Protecting the Public Interest Through Intellectual Property Law: The Creative Approach of Chinese Judges

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Abstract

Today, Chinese judges play a leading role in the global protection of intellectual property (IP) rights. With China's judiciary handling more intellectual property lawsuits than any other jurisdiction, their work is prominent not only for its quantity but also for its quality. While acting to safeguard IP owners' private interests, Chinese judges have also in their rulings effectively protected public interests by creatively breaking through the confinements of certain statutory provisions. This article makes the first comprehensive theoretical study of the creative approach developed by Chinese judges to protecting the public interest through IP law.

The article identifies that through the creative destruction of the civil law tradition, Chinese judges have made important contributions to protecting the public interest. When interpreting the nature and scope of limitations on IP rights, they have made appropriate deviations from the civil law tradition to proactively protect the public interest. In doing so, they have developed creative legal methods to ascertain the myriad public interests implicated in limitations on IP rights. They also properly align IP law with technological developments. This article compares these Chinese reforms with the United States' reforms of IP systems, which have focused on codifying common law doctrines. It further presents jurisprudential justifications for affording civil law judges greater autonomy to protect the public interest through IP law.

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> *The rules and principles of case law have never been treated as final truths, but as working hypotheses, continually retested in those great laboratories of the law, the courts of justice.*[1]
>
> *– Justice Cardozo*

I. INTRODUCTION

Chinese judges are playing an increasingly important role in the global protection of intellectual property (IP) rights. Today, they deal with the largest number of IP infringement lawsuits in the world, many of them involving multinational companies.[2] It is estimated that the number of such cases has surged by a phenomenal 5,660 percent over the past two decades.[3] In 2018 alone, Chinese judges heard 301,278 new IP infringement lawsuits.[4]

While endeavoring to safeguard the private interests of IP owners, Chinese judges have also undertaken to do the same for those public interests that are intertwined with IP rights protection. Through creative rulings on the fair use of copyrighted works and trademarks, Chinese judges have faithfully followed the public interest objectives of IP protection contained within the Agreement on Trade-Related Aspects of

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1. BENJAMIN N. CARDOZO, THE NATURE OF THE JUDICIAL PROCESS 23 (1921).

2. *See* Orange Wang, *China IP Cases Surge amid US Complaints, Beijing Push for Technology Self-Reliance*, S. CHINA MORNING POST (H.K.) (May 27, 2020, 7:30 PM), https://www.scmp.com/economy/global-economy/article/3086313/china-ip-cases-surge-amid-us-complaints-beijing-push (reporting that "China has become the country that hears the most IP cases").

3. *Id*.

4. Justice Tao Kaiyuan, *China's Commitment to Strengthening IP Judicial Protection and Creating a Bright Future for IP Rights*, WIPO MAG., June 2019, at 20, 22, https://www.wipo.int/export/sites/www/wipo_magazine/en/pdf/2019/wipo_pub_121_2019_03.pdf ("In recent years, the IP caseload of Chinese courts has grown rapidly. In 2018 alone, Chinese courts received 301,278 new IP cases in the first instance, of which 287,795 were concluded. These figures represent an increase of 41 percent and 42 percent, respectively, compared to those for 2017.").

Intellectual Property Rights (TRIPS Agreement).[5] As the most important IP treaty, the TRIPS Agreement encourages IP protection that "promote[s] the public interest in sectors of vital importance to [treaty members'] socio-economic and technological development."[6]

This article presents the first comprehensive theoretical study of public interest-oriented IP rulings by Chinese judges. Despite the differences between the civil and common law traditions, Chinese judges have followed their counterparts in the United States (U.S.) in proactively protecting the public interest when interpreting the nature and scope of limitations on IP rights. Chinese judges have also developed creative legal methods to achieve such protection. This article examines in detail two seminal contributions made by Chinese judges and discusses their implications for the further development of IP protection in China.

First, the article shows how Chinese judges have *proactively* protected the public interest by boldly deviating from the civil law tradition governing the Chinese legal system.[7] Pursuant to that civil law tradition, judges interpret and follow statutory provisions but, unlike their common law counterparts, are not entitled to develop new legal doctrines through the judicial process. However, Chinese judges have gone beyond the confinements of the civil law tradition to recognize new fair use exemptions not permitted by Chinese IP statutes. For instance, although it is not included in the exhaustive list of exemptions

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5. Agreement on Trade-Related Agreements of Intellectual Property Rights, art. 13, Apr. 15, 1994, Marrakesh Agreement Establishing the World Trade Organization, Annex 1C, 1869 U.N.T.S. 299, 33 I.L.M. 1197 (1994) [hereinafter TRIPS Agreement].

6. *Id.* art. 8. Article 7 of the TRIPS Agreement states the public interest objectives as follows:

> The protection and enforcement of intellectual property rights should contribute to the promotion of technological innovation and to the transfer and dissemination of technology, to the mutual advantage of producers and users of technological knowledge and in a manner conducive to social and economic welfare, and to a balance of rights and obligations.

Id. art. 7; *see also* Peter K. Yu, *The Objectives and Principles of the TRIPS Agreement*, 46 HOUS. L. REV. 979, 1007 (2009) (pointing out that an official guide to interpreting TRIPS states that Article 7 was "intended to strike a balance that more widely promotes social and economic welfare").

7. *See infra* Section III.A.

contained in Article 22 of the 2010 Copyright Act, web caching has been ruled a fair use in the public interest.[8] In addition, while the Trademark Act allows only for the descriptive use of a trademark by members of the public, Chinese judges have decided in several cases that nominative use should be legally permitted and protected in the public interest.[9]

Second, the article discusses how Chinese judges have developed *creative* legal methods to ascertain the myriad public interests implicated in limitations on IP rights. Through an in-depth study of their rulings in cases dealing with web caching and nominative uses of trademarks, it considers the ways in which Chinese judges have found that public interests such as freedom of information and robust market competition should be protected.[10]

Based upon a comparative study of relevant Chinese and U.S. IP rulings, the article finds a creativity in the former that might surprise many IP professionals and scholars. I argue that Chinese judges have developed a broad "public interest standard" to encompass a range of public interests related to fair uses of copyrighted works. This range of public interests is broader than those protected by the transformative use standard developed by U.S. judges, indicating that the Chinese legal method is more dynamic and effective in protecting the public interest.

For instance, application of both the public interest standard and the transformative use standard would render conflicting opinions on the legality of web caching.[11] Because web caching triggers only the verbatim copying of works, the transformative use requirement—that users of existing works create a new expression and function for the work—precludes web caching from qualifying as fair use.[12] However, the public interest standard, as applied by Chinese judges in certain landmark cases, embraces public interests promoted by non-transformative uses of works such as web caching, thereby protecting them as fair uses under Chinese IP law.[13]

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8. *See infra* Section II.A.
9. *See infra* Section II.B.
10. *See infra* Section III.B.
11. Web caching is an information technology for the temporary storage (caching) of webpages and images to reduce server lag. *See* DUANE WESSELS, WEB CACHING 1 (2001).
12. *See infra* Section III.B.
13. *See id.*

Part I of this article compares the different roles played by judges in the civil law and common law jurisdictions, focusing on China and the U.S., respectively. Part II discusses a range of rulings in cases involving fair uses of copyrighted works and trademarks wherein Chinese judges have deviated from the civil law tradition in order to protect the public interest. Part III considers the legitimacy of this legal practice, arguing that Chinese judges have proactively protected the public interest, developed creative legal methods in doing so, and made the necessary alignment of the relevant statutes with technological developments. Compared with the United States' reforms of IP systems through codifications of common law doctrines, Part IV presents jurisprudential justifications for affording civil law judges with greater autonomy to protect the public interest through IP law.

