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## **Analysis of China's Copyright Strategies After its Entry into WTO\***

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The history of civilization indicates that modern copyright internationalization is caused by the increasing international communications in the realm of culture, science and technology, and trade, which impels the domestic copyright system to head for the opening-up. China has established the copyright system since 1990s and has joined WTO and different types of international copyright treaties. All these mean not only an opportunity but also a challenge to the Chinese copyright system. However, It is an extremely significant task to the Chinese government as how to utilize the regulations of international treaties to set up scientific copyright strategies to promote the development of science and culture.

### **I. Two kinds of copyright internationalization pattern : Active advocacy vs. passive acceptance**

From the historical perspective, each nation has different attitudes to the internationalization of copyright and accordingly different progressive patterns due to the differences in politics, economy and culture. On the basis of their different attitudes, nations may be divided into two kinds, namely, those characterized by active advocacy and those featured with passive acceptance.

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**(A) active advocacy —the best choice for the highly civilized and developed country**

Internationalization of copyright system commences with the development of the international copyright trade. The quality of invisibility of intellectual works make the world-wide protection of intellectual works a hard nut to crack in the whole world. Since mid-19th century, some countries started to extend the copyright protection to foreigners. The protection of foreign writers was either on the basis of the principle of mutual benefit or bilateral treaty. For instance, France awarded foreigners the copyright in the event that their works were published in 1810. Furthermore, in 1852, French government endowed foreign writers with the same protection as Frenchmen. In the next 10 years, France signed many bilateral treaties with many countries. By the end of the 19th century, this kind of unilateral and non-unified copyright protection had severely hindered the international protection level and history called for a multilateral international treaty. In 1886, *Berne treaty of literature and artistic works protection* came into being urged by France, Germany, Italy and Britain. Members of the treaty were all the well-developed countries of industry and culture in the world at that time. These countries possessed the rich culture and works of arts, especially for Britain which was considered as the origin place of the first Industrial Revolution, need to obtain protection by means of the international cooperation. Since British and France had overseas colonies, the 19<sup>th</sup> clause of that treaty clearly stipulated that all relevant clauses applied to the colonies of the member countries.<sup>1</sup>

The above-mentioned history shows us clearly that most of the earliest countries that advocated copyright internationalization were highly developed and prosperous countries of culture and economy. The chief motivation of international protection was to protect the copyright of their intellectual works against being infringed in foreign countries by means of the international cooperation. The essence was to protect their own economic and cultural benefits. This kind of copyright cooperation inevitably displayed political conflicts between nations. For instance, the developed countries frequently took advantage of their control over colonies and imposed upon them their own viewpoints or system of copyright protection in spite of the cultural development situations of these colo-

nies. Up till now, developed countries still holds the dominant position in the international copyright system. Relevant trade talks on copyright protection have been initiated and complicated by developed countries; *Trips* of WTO can be taken as an example. The copyright internationalization criterion naturally represents mostly the benefits of developed countries, which is imposed upon the developing country by means of the international treaty. For instance, in 2001, the United States of America exported movies and videos that amounts to \$146.9 billions; And its exported books, periodicals and newspaper totals \$ 40.3 billions which is 228.46 times that of Chin; The exported American PC software reached \$ 607.4 billions. That is why the developed countries as United States, UK, and Japan controlled WTO to draw up stipulations of higher copyright criterion in *Trips* on copyright protection of software, movies, and audiovisual products so as to sufficiently meet the needs of protecting their national benefits.

**(B) Passive grafting mode —the situations that developing countries have to take.**

Developing countries fall far behind to developed countries in economy, science, technology and culture. And they hardly have a say in the copyright internationalization process and as a result they are in an unfavorable position. Their participation in international copyright co-operation is just for the sake of the benefits of other respects.

From historical points of view, the copyright system of developing countries is established with following features : Firstly, The reason for the copyright system establishment is not exactly all due to the external pressure from the developing countries but also due to the need of promoting the development of their national education. The developing countries are frequently confronted with the severe situations to develop their national education. In order to encourage the cultural innovations, more than 40 developing countries as Egypt, Brazil, Ecuador, Cuba, Mali, Indonesia and Ghana published the copyright law within ten years in 1970s-1980s. Secondly, The pressure from developed countries did promote the establishment of the copyright law system in developing countries. As to the contents of copyright laws of developing countries, they accepted considerably those of the developed foreign countries. Take India for instance, as a representative of British colonies over a long period of time, its copyright law of 1914 took British copyright law of 1911 as its chief source. In most French colonies and the Latin-America countries, laws have been based on the theories of "author 's rights" in the

<sup>1</sup> This clause was abrogated at 1948. See Stephen M. Stewart. *International Copyright and Neighboring Rights*. 2<sup>nd</sup>. Butterworths. London. 1989. p100.

