maneki TV* and *Rokuraku II* presented a slight hope for clarification. The IPHC has become reluctant to regard placeshifting as illegal by applying the *Karaoke* rule and such a discreet attitude might be preferable until legislative action occurs. However, the Supreme Court reversed these decisions. Accordingly, we will have to clarify what kind of placeshifting can be legal under the Supreme Court’s decision. This Article suggests that the *volition* factor might be one tool to avoid holding a placeshifting service illegal until the legislative decision is made.
APPENDIX

FIGURE ONE: CABLEVISION

[Diagram of Cablevision system with labels and arrows indicating data streams and process flow]
FIGURE TWO: Rokuga Net
FIGURE THREE: *Maneki TV*

![Diagram of Maneki TV system](image-url)
Figure Four: Rokuraku II
FIGURE FIVE: *YORIDORIMIDORI*

- **Apartment building**
- **Center Server**
  - Recording all the programs
  - Then, transmitting them to each resident on request
- **Each resident**

**Legend:**
- → → → Data stream on a particular request by each customer
- → → → Automatic data stream
<table>
<thead>
<tr>
<th>Case</th>
<th>Court/Date</th>
<th>Rights at issue</th>
<th>Outcome</th>
<th>Overall Consideration</th>
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<td>First instance:</td>
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* The Osaka District Court in *Yoridorimidori* denied establishment of direct infringement under “Karaoke” rule. However, it held that the defendant’s service should be within the target of injunctive relief.
**TABLE TWO: CONTENTS OF SERVICES IN RELATED CASES**

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<th>Case</th>
<th>Contents of service</th>
<th>Outcome</th>
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<td>Customer</td>
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<td>Service provider</td>
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