II. THE DIFFERING ROLES OF JUDGES IN COMMON LAW AND CIVIL LAW TRADITIONS

A. JUDGES IN THE U.S. COMMON LAW SYSTEM

In common law jurisdictions, judges play a significant role in shaping the legal system. First, they have law-making power, creating doctrines for dealing with legal matters in many areas of the law. For example, in most states of the U.S., the basic legal rules of contracts, property, and torts do not exist in statute, but only in common law.[14] Many statutes are interpreted against the backdrop of the pre-existing common law after legislatures have codified the relevant common law doctrines into the statutes.[15] Second, judges follow the principle of *stare decisis*, which

14. *See generally* OLIVER WENDELL HOLMES, JR., THE COMMON LAW (1891) (describing judge-made law in contracts, torts, and property).

15. As the U.S. Supreme Court explained in *United States v. Texas*:

> Just as longstanding is the principle that "statutes which invade the common law . . . are to be read with a presumption favoring the retention of long-established and familiar principles, except when a statutory purpose to the contrary is evident." In such cases, Congress does not write upon a clean slate. In order to abrogate a common-law principle, the statute must "speak directly" to the question addressed by the common law.

507 U.S. 529, 534 (1993) (quoting Isbrandtsen Co. v. Johnson, 343 U.S. 779, 783 (1952) and Mobil Oil Corp. v. Higginbotham, 436 U.S. 618, 625 (1978)).

dictates that rulings made by higher courts are precedents for lower courts to follow.[16] In this sense, precedents are controlling in lower courts' subsequent cases involving similar circumstances.[17] These two roles work in tandem, making each more powerful and durable in practice.[18]

The autonomy afforded to common law judges in shaping legal systems has helped to establish them as "culture heroes," studied and remembered for their impact on development of the law.[19] Several justifications have been put forward for their judicial autonomy. For instance, some argue that common law judges merely address the legislative inconsistencies and insufficiencies that inevitably arise from rapidly changing social circumstances.[20] Another argument is that common law judges serve as an important check on the legislature, empowered to invalidate unconstitutional laws.[21]

However, common law judges' judicial autonomy significantly decreases when they deal with IP cases. IP is an area of law in which statutes have prevailed in common law jurisdictions.[22] The Statute of Monopolies (1624)[23] and the Statute of Anne (1710)[24] gave birth to IP as a distinctive category of legal rights in the common law world.[25] Since the passage of

16. *See* JOHN C. GRAY, THE NATURE AND SOURCES OF THE LAW 211 (Roland Gray ed., Macmillan 2d ed. 1921) (1909).

17. *See* Oona A. Hathaway, *Path Dependence in the Law: The Course and Pattern of Legal Change in a Common Law System*, 86 IOWA L. REV. 601, 622–23 (2001).

18. *See generally id.* at 604 n.12 (citing sources that illustrate how American common law is "path dependent" on past judicial decisions).

19. *See* JOHN HENRY MERRYMAN & ROGELIO PÉREZ-PERDOMO, THE CIVIL LAW TRADITION: AN INTRODUCTION TO THE LEGAL SYSTEMS OF EUROPE AND LATIN AMERICA 34 (4th ed. 2018) (1969).

20. *Id.* at 39–40.

21. *Id.* at 34.

22. *See, e.g.*, Shyamkrishna Balganesh, *Stewarding the Common Law of Copyright*, 60 J. COPYRIGHT SOC'Y U.S.A. 103, 108 (2013) [hereinafter *Stewarding the Common Law*] ("As a purely historical matter, copyright's origins are entirely statutory."); Shyamkrishna Balganesh, *The Pragmatic Incrementalism of Common Law Intellectual Property*, 63 VAND. L. REV. 1543, 1544 (2010) [hereinafter *The Pragmatic Incrementalism*] ("Intellectual property is today thought to be principally of statutory origin.").

23. 21 Jac. 1 c. 3 (Eng.), https://www.legislation.gov.uk/aep/Ja1/21/3/contents.

24. Copyright Act 1710, 8 Ann. c. 21 (Eng.), *repealed by* Copyright Act 1842, 5 & 6 Vict. c. 45.

25. *See* BRAD SHERMAN & LIONEL BENTLY, THE MAKING OF MODERN INTELLECTUAL PROPERTY LAW: THE BRITISH EXPERIENCE, 1760–1911, at 207 (1999).

these laws, statutory protection has been omnipresent in IP law[26] except in certain niche areas such as trade secrets and rights of publicity.[27]

While IP statutes dominate, judges in common law jurisdictions still enjoy considerable autonomy in shaping the IP protection systems. In the U.S., codifications of IP principles and rules have fostered the judiciary's shaping power primarily in the following three ways, thus creating a partnership between judges and legislators in improving IP protection.

First, U.S. statutes have preserved judges' autonomy in adapting codified doctrines according to new circumstances. The fair use doctrine epitomizes this preserved judicial autonomy. As a judge-made doctrine,[28] fair use was not codified by the U.S. Copyright Act until its 1976 revision.[29] Section 107 of the U.S. Copyright Act contains a non-exhaustive list of four fair use factors and empowers judges to reach decisions based on those four factors or any other relevant factors.[30] The legislative history of this provision reveals an intention for the judiciary to have such a broad and flexible system available to them.[31] A relevant House Committee Report stated that the codification of the fair use doctrine was merely a restatement of the past judicial experiences and was not intended to "freeze the doctrine in the statute."[32] Rather, judges "must be free to adapt the

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26. *See*, *e.g.*, Wheaton v. Peters, 33 U.S. 591, 655–56 (1834) (citing Donaldson v. Beckett (1774) 4 Burr. 2408 (HL) (appeal taken from Eng.)) (noting that an author's cause of action for copyright claims was "taken away by the statute of 8 Anne" and that "remedy must be under statute"); Balganesh, *Stewarding the Common Law*, *supra* note 22, at 108 ("Ever since [the Statute of Anne], the principal source of law for copyright has remained legislation.").

27. *See* Balganesh, *The Pragmatic Incrementalism*, *supra* note 22, at 1554–64 (summarizing common law intellectual property regimes that arose in common law).

28. *See* Harper & Row Publishers v. Nation Enters., 471 U.S. 539, 550 (1985) ("As early as 1841, Justice Story gave judicial recognition to the [fair use] doctrine . . . .").

29. Haochen Sun, *Overcoming the Achilles Heel of Copyright Law*, 5 NW. J. TECH. & INTELL. PROP. 265, 283 (2007) ("It was not until 1976 that this judicially-made doctrine was given express statutory recognition in the U.S. Copyright Act.").

30. *See* 17 U.S.C. § 107.

31. *See* Niva Elkin-Koren & Orit Fischman-Afori, *Rulifying Fair Use*, 59 ARIZ. L. REV. 161, 176 (2017) (quoting H.R. REP. NO. 94-1476, at 66 (1976) and citing S. REP. NO. 94-473, § 106 (1975)).