French copyright law.<sup>2</sup>Thirdly, most of the developing countries hold the negative attitudes to the copyright internationalization. Developing countries import far more intellectual works than what they can export because of the fact that they are backward in science, technology and education. In order to take advantage of the advanced science, technology and culture of the well-developed foreign countries, they usually do not have much enthusiasm to the international copyright cooperation with foreign countries. For instance, India was subjected to the widespread criticism of international community in the early 1980s for PC software piracy. Yet developed country were not willing to abandon such vested interests, "wishing to perform the right on the basis of the supply and demand rule with not accepting whatever limit, the third world country is no exception".<sup>3</sup> Under the economic pressure of developed countries, many developing countries joined in the international copyright treaties for the sake of their national political and economic benefits. Take GATT negotiation for example, the developed countries as U.S. insisted on that *intellectual property negotiation should be handled together with business negotiations on visible goods and services*. As a result, developing countries had to receive Trips taking everything into consideration.

## II. Gearing from passive mode to active mode —inevitable trend of economic growing countries

In the copyright internationalization process, many countries are continuously adjusting their copyright policy on the basis of their politics, economy and the cultural development. Things cannot put in a nutshell that they are following active advocacy mode or passive grafting mode. In a sense, U.S. can serve as a successful example grafting mould on the copyright policy evolution. For instance, in early period of the U.S.

For instance, in the early history of U.S., the culture industries were not so prosperous that the majority of the books for sales on the market depended on the import. Its copyright law in 1790 only gave protections to the domestic writers but not to foreign writers.<sup>4</sup> To this condition,

<sup>2</sup> See Stephen M. Stewart. *International Copyright and Neighboring Rights*. 2<sup>nd</sup>. Butterworths. London. 1989. p26.

<sup>3</sup> Zai Yiwo, Chen Shaokuang: *Lecture on Copyright*, Dongfan Publishing House, 1991, p56

<sup>4</sup> Copyright Act of 1790, 1 Stat. 124, §5 ("nothing in this act shall be construed to extend to prohibit the importation or vending, reprinting or publishing within

Ploman says at his commentary "at the same time to cope with the piracy, that stipulation may be regarded as the strategy that the developing country had to conserve national newly-birth culture industries to utilize the culture productions from developed countries."<sup>5</sup> The function of this policy was extremely striking. Reproduction of foreign literature and artistic works did not become the obstructions to the development of American publication industries but accelerated the growth of domestic production of cultural industries. This led to the result that up to the end of 20th centuries, the trade equilibrium changes towards the orientation that is favorable to the U.S.<sup>6</sup> Apparently, the feeble protection policy of the copyright that U.S. contributed much to the growth of U.S. to the strongest nation in economy in the world within the short period of about 100 years. However, we also should realize this policy that American permits the reproduction the foreign works without acknowledgement has had disastrous impact on the development of American mainland culture.<sup>7</sup> Without the prerequisite of the protection to the foreign writer's benefits, piracy were congested all over the countries in the U.S. In the period of years of from 1800 to 1860, nearly a half of the British popular selling novels suffered the piracy. In 19th centuries, the novel of famous writer of England Walter Scott sold for a penny in England but only 25-50 cents in the U.S., which was about merely 10 % of its original price. Moreover, U.S. collected the customs duty of as much as 25% to the import books, which abetted reprographics tendency of foreign works and the initiative of creative work of mainland writer suffered the critical strike. The foreign countries which suffered from the U.S. piracy would not confess such copyright for the sake of the revenge. In the international markets of the time, prices of American books were lower than that of the foreign books. As to the U.S. Publication businesses, due to the fact that the foreign works were not protected by the copyright, the pub-

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the United States, of any map, chart, book or books, written, printed, or published by any person not a citizen of the United States, in foreign parts or places without the jurisdiction of the United States.")

<sup>5</sup> See Stephen M. Stewart. *International Copyright and Neighbouring Rights*. 2<sup>nd</sup>. Butterworths. London. 1989. p25.

