JAPAN INTELLECTUAL PROPERTY ASSOCIATION

January 8th, 2020

Re:JIPA Comments on "Request for Comments on Intellectual Property Protection for Artifical Intelligence Innovation"

Dear Director Iancu ,United States Patent and Trademark Office:

1. The Japan Intellectual Property Association (JIPA) is one of the world's largest organizations of IP system users with 1334 members (as of December 25, 2019), most of which are Japanese companies.

2. The USPTO previously published a notice requesting comments on AI in relation to patents, and one of our patent committees has submitted a written response to this. The USPTO has now issued a request for comments on Intellectual Property Protection for Artifical Intelligence Innovation, and we would like to present a written response as indicated below. Specifically, we offer answers to questions 7, 8 and 9, which deal with trademarks and data. Except those questions, we shall reserve making a statement on its opinion at the present time.

Question 7. Would the use of AI in trademark searching impact the registrablity of trademarks? If so, how?

Answer: The use of AI in trademark searching will impact the registrability of trademarks depending on the way to use AI.

For example, if the final decision on registrability is to be made by a human, and AI is used as a tool to aid work in searching (such as by screening the large volume of data gained in searches, and selecting and removing trademarks that are clearly not similar, thereby reducing the number of marks that humans need to consider regarding similarity), AI can boost the efficiency and accuracy of the searches.

However, the quality of examinations cannot be guaranteed if AI in its current form is used for the entire search process, with AI making the final decision on registrability by itself based on the search results. This is because AI at its current level of accuracy does not always make suitable

decisions, and there is also the risk of an AI malfunction resulting in an incorrect conclusion. These risks will lead to a higher rate of marks being registered in error.

Question 8.   How, if at all, does AI impact trademark law?   Is the existing statutory language in the Lanham Act adequate to address the use of AI in the marketplace?

Answer: The provisions related to infringement in the Lanham Act (15 U.S.C. § 1114) define the entities that are liable for trademark infringement as well as the actions that are deemed to be infringing.

If businesses that utilize AI see growth in the future, society may encounter issues in relation to these provisions. For example, if AI is designed to act on its own and comes to infringes on the trademark rights of another party, it may be difficult to identify who is the infringing or violating entity or what the infringement or violation is.

Furthermore, while there are many cases where AI is used only to assist or support specific tasks at present, we consider that there is a need to carefully think about the use of AI over the medium- to long-term. Future developments in technology may lead to AI that possesses the ability to deal with a wide range of issues in the same way as humans do, or may lead to AI with human-like consciousness that can make comprehensive decisions.

Question 9   How, if at all, does AI impact the need to protect database and data sets?   Are existing laws adequate to protect such data?

The U.S. already has several federal and states laws in place for the protection of data; however, we consider that there are a number of issues with existing laws. These issues are arising from the situation where developments in AI need a dramatic increase in the amount of data utilized for providing and sharing between multiple business operators. We have outlined the issues in (i) to (iii) below.
(i) Protection Afforded by Trade Secret
The criminal remedies provided in the Economic Espionage Act (EEA) and the civil remedies provided in the Defend Trade Secrets Act (DTSA) and

relevant states laws serve to protect data that falls under the category of trade secrets.

However, these laws do not offer protection for data that is intended to be known to the public, or any other kind of data that falls outside of the category of trade secrets. In the AI era, as stated above, a lot of data will shared between multiple business operators, where such data will fall outside of the category of trade secrets.

(ii) Protection Afforded by Copyright Law

If a database falls under the category of a compilation, it is protected by U.S. federal copyright law.

However, U.S. federal copyright law does not protect data deemed to be unoriginal, such as in the case of a simple collection of data.

(iii) Protection Afforded by Contract

If several parties have entered into a contract regarding the exchange of data, any of the parties can request civil remedies for a breach of this contract, such as for the use of data outside of the intended purposes.

However, such remedies are only enforceable against the signing parties, and cannot be enforceable against a third party, who has improperly acquired the data outside of the contract.

Japan also faced similar issues to those outlined above, and therefore revised the Unfair Competition Prevention Act in May 2018 regarding "Protected Data".[1]This rivision aims to protect data used for exchange, in order to stimulate the use of data provided as a product to many people in certain limited ways (such as big data used for the machine learning process in AI), as well as data shared within consortia.

Data is easily replicated and can be distributed multiple times across national borders. As such, we believe that it is ideal for all countries to adopt similar or identical legislation regarding the protection of data. For this reason, we request that you regard Japan's Protected Data acts as an example of best practice, and develop a similar legal system that the U.S. can use to protect data used for exchange and that can be conducive to data utilization.

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[1] 「Revision of Unfair Competition Prevention Act」;Defining the acts of unfair competition on "Protected Data" and providing civil remedies against the acts . https://www.meti.go.jp/english/policy/economy/chizai/chiteki/index.html

We thank the USPTO for permitting JIPA to provide comments and would be pleased to further discuss these comments with the USPTO and others as appropriate.

Sincerely,

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Japan Intellectual Property Association
President

Yuji TODA

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