32. H.R. REP. NO. 94-1476, at 66 (1976), *as reprinted in* 1976 U.S.C.C.A.N. 5109, 5679.

doctrine to particular situations on a case-by-case basis."[33]

The transformative use concept subsequently developed and applied by judges is an example of such judicial autonomy preserved by the 1976 codification. Section 107 makes no mention of transformative use, but because the U.S. Supreme Court held that the more transformative a work is, the less significance should be afforded other factors weighing against fair use,[34] the courts have applied the concept in many copyright cases.[35]

Second, where statutes have not codified IP protection rules, judges still have full autonomy to create and develop new doctrines.[36] In U.S. trademark law, the statutory codification of judicial limitations on the powers of trademark owners in the Lanham Act is substantial but incomplete, meaning that some provisions authorize the continued judicial development of trademark law.[37] Some commentators therefore view the Lanham Act as a delegating statute allowing greater common law development of defenses.[38] In defenses to trademark infringement, there is significant evidence of judicial creativity. For example, as one of the fair use defenses available to defendants who use a trademark for speech purposes, nominative use has been described as a judge-made variation on the statutory fair use doctrine enshrined in copyright law.[39]

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33. *Id*. *See also Harper & Row*, 471 U.S. at 561 ("The drafters resisted pressures from special interest groups to create presumptive categories of fair use, but structured the provision as an affirmative defense requiring a case-by-case analysis."); Campbell v. Acuff-Rose Music, Inc., 510 U.S. 569, 577 (1994) (holding that the task of interpreting fair use "like the doctrine it recognizes, calls for case-by-case analysis.").

34. *Campbell*, 510 U.S. at 579.

35. *See* Barton Beebe, *An Empirical Study of U.S. Copyright Fair Use Opinions, 1978–2005*, 156 U. PA. L. REV. 549, 604–5 (2008) (finding that 41.2% of 119 district court opinions and 81.4% of circuit court opinions invoked the transformative use doctrine since *Campbell*); Haochen Sun, *Copyright Law as an Engine of Public Interest Protection*, 16 NW. J. TECH. & INTELL. PROP. 123, 134 (2019).

36. Frederick Schauer, *Is the Common Law Law?*, 77 CALIF. L. REV. 455, 455 (1989) (book review) ("[C]ommon law rules are not made by legislatures; they are created by courts simultaneously with the application of those rules to concrete cases.").

37. *See* Michael Grynberg, *The Judicial Role in Trademark Law*, 52 B.C. L. REV. 1283, 1307 (2011).

38. Graeme B. Dinwoodie, *Developing Defenses in Trademark Law*, 13 LEWIS & CLARK L. REV. 99, 137–38 (2009).

39. William McGeveran, *Four Free Speech Goals for Trademark Law*, 18 FORDHAM INTELL. PROP. MEDIA & ENT. L.J. 1205, 1215–17 (2008).

Similarly, while the parodic fair use defense was enshrined in trademark legislation following the 2006 reforms that developed the doctrine of dilution, it has been the subject of judicial attention for much longer than the relevant statutory reform.[40]

Third, judges also enjoy considerable autonomy in making reasoned decisions regarding IP laws interwoven with constitutional norms and the public interest. For instance, judges have provided free speech protection in cases involving nominative uses of trademarks; these cases act as proxies for First Amendment protection in trademark law, similar to fair use in copyright law.[41] By making these interventions, U.S. judges have taken important steps to prevent trademark protection from undermining freedom of expression. As Judge Kozinski stated in *New Kids on the Block v. News America Publishing, Inc.*, nominative fair use is essential for free speech, as "[m]uch useful social and commercial discourse would be all but impossible if speakers were under threat of an infringement lawsuit every time they made reference to a person, company or product by using its trademark."[42]

Judges in the U.S. have also been required to introduce limitations protecting the parodic uses of trademarks, which are an important form of expression.[43] When successful, parodies can powerfully convey "a political statement, social commentary, commercial speech, a bawdy joke, ridicule of a brand name, criticism of commercialism, or just plain humor for its own sake."[44] U.S. courts have emphasized the importance of preventing infringement lawsuits from stifling parody because, despite parody creating an association with a mark, it is clear that the use is satirical when done effectively.[45] There is therefore less need in such cases for judges to balance free speech values against the risk of consumer confusion.

This judicial flexibility has allowed the integration of public interest considerations into U.S. court decisions. In *Authors Guild v. Google, Inc.*, for example, after first considering the four

40. Dinwoodie, *supra* note 38, at 144.

41. *Id.* at 121–22.

42. 971 F.2d 302, 307 (9th Cir. 1992).

43. *See Campbell*, 510 U.S. at 579.

44. Gary Myers, *Trademark Parody: Lessons from the Copyright Decision in* Campbell v. Acuff-Rose Music, Inc., 59 LAW & CONTEMP. PROBS. 181, 181 (1996).

45. *See, e.g.*, Louis Vuitton Malletier v. Haute Diggity Dog, LLC, 507 F.3d 252, 267 (4th Cir. 2007).

fair use factors, the court then applied public interest considerations to reach a finding of fair use[46] on the basis that the Google Digital Library had "become an invaluable research tool that permits students, teachers, librarians, and others to more efficiently identify and locate books."[47] Judicial flexibility under the fair use model has also been used to promote technological advancements in the public interest. For instance, in *Kelly v. Arriba Soft Corp*,[48] the court found that thumbnail images containing copyrighted photos displayed in search engine results constituted fair use, noting that their purpose was to "improve access to images on the Internet."[49] In *Perfect 10, Inc. v. Amazon.com, Inc.*,[50] the use of thumbnail images to assist online navigation was again held to constitute fair use owing to the significant public benefit provided, despite the photos in question being intended only for paying subscribers and Google's thumbnails therefore having a potentially adverse effect on the intended market.[51]

B. IP ADJUDICATION IN THE CIVIL LAW SYSTEM

As civil law judges are not expected to create new law, they are able to remain largely apolitical. Whereas many common law judges are political appointees and likely to be sensitive to political changes, civil law judges can "easily coexist with totally different political regimes."[52] Although civil law systems cannot survive without some judicial discretion, as contradiction is inevitable due to legislation not being able to anticipate future circumstances,[53] it is different from the discretion available under common law. Civil judges do not enjoy the discretion to

46. 954 F. Supp. 2d 282, 291–94 (S.D.N.Y. 2013), *aff'd*, 804 F.3d 202, 207 (2d. Cir. 2015).

47. *Id.* at 293.

48. 336 F.3d 811 (9th Cir. 2003).

49. *Id.* at 818–19, 822; *see also* Seagull Haiyan Song, *Reevaluating Fair Use in China—Comparative Analysis of Chinese Fair Use Legislation, the U.S. Fair Use Doctrine, and the European Fair Dealing Model*, 51 IDEA—THE INTELL. PROP. L. REV. 453, 463–64 (2011).

50. 508 F.3d 1146 (9th Cir. 2007).

51. *Id.* at 1166–68; *see also* Song *supra* note 49, at 465.

52. Seon Bong Yu, *The Role of the Judge in the Common Law and Civil Law Systems: The Cases of the United States and European Countries*, 2 INT'L AREA REV. 35, 41 (1999).