<sup>6</sup> B. Zorina Khan. *Intellectual Property and Economic Development: Lessons from American and European History*. <[http://www.iprcommission.org/papers/text/study\\_papers/sp1a\\_khan\\_study.txt](http://www.iprcommission.org/papers/text/study_papers/sp1a_khan_study.txt)> (last visited Aug. 18)

<sup>7</sup> B. Zorina Khan. *Intellectual Property and Economic Development: Lessons from American and European History*. <[http://www.iprcommission.org/papers/text/study\\_papers/sp1a\\_khan\\_study.txt](http://www.iprcommission.org/papers/text/study_papers/sp1a_khan_study.txt)> (last visited Aug. 18)

lishers had to compete with piracy on new books publications. The intense contest existed nearly dozens of years. Barbara Ringer, the Famous copyright scholar, believed that American statute stipulation caused this conditions of giving protection to the works of American writers only but permitting free reproducing the works of popular British writers, the Contest injured American mainland literature which wished to be protected and this deadly error was restored after 100 years of debates.<sup>8</sup> To the year of 1891, the legislative persons of the fresh copyright law of the U.S. realized the calamity of that the foreign works were not protected and started offering the finite protection to the works of foreigners, that is, the foreign works, which must be printed in the U.S. might be subjected to the copyright law protection. This is of ill-reputation "printed clause". The American copyright law did not call off that clause until 1976 after a long time after the U.S. accession to The Universal Copyright Convention.

As American economy has got well-developed, there has been great changes on American copyright policy. According to the research report of International Intellectual Property Union, the annual growth speed of American core copyright property was 7% from 1997 to 2001, but the annual growth speed of Gross Domestic Product value of the U.S. merely reached 3.2% in the same period. In 2001, Copyright industries consisting of newspapers and books press, computer software, audio & video, recreational businesses, TV programs etc.) take up 5.24% of the American GDP, with its growth value reaching a total of \$791.2 billions. According to the Statistics of the IIPU on the copyright exporting trade, the exports of four types of the U.S. products, namely, audio and video records, cartoons, TV programs, software and the paper material prints are \$88.97 billions, with a growth speed of 8.5%, overtaking the growth speed of whatever manufacturing industry. The export volume of software increased from \$ 19.65 billion in 1991 to \$60.74 billions of that in 2001, that is 3 times of the amount of last decade. Under such background, the U.S. regulated the copyright policies without delay. The domestic copyright protection criterions are raised. On the other hand, by means of the international talks, high-level copyright protection criterions forced to be accepted by other countries. Thereby "the legal rights and interests of copyright owners are respected because of effective pro-

<sup>8</sup> See Stephen M. Stewart. *International Copyright and Neighbouring Rights*. 2<sup>nd</sup>. Butterworths. London. 1989. p25.

tection and copyright industries and the copyright commercial development are accelerated."<sup>9</sup>

### III. Shaping the principle of internationalization Chinese Copyright Law in the light of the national situation

Nowadays, more and more countries recognize the significance of science and culture in promoting the society as a whole, and all make it a strategy to rejuvenate the country through the protection of intellectual property. The U.S. formulated IP management strategy for the 21<sup>st</sup> century recently. Japan even enacted Intellectual Property Fundamental Act, and its premier Junichiro Koizumi also acts as the minister of IP strategy took the lead in putting forward the slogan of "Intellectual Property rejuvenating state". South Korean and Singapore also made similar policies or Acts. As to China, in its key time to develop economy and culture, how to frame copyright protection strategy that suits Chinese situation will have great influence on the development of Chinese science and culture. For this aim, the Author maintains that in the process of copyright protection internationalization the following principles should be followed:

#### 1. Gearing from passive to initiative mode, trying to be an active country in international copyright negotiation.

From historical perspective, foreign countries had played a part in the promotion of the internationalization of Chinese copyright, and establishment of Chinese copyright system. In 1897, two chief-editors of American newspaper asked for the copyright protection and the request was approved by Qing government.<sup>10</sup> In 1902, under requirement of American and Japan, a negotiation was held and concluded a treaty, which granted ten years of protection for books of American authors and national treatment for Japanese authors. In 1990, China promulgated Copyright Law, but American asked for negotiation on intellectual property protection and concluded three treaties, namely, *Memorandum of Understanding Between the People's Republic of China and the United States (1989)*, *Memorandum of Understanding for Protection of Intellec-*

<sup>9</sup> Shang Yong: *Copyright Industry and Copyright Trade in U.S.*, Vol.2, 2003, Intellectual Property (China), p24.