53. Roberto G. MacLean, *Judicial Discretion in the Civil Law*, 43 LA. L. REV. 45, 49 (1982).

change the law, but they do have discretion in characterizing facts according to the law, interpreting the law, and interpreting rules under the law.[54] Moreover, judges are afforded far less influence and power than their common law counterparts, a situation that derives from the idea in civil law that the law should be made only by the legislature, and subsequent rejection of the principle of stare decisis.[55] As civil law judges can look only to legislation when making decisions, and are incapable of binding future judges to the principles on which they reach those decisions, their role is substantially more modest than that of judges in the common law tradition.[56]

Under the civil law tradition, judges can be viewed as expert clerks or operators of a machine built by the legislature, and ultimately as civil servants performing an important but uncreative function.[57] As a result, they are not studied or celebrated in the same way that common law judges are.[58] There is little advantage or competitive edge to be gained from studying their previous decisions, and they are unlikely to be remembered individually for their role in the historical development of certain legal doctrines.[59]

China follows the civil law tradition.[60] The major sources of

54. *Id.* at 50, 54 ("When a judge is faced with a particular set of facts, he has the choice of placing those facts under one legal category or another . . . .There are some codes which attempt to be as precise and exact as possible concerning the methods of interpretation to be used, such as literal interpretation, logical interpretation, and exegetical interpretation. But, always it is the judge who must choose among the many methods available . . . A general survey of the Louisiana Civil Code, for instance, provides numerous examples of [particular] rules allowing the exercise of judicial discretion. In the first place, the judge in some cases must determine whether an agreement or obligation is or is not against the public order or the public good.").

55. MERRYMAN & PÉREZ-PERDOMO, *supra* note 19, at 36.

56. *Id.* at 36–37.

57. *Id.*

58. *Id.*

59. *Id.* at 37.

60. Jacques deLisle, *A Common Law-Like Civil Law and a Public Face for Private Law: China's Tort Law in Comparative Perspective*, *in* TOWARDS A CHINESE CIVIL CODE: COMPARATIVE AND HISTORICAL PERSPECTIVES 353, 362 (Lei Chen & C. H. van Rhee eds., 2012) ("Chinese law has retained a civilian cast, reflecting China's affinity toward—and multiple receptions of—civil law influences and the civil law tradition.").

Chinese IP laws are the Copyright Law,[61] the Patent Law,[62] and the Trademark Law,[63] three national statutes passed by the National People's Congress. Supplemental to these statutes are a range of administrative regulations enacted by the State Council.[64] Therefore, Chinese judges ought to interpret and apply statutory provisions contained in those legal documents to decide cases. They cannot go beyond statutory provisions to create new legal bases for deciding cases. Such law-making power belongs to the National People's Congress and the State Council. Nor are judges' rulings binding upon later cases handled.

In the IP field, a lack of autonomy has often restrained Chinese and other civil law judges from protecting the public interest. In the Google Library case, a French court in 2009 held that the Google Digital Library, which reproduces books in full and makes extracts available without authorization from the copyright owners, does not fall under the "brief quotation" exception available under French law despite the value it offers the public.[65] In Germany, a Hamburg court concluded that Google was liable for copyright infringement for displaying

61. Zhonghua Renmin Gongheguo Zhuzuoquan Fa (中华人民共和国著作权法) [Copyright Law of the People's Republic of China] (promulgated by the Standing Comm. Nat'l People's Cong., Nov. 11, 2020, effective June 1, 2021) 348 STANDING COMM. NAT'L PEOPLE'S CONG. GAZ. 9, *translated in* WWW.LAWINFOCHINA.COM, https://www.lawinfochina.com/display.aspx?lib=law&id=34232 (last visited Jan. 31, 2022). [Editor's note: The 2020 Copyright Law recently superseded the 2010 Copyright Law. The 2010 Copyright Law is cited throughout because the cases discussed below relied on and went beyond the provisions of the 2010 Copyright Law in their analysis.].

62. Zhonghua Renmin Gongheguo Zhuanli Fa (中华人民共和国专利法) [Patent Law of the People's Republic of China] (promulgated by the Standing Comm. Nat'l People's Cong., Oct. 17, 2020, effective June 1, 2021) 347 STANDING COMM. NAT'L PEOPLE'S CONG. GAZ. 717, *translated in Patent Law of the People's Republic of China*, ST. COUNCIL PEOPLE'S REP. CHINA, http://english.www.gov.cn/archive/laws_regulations/2014/08/23/content_281474983043612.htm (last visited Jan. 31, 2022).

63. Zhonghua Renmin Gongheguo Shangbiao Fa (中华人民共和国商标法) [Trademark Law of the People's Republic of China] (promulgated by the Standing Comm. Nat'l People's Cong., Apr. 23, 2019, effective Nov. 1, 2019) 339 STANDING COMM. NAT'L PEOPLE'S CONG. GAZ. 595, *translated in Trademark Law of the People's Republic of China*, WIPO LEX, https://www.wipo.int/edocs/lexdocs/laws/en/cn/cn195en.pdf (last visited Jan. 31, 2022).

64. *See, e.g.*, *infra* Section II.A.1 (discussing the regulations that supplement the 2010 Copyright Law).

65. Rami Olwan, *The Adoption of the American Fair Use in Gulf States: A Comparative Analysis of Authors' Exceptions in Common Law and Civil Law Countries*, 38 EUROPEAN INTELL. PROP. L. REV. 416, 422–23 (2016).

thumbnail images in search results, as no existing fair dealing exception covered such conduct.[66] As China also follows the civil law tradition, the Chinese judges, similar to their counterparts in France and Germany, were bound by the Chinese copyright statutes that have no provisions dealing with the specific question of whether reproductions of copyrighted works by digital libraries constitute fair use or not.[67] These decisions demonstrate that, under the civil law tradition, judges are unable to expand the list of permissible copyright exceptions to protect the public interest. The law, therefore, must swiftly adapt to technological changes, which can be difficult to achieve.[68]

III. CHINESE JUDGES' CREATIVE CONSTRUCTION OF IP STATUTES

In this Part, I unearth a major judicial development in China that deserves a closer look by the global IP protection community. This development presents crystal-clear evidence showing that Chinese judges have deviated from the civil law tradition in order to protect the public interest in a range of rulings in cases involving fair uses of copyrighted works and trademarks.

A. COPYRIGHT FAIR USE AND THE PUBLIC INTEREST

1. Fair Use Under the 2010 Copyright Law

As shown in Part I, the flexible fair use regime under U.S. law that empowers judges to consider four factors and decide whether individual circumstances should be exempted from copyright infringement.[69] In contrast, Chinese legislation adopts a rigid fair use regime mainly through two requirements.[70]

66. *Id.* at 423.

67. Haochen Sun, *supra* note 35, at 139–41 ("While the U.S. courts settled the Google Library disputes based on the public interest, the Chinese courts gave scant consideration to the public interest in their rulings.").

68. *See, e.g.*, Anupam Chander, *How Law Made Silicon Valley*, 63 EMORY L.J. 639, 677 (2014) (describing the how a European Electronic Commerce Directive was less useful than similar American laws because they were less adoptable).

69. *See* Haochen Sun, *supra* note 29, at 285.

70. *See* Haochen Sun, *supra* note 35, at 134–36.

Article 22 of the 2010 Copyright Law[71] contains the first requirement, which provides that an authorized use of a work must fall within the scope of an exhaustive list of 13 fair use exemptions:

> (1) use for private study, research, or self-entertainment; (2) appropriate quotation for the purposes of introduction, comment, or demonstration of a point; (3) use in newspapers, radio programs, or television programs for the purpose of reporting on current affairs; (4) reprinting by newspapers of articles already published by other newspapers, radio stations, or television stations; (5) publication or broadcast of a speech delivered at a public gathering, except where the author has declared it is not permitted; (6) translation or reproduction in small quantities for the purpose of teaching or research; (7) use by a state organ in the performance of its official duties; (8) reproduction by a library, archives center, museum, or similar institution in their collections for the purpose of preservation or display; (9) gratuitous performance of a published work; (10) copying, drawing, photographing, or recording an artistic work displayed in public; (11) translation of a work from the common Chinese languages into the language of minority nationalities; and (12) transliteration of works into braille.[72]

Some of these exemptions have been extended to cover Internet communication by the Regulation on the Protection of the Right to Communicate Works to the Public over Information Networks (Communication Right Regulation).[73]

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71. Zhonghua Renmin Gongheguo Zhuzuoquan Fa **(**中华人民共和国著作权法**)** [Copyright Law of the People's Republic of China] (2010) (promulgated by the Standing Comm. Nat'l People's Cong., Feb. 26, 2010, effective April 1, 2010) 282 STANDING COMM. NAT'L PEOPLE'S CONG. GAZ. 159, art. 22, *translated in Copyright Law of the People's Republic of China*, WIPO LEX, https://www.wipo.int/edocs/lexdocs/laws/en/cn/cn031en.pdf.

72. *Id.* Article 22 of the 2010 Copyright Law further states that where a work is used without permission from, or remuneration to, a copyright owner under one of the 12 exemptions, the name of the author and title of the work should be indicated and the other rights of copyright owners outlined in the act must not be prejudiced. *Id.*

73. Xinxi Wangluo Chuanbo Quan Baohu Tiaoli (信息网络传播权保护条例) [Regulation on Protection of the Right to Network Dissemination of Information] (promulgated by the St. Council of the People's Rep. of China, Jan.

The second fair use requirement is set out by Article 21 of the Regulation for the Implementation of the Copyright Law (Implementation Regulation).[74] It mandates that an unauthorized use of a work "shall not conflict with a normal use of the work and shall not unreasonably prejudice the lawful rights and interests of the copyright owner."[75] Together, these two requirements guide judges in cases of fair use under China's civil law system.[76]

However, despite appearing to set limitations on the scope of permissible fair uses, the courts, to further the public interest, have begun to use Article 21 of the Implementation Regulation to protect uses of copyrighted works not listed under Article 22 of the 2010 Copyright Law. Under China's rigid fair use regime, certain novel uses of copyrighted works may not fall within the scope of protection despite being in the public interest,[77] which arguably occurred in the Google Library litigation. While U.S. courts can apply extensive public interest considerations to their fair use analysis, the Chinese courts appear bound by statutory

30, 2013, effective Mar. 1, 2013), art. 6, 1437 ST. COUNCIL GAZ., Feb. 28, 2013, at 12. Article 6 outlines eight exceptions to copyright infringement on the Internet: (1) where an appropriate portion of the work is quoted for the purpose of introduction or comment; (2) where reproduction or quoting is inevitable for the purpose of news reporting; (3) reproduction in small quantities for the purpose of research or teaching; (4) publication by a state organ in the performance of its official duties; (5) translation of any work published by a Chinese citizen into the language of minority nationalities; (6) publication to the blind in a particular way perceptible to the blind for non-profit purposes; (7) communicating internet-published articles on current affairs to the general public; and (8) communicating a speech which was delivered in a public gathering. *Id.*

74. Zhonghua Renmin Gongheguo Zhuzuoquan Fa Shishi Tiaoli (中华人民共和国著作权法实施条例) [Regulations for the Implementation of the Copyright Law of the People's Republic of China] (promulgated by the St. Council of the People's Rep. of China, Jan. 30, 2013, effective Mar. 1, 2013), art. 21, 1437 ST. COUNCIL GAZ., Feb. 28, 2013, at 9.

75. *Id.* (author's translation).

76. Haochen Sun & Jonny Xuyang Han, *Requirements for Recognizing a New Type of Fair Use Under PRC Copyright Law*, *in* ANNOTATED LEADING COPYRIGHT CASES IN MAJOR ASIAN JURISDICTIONS 257, 258 (Kung-Chung Liu ed., 2019).

77. *See China Copyrights and Fair Use*, HARRIS BRICKEN: CHINA L. BLOG (Feb. 28, 2017), https://harrisbricken.com/chinalawblog/china-copyrights-and-fair-use/ ("Although not always interpreted consistently, China's fair use exceptions are quite limited. When you're watching a Chinese reality show and hear a dozen music cues lifted from American pop songs, that's not fair use. When you're watching a Chinese television show that seems exactly like *Mad About You*, that's not fair use either. That leaves copyright infringement (the former) and legal licensing of a copyrighted format (the latter).").

provisions. The digitization of books by Google Library was found by the latter not to fall within the scope of any of the fair use exemptions enumerated by Article 22 of the 2010 Copyright Law despite offering such benefits as assistance in research and efficiency in the identification and location of books.[78] The conflicting U.S. and Chinese decisions are not only the result of their differing systems, but also of the Chinese courts' failure to adequately consider the public interest in its application of the Chinese model.[79]

2. Finding Fair Uses Beyond the Listed Exemptions

Some Chinese IP judges have endeavored to go beyond the exhaustive list in the fair use requirements of the Copyright Law to recognize new fair uses in the public interest, thereby deviating from the civil law tradition. In *Beijing Sogou Information Service Co., Ltd. v. Wenhui Cong*,[80] Sogou, one of China's largest search engine service providers, was sued for copyright infringement for employing web caching technology as part of its free search engine service.[81] This technology reproduces the text of a webpage and stores it in the Sogou server, and then displays it as part of its search results when a user searches for information contained in the webpage.[82] In the case in question, after an article published by a regional sports newspaper had been reproduced without permission in an online discussion forum, Sogou's web caching technology automatically stored and displayed the infringing article without obtaining the copyright owner's permission, and the article remained available after the online forum had removed it.[83] The Beijing Haidian District Court ruled that Sogou had infringed the copyright owner's right of communication over information networks under Article 10(12) of the 2010 Chinese Copyright Law.[84]

78. *See* Haochen Sun *supra* note 35, at 135–37.

79. *Id.* at 139–41.

80. Beijing Sougou Xinxi Fuwu Youxian Gongsi Yu Cong Wenhui Qinfan Xinxi Wangluo Chuanbo Quan Jiufen Shangsu An (北京搜狗信息服务有限公司与丛文辉侵犯信息网络传播权纠纷上诉案) [Beijing Sogou Info. Serv. Co. & Cong Wenhui, infringement of information network dissemination rights dispute appeal case], 2013 YIZHONG MIN ZHONGZI 12533, BEIDA FABAO MAGIC NO. CLI.C.90025660 (Beijing First Inter. People's Ct. Dec. 10, 2013).

81. *See* Haochen Sun & Jonny Xuyang Han, *supra* note 76, at 259.

82. *Id.*

83. *Id.*

84. *Id.*

However, the Beijing First Intermediate Court overturned the first instance ruling, holding that Sogou's use of the work for web caching purposes constituted fair use.[85] While web caching is not a fair use exemption under Article 22 of the 2010 Copyright Law, the Court stated that it was possible to *go beyond* that exhaustive list on two conditions: (1) that the use conformed to the substantive requirements of fair use, and (2) that the public interest would be harmed by a failure to reach a finding of fair use.[86]

With respect to the first condition, because Article 22 of the 2010 Copyright Law provided little substantive guidance—other than that the author and title should be identified and that the owner's other rights must not be prejudiced—the Court looked to Article 21 of the Implementation Regulation.[87] Based upon its statutory language, the Court reasoned that Article 21 created two substantive requirements for fair use: (1) to ensure that the work does not conflict with a normal use of a work, the reproduction must not be a substitute for the work in the marketplace; and (2) to ensure the owner's lawful rights and interests are not unreasonably prejudiced, the users must not directly earn profits from the use.[88]