<sup>10</sup> Liu Baogang: *Negotiations on Intellectual Property Protection between China and Foreign From 19<sup>th</sup> Century*. Vol.9, 2002, History Study Journal.

*tual Property Between the People's Republic of China and the United States (1992)*, and *Agreement on Protection of Intellectual Property Between the People's Republic of China and the United States (1995)*, which realized the statutory copyright protection of works of U.S authors. In negotiation of TRIPS, the developed countries headed by U.S imposed the high protection standard on the developing countries. It is obvious that in the process of copyright internationalization, China as a developing countries are still dependent upon the developed countries, and the situation that the developed countries manipulated the copyright protection standard haven't changed. In present condition, China cannot seclude itself from the world and cannot count on developing domestic culture without protecting the copyright of foreign countries. The U.S experience should be a lesson for China to learn that domestic culture usually will suffer a lot if giving up the protection of foreign works for nation interest. With the economic development and rising international status, China as a representative of developing countries should change its passive position in international copyright cooperation and try to play an active role that promote to establish the copyright protection standard in favor of developing countries at international forum. *Doha Manifesto of 2001* shows that the developing countries have a voice in international copyright cooperation. So, Chinese government, together with other developing countries, should seize the favorable condition to bring forward the international copyright standard in favor of developing countries and realize statutory protection of copyright through international treaties.

## 2. Adopting appropriate copyright protection standard in accordance with the development of economy and culture.

Copyright protection is not only for the interest of the authors, but also for the interest of the disseminator and user, so the copyright legislation should maintain the balance the interest of authors and the public. And the balance should be based on the economic and cultural development condition. For example, in 18<sup>th</sup> century, the U.S took weak copyright protection policy to encourage importation of culture and science of foreign developed countries, when it became a powerful country, U.S strengthened its copyright protection and spread its standard around the world; for U.S policy changes, one officer of U.S gave a comment straightforwardly "the end of the U.S intellectual property protection, is to protect the research, investment, and idea of outstanding artist, writer,

private enterprises and scholars; to this end, we also protect the comparative advantage in high technology and high profit field."<sup>11</sup> His revelatory speech told that the essential of copyright internationalization is the competition of science and cultural between different countries. Therefore, the copyright protection standard should be decided according to the actual condition of one country; whether to adopt strong or weak protection depends on the development of science and culture. The British Intellectual Property Committee issued an excellent explanation, "In the long run, in developing countries, if all conditions which relate to the success of culture industry is satisfied, the strong copyright protection will be incentive to development of culture industry. In short or medium term, the strong copyright protection will weaken the capacity of developing countries and their impoverished people to bridge or shorten the gap the knowledge gap, because they can't afford textbooks, information and software."<sup>12</sup> In framing copyright strategy, China shouldn't disregard the condition of economy and culture, and shouldn't adopt the standard of the developed countries blindly. Chinese actuality determines that China can't grant high protection standard as the developed countries. Information shows that Chinese economy and culture is greatly uneven between regions. The difference of income between urban and rural is widening, the income rate between urban and rural people is 1: 2.2 in 1990, 1: 2.71 in 1995, and reaches to 1: 2.9 in 2001; the gap between regions is very big: the people income of east region is 2.26 times than that of west region with the biggest is more than 3 times. In culture and education, there are 85,070,000 illiteracies, which is the second high in the world, and most of illiteracies live in Xizhang, Qin Hai, Guihou, and Inner Mogolia. Above condition determines Chinese copyright strategy and the choice of protection depends on the economic development. In book trade, the value of books importation is nine times than that of the exportation. From the view of trade categories, the imported books relates to education, science, foreign language, and books for children; exported books relate to Chinese traditional medicine, history, philosophy,

<sup>11</sup> Technology Progress and U.S Right: Trade Policy and Intellectual Property Protection, the test of, Richard. W. Fisher, deputy trade representative of American in sub-committee of international economic policy and trade, Washington D.C, 13, oct. 1999.

<sup>12</sup> The Britain Intellectual Property Committee published, and Translated by Chinese IPO: The Integrity of Intellectual Property and Development Policy, p109.

and archeology, and the related scope is very narrow.<sup>13</sup> If China adopts high protection, the developed countries would be the only beneficiary, whereas china itself would bear negative influence. In order to conform to international obligations, Chinese copyright protection standard shouldn't be lower than standard provided by international institutions of copyright protection, but China has no obligations of increasing protection standard on its own initiative. In future years, when Chinese economy and culture develop to a new level, China should increase its copyright protection standard reasonably to meet the new conditions.