Under the first requirement, the Court analyzed the main features of web caching to determine whether Sogou's reproduction constituted a substitute for the original work. First, it noted that Sogou's web caches merely reproduced the text of a web page, and therefore inadequately served users' need for all relevant information contained in the original work, such as videos or images.[89] Second, as web caches are not updated in real time, the cached text might not represent the most up-to-date version of a work.[90] Third, as web caches reproduce only the homepage of a website, the reproduction is incomplete, meaning that many users would choose to visit the original source for the remaining information.[91] Finally, as Sogou placed its web caches in the least noticeable area of its search results, users were less likely to focus on them over the main search results.[92] Based on

85. *Beijing Sogou Info. Serv. Co.*, 2013 YIZHONG MIN ZHONGZI 12533.
86. *Id.*
87. *Id.*
88. *Id.*
89. *Id.*
90. *Id.*
91. *Id.*
92. *Id.*

these points, the Court concluded that web caches, as produced by Sogou, did not amount to a substitute for original copyrighted works.[93] Under the second requirement, it held that Sogou did not profit, or have a direct intention to profit, from the web caching service because it had merely reproduced a limited portion of the original text, displayed it in a relatively unnoticeable manner, and applied no profit-making means such as advertising.[94]

With respect to the second condition for a fair use exemption beyond Article 22, the Court considered whether the public interest would be harmed by a ruling against Sogou.[95] It found several public interest justifications for Sogou's web caching service.[96] First, web caches ensure consistent access.[97] Even when an original website cannot be loaded owing to technical difficulties, the public can still access its information through the service offered by Sogou.[98] Second, as web caches are not updated in real time, users will be able find information contained in a work even after the work has been removed from the original website.[99] Third, Sogou's web caching service enhances search efficiency by highlighting user search keywords in the text.[100] Although Sogou did not itself raise this public interest argument, the Court believed such a proactive inquiry to be essential because, without a fair use defense, web caching services might cease entirely, as search engines would seek to avoid the burden of ensuring that every page in their web caching service stores did not infringe copyright.[101]

With the two conditions for finding an additional type of fair use met, the Beijing First Intermediate Court ruled that Sogou's web caching constituted a fair use under Chinese copyright law.[102] This decision was selected as one of the Top Ten Most Creative IP rulings by Beijing Courts in 2013,[103] and has been

93. *Id.*
94. *Id.*
95. *Id.*
96. *Id.*
97. *Id.*
98. Haochen Sun, *supra* note 35, at 172.
99. *Id.*
100. *Id.*
101. *Id.* at 172–73.
102. *Beijing Sogou Info. Serv. Co.*, 2013 YIZONG MIN ZHONGZI 12533.
103. Xuesong Zhang & Yanrong Li, *The 2013 Top Ten Most Creative IP Rulings by Beijing Courts*, BEIJING HIGH PEOPLE'S CT. (Apr. 26, 2014, 12:57 PM).

widely commented upon by IP scholars.[104]

Similarly, the Guangdong High Court has opined that it is legitimate and plausible to go beyond Article 22's exhaustive list of fair use exemptions on the grounds of protecting the public interest.[105] In *Guangzhou NetEase Computer System Co., Ltd. v. Guangzhou Huaduo Network Technology Co., Ltd.*,[106] it ruled that judges can consider whether the live streaming of video games constitutes a fair use in the public interest even though such an activity is not listed as a fair use exemption under Article 22.[107] This ruling was selected by the Chinese Supreme Court as one of the 50 typical IP rulings decided in 2019.[108] Therefore, it provides guidance to the lower courts in dealing with copyright fair use cases.[109]

B. TRADEMARK FAIR USE AND THE PUBLIC INTEREST

1. Fair Use Under the Chinese Trademark Law

As discussed in Part I, U.S. trademark law has both statutory and common law protections for fair uses of trademarks.[110] However, Chinese trademark law did not

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http://bjgy.chinacourt.gov.cn/article/detail/2014/04/id/1283339.shtml.

104. *See, e.g.*, LUO DONGCHUAN, LANDMARK COPYRIGHT CASES IN CHINA 208 (He Jiong trans., 2019).

105. Tianxiang He, *Transplanting Fair Use in China? History, Impediments and the Future*, 2020 U. ILL. J.L. TECH. & POL'Y 359, 382–84 (2020).

106. Guangzhou Wangyi Jisuanji Xitong Youxian Gongsi Su Guangzhou Huaduo Wangluo Keji Youxian Gongsi Qinhai Zhuzuo Quan Ji Bu Zhengdang Jingzheng Jiufen (广州网易计算机系统有限公司诉广州华多网络科技有限公司侵害著作权及不正当竞争纠纷) [Guangzhou Netease Comput. Sys. Co. v. Guangzhou Huaduo Network Tech. Co. for copyright infringement and unfair competition disps.] 2015 YUE ZHIFA MIN CHU ZI 16, BEIDA FABAO MAGIC NO. CLI.C.10200131 (Guangdong Higher People's Ct., YMZ No.137, Oct. 24, 2017) (China).

107. *See* Tianxiang He, *supra* note 105, at 384.

108. *Top 10 Intellectual Property Cases and 50 Typical Intellectual Property Cases in Chinese Courts in 2019*, SUPREME PEOPLE'S CT. PEOPLE'S REP. CHINA (Apr. 21, 2020, 3:41 PM), http://www.court.gov.cn/zixun-xiangqing-226511.html.

109. Note, *Chinese Common Law? Guiding Cases and Judicial Reform*, 129 HARV. L. REV. 2213, 2213 (2016) ("Since 2010, China's highest court has converted fifty-six judicial opinions into what are intended to be de facto binding decisions that courts 'at all levels should refer to . . . when adjudicating similar cases.'").

110. *See* George Fu & Cathy Wu, *The Balancing of Fair Use and Exclusivity—Trademark Rights under the Chinese Trademark Law: A Third Amendment Perspective*, 104 TRADEMARK REP. 1241, 1241–42 (2014) (citing 15

formally recognize descriptive fair use until the third amendment of the Chinese Trademark Law[111] was introduced in 2013.[112] Prior to that amendment, Article 49 of the Implementing Regulations of the Chinese Trademark Act[113] provided exceptions "for the use of common names, logos, or models conferred by a trademark or the quality, principal raw materials, functions, uses, weight, quantities, geographic names, or other features that are explicitly expressed by the registered trademark."[114] Although this wording covered many descriptive uses of registered trademarks, some were potentially excluded, such as the use of surnames or names of individuals or organizations.[115]

Upon its third amendment passed in 2013, the Chinese Trademark Law was extended to cover descriptive uses. Article 59 prescribes that

> [t]he holder of the exclusive right to use a registered trademark shall have no right to prohibit others from properly using the generic name, graphics or models of a commodity contained in the registered trademark, or such information as directly indicates the quality, main raw materials, functions, purposes, weight, quantity or other features of the commodity, or the names of the geographical locations as contained therein.[116]

U.S.C. § 1115(b)(4) and New Kids on the Block v. News Am. Publ'g, 971 F.2d 302 (9th Cir. 1992)).

111. Zhonghua Renmin Gongheguo Shangbiao Fa (中华人民共和国商标法) [Trademark Law of the People's Republic of China] (promulgated by the Standing Comm. Nat'l People's Cong., Aug. 30, 2013, effective May 1, 2014), art. 59, 305 STANDING COMM. NAT'L PEOPLE'S CONG. GAZ. 713 (2013).

112. *See* George Fu & Cathy Wu, *supra* note 110, at 1242.

113. Zhonghua Renmin Gongheguo Shangbiao Fa Shishi Tiaoli (中华人民共和国商标法实施条例) [Implementing Regulations of the Trademark Law of the People's Republic of China] (promulgated by St. Council People's Rep. China, Aug. 3, 2002, rev'd by St. Council People's Rep. China, Apr. 29, 2014, effective May 1, 2014), art. 49, *translated in Implementing Regulations of the Trademark Law of the People's Republic of China*, WIPO LEX, https://www.wipo.int/edocs/lexdocs/laws/en/cn/cn342en.pdf (last visited Jan. 31, 2022).

114. George Fu & Cathy Wu, *supra* note 110, at 1243 ("For a long time, Article 49 of the Regulations was cited as the main legal basis for the fair use defense.").

115. *Id.*

116. *Trademark Law of the People's Republic of China*, WIPO LEX 18, https://www.wipo.int/edocs/lexdocs/laws/en/cn/cn195en.pdf (last visited Jan. 31,

However, neither the third amendment nor the latest fourth amendment of 2020 provides better definition of descriptive fair use.[117] The Trademark Law therefore remains silent on whether the legality of a descriptive use depends on the absence of any likelihood of consumer confusion.[118] In this context, the Chinese courts have made conflicting judicial decisions, which demonstrates the importance of revising the Chinese Trademark Act to harmonize the relevant legal rules.[119] Some courts have opined that the likelihood of consumer confusion bars a finding of descriptive use. For example, in a 2002 guideline, the Beijing High Court initially itemized four factors that permit a finding in favor of descriptive use: 1) the use of another's trademark is done in good will; 2) another's trademark is not used as a trademark; 3) the purpose of the use is to describe one's own products or services; and 4) the use of another's trademark will not create consumer confusion.[120] However, in 2006, the Beijing High Court deleted the fourth factor from the descriptive use test, and its subsequent judicial decisions have not considered potential consumer confusion.[121]

2. Judicial Extensions of Trademark Fair Use

In contrast to the Chinese Trademark Law's narrow focus on descriptive fair use, the limitations on trademark rights under the trademark laws of the E.U. and U.S. broadly cover both descriptive use and nominative use exemptions. The nominative fair use exemption permits the use of another's trademark to refer to the trademark owner's goods and services for the purposes of criticism, news reporting, and/or comparison.[122] For example, U.S. courts have allowed newspapers to use the name of a music group as a trademark to solicit public opinion on that group,[123] and the European Court of Justice permitted a company to use the Gillette trademark to indicate that the blades it produces are compatible with Gillette

2022).

117. *See* George Fu & Cathy Wu, *supra* note 110, at 1244.

118. *See id.* ("The doctrine does not, however, justify the deliberate use of another party's mark as a trademark.").

119. *See, e.g.*, *id.*

120. *Id.*

121. *Id.*

122. *Id.* at 1248.

123. 971 F.2d 302, 308–09 (9th Cir. 1992).

handles.[124]

Although the Chinese Trademark Law allows only for descriptive use, the Chinese courts have relied on nominative use in deciding cases without any statutory basis. In such cases, the courts have protected the interests of consumers and businesses by holding that the nominative use of a trademark can be fair despite not being an existing statutory exception to infringement.

In *Shanghai Maisi Investment Co. v. Victoria's Secret*,[125] for example, the defendant sold authentic Victoria's Secret products purchased from a third-party company.[126] The defendant also used Victoria's Secret's registered trademarks in its various business activities. After Victoria's Secret sued the defendant for trademark infringement, the defendant invoked the fair use defense, asserting that the products it sold were legally purchased from another company, and its use of the trademarks in the course of the sale therefore constituted a fair use under Chinese trademark law.[127]

The Shanghai High Court expressly recognized the nominative use of a trademark as a defense against the allegation of infringement because such use is intended to indicate the source of goods to consumers and to help them make purchase decisions.[128] However, it also noted that such use should be restricted to the extent necessary to indicate the source of the goods.[129] Otherwise, the use would amount to an infringement of trademark rights.[130]

The Court found that the defendant had used the Victoria's Secret trademarks on signs, walls, counters, the name tags of store staff, VIP cards, and background screens in a fashion show and had publicly declared that its store was a Victoria's Secret

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124. Case C-228/03, Gillette Co. & Gillette Grp. Fin. Ltd. v. LA-Lab'ys Ltd., 2005 E.C.R. I-2337.

125. Shanghai Maisi Touzi Guanlli Youxian Gongsi Yu Weiduoliya de Mimi Shangdian Pinpai Guanli Gongsi Qinhai Shangbiao Quan, Bu Zhengdang Jingzheng Jiufen Shangsu An (上海麦司投资管理有限公司与维多利亚的秘密商店品牌管理公司侵害商标权、不正当竞争纠纷上诉案) [Shanghai Maisi Inv. Mgmt. Co. v. Victoria's Secret Store Brand Mgmt. Co. (A Trademark Infringement and Unfair Competition Appeal Case)] 2017 SUP. PEOPLE'S CT. GAZ. 8 (Shanghai Higher People's Ct. Case No. 104, Feb. 13, 2015) (China).

126. *Id.*

127. *Id.*

128. *Id.*

129. *Id.*

130. *Id.*

outlet.[131] These uses had misled members of the consuming public, causing them to erroneously believe that the defendant was a licensee of Victoria's Secret.[132] The Court further found that the use of the trademarks in the defendant's online advertising was intended to promote its own franchise operations,[133] and therefore went beyond what was necessary to indicate the source of the goods.[134]

In *Nippon v. Shanghai Zhanjin Trading Co.*,[135] the defendant was sued for its unauthorized use of the NIPPON trademark in selling Nippon and other branded paints on Taobao.com, one of the largest e-commerce platforms in China.[136] The Shanghai First Intermediate Court ruled in favor of the defendant on the basis of nominative use, holding that such use of a trademark is legal as long as the user has not caused consumer confusion or harmed the legitimate interests of the trademark owner.[137]

The Court observed that the trademark had been used in a picture to present Nippon products to consumers, together with pictures of other branded paint products.[138] As to the layout of the defendant's webpage, the main section presented information on the products of various brands, including pictures, names, prices, and sales records.[139] Accordingly, the relevant public would normally believe that the NIPPON trademark was being used to offer information on the trademark owner's paint products rather than presenting the product seller's trade name, trademark, or business style.[140] This sort of nominative use, according to the Court, conveys information on

131. *Id.*; *see also* Zhu Rui, *Victoria's Secret Wins Trademark Lawsuit*, CHINA REP. INTELL. PROP. (Dec. 10, 2014), http://english.cnipa.gov.cn/transfer/2017-10/20171023201945550610.pdf.

132. *Victoria's Secret*, Shanghai Higher People's Ct. Case No. 104.

133. *Id.*

134. *Id.*

135. Li Bang Tuliao (Zhongguo) Youxian Gongsi Su Shanghai Zhan Jin Maoyi Youxian Gongsi Deng Shangbiao Quan Quan Shu Qinquan Jiufen Yi An (立邦涂料（中国）有限公司诉上海展进贸易有限公司等商标权权属、侵权纠纷一案) [Nippon Paint (China) Co. v. Shanghai Zhanjin Trading Co. & Zhejiang Taobao Network Co. for trademark infringement disputes], BEDIA FABAO MAGIC NO. CLI.C.6243684 (Shanghai First Interm. People's Ct., May 24, 2012).