#### IV.Strategies for Chinese copyright internationalization

As a WTO member, China is enjoying much more trade freedom in the climate of economic globalization. China should make practical copyright protection policy for the healthy development of Chinese science, technology, and culture. The policy should include: a) meeting the requirement of lowest level protection; b) protecting the copyright owner's interests and also avoid doing harm to the public interests. Chinese government has a lot to do, such as launch public campaign about copyright internationalization and training experts for the job in this area. As to legislation and execution of the law, I think China government should take the following steps:

##### 1. Perfecting the legislation for the copyright protection of works of folk literature and arts.

In copyright trade, China imports many works on education, science and technology, languages, and children education, but exports a few works in the above-mentioned area. But, China has an advantage in folk literature and art thanks to her long history of civilization. In the long-term conflicts between developing countries and developed countries, the international organizations were convinced to give some protection of copyright in folk literature. In *Berne Convention* (Paris 1971) and *WIPO's Tunisia Copyright*, there are provisions to protect the folk literature; especially Article 19<sup>th</sup> of *Doha Proclamation* reaffirms the protection of copyright in folk literature. Those conventions set the legal foundation for protecting Chinese folk literature and arts; *Copyright Law of P.R.China (1990)* stipulates "Measures for the protection of copyright in

works of folk literature and art shall be established separately by State Council." But State Council didn't make any regulation to protect folk works. In those period, many folk literature were used by foreign companies free of charge, Chinese folk "Hua Mulan" was Exploitation by Disney freely, and this film was very success and earned millions dollars box from china. According to the international convention that authorize protection of copyright in folk literature, China shall make law to establish protection of copyright in folk literature, exporting the culture heritage in consideration, china will be able to protect nation interest in international copyright intercourse.

##### 2. Establishing the copyright collective protection system to protect owner's interests.

As a developing country, speedy progresses in science and culture will help China to prosper. For this end, creator's enthusiasm should be encouraged. Copyright protection is to protect humanity wisdom, knowledge innovation, and community culture. When he inspected National Copyright Office, former premier once said: "if no copyright protection, there is no modernization for China." Although Chinese Copyright Law declares that its aim is "to encourage the creation of works", in reality, authors always have lowest status and get little respect for their copyright contrasted to the public and to the powerful disseminators in terms of copyright. According to statistics, Chinese publishing company ranks in top 5 in all industries. In the last five years, the profit margin of publishing company was 28.4%; In contrast, author's royalty has not been obviously increased, and some authors even publish their books at their own expenses. So I will not hesitate to say that the Copyright Law should benefit authors rather than publishers. To change this situation, Chinese government should balance the interests of inventors, disseminators and users through administrative means such as taxes and price control of works. On the other hand, government should consummate the copyright collective management system to intensify the copyright protection to authors. Copyright collective management society (such as Collective Society), as a non-profit organization shall manage the copyright on behalf of authors; the society obviously can play a positive part in the protection of authors' interests. Although Chinese copyright law amendment of 2000 provides general provision to the collective copyright society, the regulation to put this provision into practice is still on the way. So the regulation shall be drawn in time to ensure the bargain power of the au-

<sup>13</sup> Hao Jie, Xu Gang: Practical Problems in Copyright Trade, No.5 2003, Publishing Study.

thor, and the end of copyright to protect author interest would be achieved at last.

### 3. Building the digital library to alleviate the conflict of copyright protection and fair use.

Library plays a key role in national cultural progress, which provides an easy way for public to gain knowledge. Economic development in China is imbalanced, which leads to imbalanced development of libraries. The average annual budget of library for new books is 50,000 Yuan (about 6,000 \$). But, it is only 14,900 Yuan in Guizhou province with its per capita budget of this province is 0.076 Yuan (less than one cent). Quite a number of libraries only purchase some newspapers every year and 39 libraries have not bought any books in recent years. And the same case is with Ningxia and Inner Mongolia. To resolve the budget's inadequacy, besides the central and local government support, building digital library is also a possible approach. China started building digital library in 1990; the digital library has some advantages compared with traditional one such as rich resources, updating in time, fast transmission, easy storage and lower cost. Building of digital libraries will help people in poverty-stricken areas to gain up-to-date information to promote economy and culture. Yet building of digital library gives rise of problems of copyright protection. In traditional copyright, the user is permitted to copy a small quantity of another's copyrighted work; but in digital library, the system encrypts with password and customer authentication, those technological means become an undue obstacle for user who makes copy for studies or research. The payment system for any access on the Internet demolishes the interest balance mechanism established in the traditional fair use for the purpose of coordination the interest relationship of the creator, publisher and user. In reality, the decrypting technology or software is used to circumvent the technological measures that are used by authors as remedies against circumvention. *WIPO Copyright Treaty (1996, Geneva)* and *WIPO Performances and Phonograms Treaty* require contracting parties shall provide adequate legal protection and effective remedies against the circumvention of that are used by author or performers or producers of phonograms in connection with the exercise of their rights under above treaties. Contracting Parties also have obligations to provide protection for information concerning rights management. Many critics criticize that obligations concerning technological measures have negative impact on fair use of copyrighted works and it has impaired the capacity of obtaining information of teachers, students,

researchers and customers. Specially for developing countries, unless they have very particular consideration to enter the above treaties, "otherwise, it would be unwise, they should reserve in obligations concerning technological measures."<sup>14</sup> Before the two treaties enter into force in China, *Copyright Law Amendment* prescribes that technological measures shall be protected, and this provision obviously exceeds economic development. I think, Chinese Government shall give public some preferment right to obtain knowledge in digital library by proper administration, and for this purpose, China government should: a) decrease the tax and control the price to depress the charge of digital library; b) enact to permit user browse and copy the summary of copyrighted works in database, or copy a tenth of the works; c) provisionally amend the law to ensure the protection only for originality database other than non-originality one.

### 4. Different levels of protection should be taken for different kinds of works in accordance with the particular stage of development.

In the protection of copyright, China should be able to take measures for different levels of protection, as long as the minimum international protection standards are observed, so as to be able to adapt to the needs of economic development at different stages. As things now stand, we can say that the issue of pirated books has been effectively controlled as a result of a tighter crackdown on pirated editions in recent years. But the phenomena of pirating software and laser discs remain a serious problem. According to statistical data for 2002 from the Business Software Alliance (BSA), an American entity, the percentage of pirated software in China dropped from 97% of the total in 1994 to 92% in 2002. However, this is still too high as compared with the corresponding global percentage, which is a mere 39%. The use of pirated software at one time played a very important role in China's economic development, but with the spread of information technology in China and the rapid development of the Chinese software industry, strengthening the level of software protection has become an urgent issue. According to statistics, the output of the software industry in China in 2000 was only 23 billion RMB, and the total amount of software exported from China in the same year was less than one-sixtieth of that exported from the United States. Nevertheless, over the years 1990-2000, sales of software in China increased from 220 million to 23 billion RMB—an increase of a hundredfold in a period of

<sup>14</sup> *The Britain IP committee report, 2000; China IP Bureau: IP and Development Policy*

ten years, and of nearly 25% per year. From the perspective of future development, the software industry is likely to hold an extremely important position in China's science, technology, and cultural industries. It is therefore absolutely necessary to strengthen software protection. India's economic development provides a useful precedent. India was seriously troubled by pirated copying until 1990, but after the revision of the Copyright Law in 1992 measures for protection of copyright provided an enormous incentive for software development. In 2000, software product exports from India amounted to 5.7 billion dollars, accounting for about one fourth of the increase in its GDP. As a result, India achieved economic growth on the order of 7%.

Currently, China is being presented with an extremely good opportunity for developing its information industry, and this requires the support of national policy and laws. In this respect, we should learn from the successful experience of India and demand further legislation pertaining to protection of copyright so as to protect the legitimate interests of developers of software through strict law enforcement. At the same time, in order for the general public to be able to afford software fees, the government should take supportive measures such as lowering software sales prices through tax reductions, exemptions and price adjustments, increasing domestic production of software for operating systems and offices, allowing research and development of new software through "reverse-engineering," and encouraging enterprises to use open source code software and domestically produced software at relatively lower prices.

As regards book publication, the level of copyright protection against pirated editions as provided by China is sufficient. However, in view of the fact that the copyright industry in our country already accounts for 6% of the GDP<sup>15</sup>, we should seriously consider an increase in the level of protection in this field so as to encourage the future creation of works. Copyright protection standards should not be raised indiscriminately, however. A distinction should be drawn between educational material and entertainment material. The sales price of educational material should be lowered through tax revenues, and the public right to acquire knowledge should be guaranteed by systemic arrangements for improvement and reasonable use. For entertainment material, on the other hand, the copyright protection standard could be appropriately raised.

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<sup>15</sup> "China Intellectual Property Rights News," September 4, 2003.

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