136. *Id.*

137. *Id.*

138. *Id.*

139. *Id.*

140. *Id.*

the trademark owner's products.[141] It does not disrupt the function of the trademark in indicating the source of those products and would not cause any confusion about that source in the minds of relevant consumers.[142]

My search of Alpha, a legal database, showed that as of December 2018, Chinese judges had applied nominative fair use to settle 101 trademark cases, and a recent search of Beida Fabao showed that from January 2019 to November 2020, Chinese judges did so to settle 98 cases.[143] The Chinese Supreme Court has selected nine of these decisions as typical IP rulings and published the aforementioned *Victoria's Secret* ruling in its *Gazette*.[144] Through this publication, the Supreme Court not only indicated its agreement with the *Victoria's Secret* ruling but also selected it as a guiding case for lower courts.[145]

IV. DECIPHERING CHINESE JUDGES' DEVIATIONS FROM THE CIVIL LAW TRADITION

The preceding Part showed how Chinese judges have deviated from copyright and trademark statutes by going beyond their provisions to create new limitations on copyrights and trademark rights. But do such deviations from the civil law tradition amount to illegitimate judicial activism? Or do they amount to legitimate judicial creativity in protecting the public interest where IP statutes are silent?

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141. *Id.*

142. *Id.*

143. BEIDA FABAO, http://www.pkulaw.cn/, (searching for "nominative fair use" (指示性合理使用) on January 23, 2021.

144. Shanghai Maisi Touzi Guanlli Youxian Gongsi Yu Weiduoliya de Mimi Shangdian Pinpai Guanli Gongsi Qinhai Shangbiao Quan, Bu Zhengdang Jingzheng Jiufen Shangsu An (上海麦司投资管理有限公司与维多利亚的秘密商店品牌管理公司侵害商标权、不正当竞争纠纷上诉案) [Shanghai Maisi Inv. Mgmt. Co. v. Victoria's Secret Store Brand Mgmt. Co. (A Trademark Infringement and Unfair Competition Appeal Case)] 2017 SUP. PEOPLE'S CT. GAZ. 8 (Shanghai Higher People's Ct. Case No. 104, Feb. 13, 2015) (China).

145. *See* Susan Finder, *China's Evolving Case Law System in Practice*, 9 TSINGHUA CHINA L. REV. 245, 248 (2017) ("Cases published in the monthly SPC Gazette (最高人民法院 公报) which take two forms: selected judgments (裁判文书选登) and cases (案例) generally totaling 20-30 annually. The first type are cases decided by various trial divisions of the SPC and reflect their views on certain issues, while the second are model cases submitted by the local courts (through the provincial high courts), which have been reviewed by various divisions of the SPC. The cases, which have been edited, contain a summary of the important points of the case (裁判摘要).").

In this Part of the article, I argue that these judicial practices should be regarded as creative destruction of the civil law tradition for the purpose of protecting the public interest through IP law. Based upon the civil law tradition, Chinese IP statutes are not capable of achieving that kind of dynamic protection of the public interest. This is because Chinese judges' expansive interpretations of fair use limitations constitute legitimate judicial activism, resulting in both the proactive and creative protection of the public interest, as well as better alignment between IP statutes and technological developments.

A. PROACTIVE PROTECTION OF THE PUBLIC INTEREST

In deciding the cases discussed in the preceding part, the judges concerned faced a dilemma over whether they should merely apply the textual meaning of the relevant statutory provisions at the expense of the public interest or liberally interpret those provisions in the public interest. In fact, judges around the world have been oftentimes bedeviled by this dilemma. The law is replete with ambiguous legal terms, as it uses language to convey its meanings to the public.[146] As Professor Saul Levmore wrote, "[a]mbiguity can be intentional or unintentional; it can derive from misunderstandings about language, from simple mistakes, from a failure to plan ahead, or from the impossibility of seeing very far ahead."[147]

Given the inevitable existence of loopholes in the law, the dilemma faced by Chinese judges is by no means unique to them, nor is it the result of discrepancies between the civil law and common law traditions. In fact, such a dilemma universally poses hard legal cases for judges around the world, regardless of whether they are civil law or common law judges. Strict

146. *See* Felix S. Cohen, *Transcendental Nonsense and the Functional Approach*, 35 COLUM. L. REV. 809, 836 (1935) ("A definition [in law] is in fact a type of insurance against certain risks of confusion. It cannot, any more than can a commercial insurance policy, eliminate all risks. Absolute certainty is as foreign to language as to life. There is no final insurance against an insurer's insolvency. And the words of a definition always carry their own aura of ambiguity. But a definition is useful if it insures against risks of confusion more serious than any that the definition itself contains."). *See also* Christopher L. Kutz, Note, *Just Disagreement: Indeterminacy and Rationality in the Rule of Law*, 103 YALE L.J. 997, 1004 (1994) ("Vagueness is an ineradicable feature of our everyday language, and its pervasiveness in the law is the most commonly invoked reason for thinking that the law is indeterminate.").

147. Saul Levmore, *Ambiguous Statutes*, 77 U. CHI. L. REV. 1073, 1077 (2010).

adherence to existing legislation could deny protection to technology which offers substantial public benefits. For instance, it is currently unclear whether the use of copyrighted material in training datasets for Artificial Intelligence falls under fair use, but a categorical rejection of this notion would cripple the potential of the technology and prevent a myriad of potential applications.[148]

For some judges, statutory ambiguities and limitations are seen as a starting point from which they have the opportunity "to make good law as they see it, to offset interest group effects, or to protect fragile minorities."[149] Critics might argue that this is undemocratic and suggest that judges should instead assign statutes "the understanding usually associated with that language at the time the statute was enacted[.]"[150] However, as demonstrated above, intellectual property law is an area of law particularly prone to technological advancements that render original legislative intention outdated. Furthermore, in cases of simple language ambiguities, proponents of the activist approach have argued that Congress always has the option of choosing between precise and imprecise language, therefore ambiguity is a direct invitation for the courts to interpret a statute creatively.[151]

In the cases discussed in the preceding part, judges proactively protected the public interest when strictly following certain statutory provisions, such as Article 22 of the 2010 Copyright Act and its exhaustive list of fair uses, would have caused injustice and harm to the public interest. By deviating from the civil law tradition for the three reasons I discuss below, these judges correctly applied and interpreted those rigid statutory provisions in light of Article 4 of the 2010 Chinese Copyright Act, which stipulated the public interest principle as requiring that "[c]opyright owners, in exercising their copyright, shall not violate the Constitution or laws or prejudice the public interests."[152]

First, one of the primary causes of deviation from the civil

148. Benjamin L. W. Sobel, *Artificial Intelligence's Fair Use Crisis*, 41 COLUM. J.L. & ARTS 45, 61, 80 (2017).

149. *See* Levmore, *supra* note 147, at 1077.

150. *Id.* at 1077–78, 1081.

151. *See* Arthur S. Miller, *Statutory Language and the Purposive Use of Ambiguity*, 42 VA. L. REV. 23, 23–24 (1956).

152. Copyright Law of the People's Republic of China (2010), art. 24, 282 STANDING COMM. NAT'L PEOPLE'S CONG. GAZ. 159.

law tradition by Chinese judges is the absence of a basis within dispositive provisions of the Copyright Law for making decisions that serve the public interest. In the absence of applicable provisions, the courts could arguably be required to dismiss novel applications of protected IP out of hand. A rigid understanding of IP law can therefore deny the public access to new technologies and limit innovation.

In going beyond the exhaustive list of statutory fair use exceptions in Article 22 of the 2010 Copyright Law to exempt Sogou's web caching service, the judges in *Sogou* demonstrated the public interest value of moving beyond the civil law tradition.[153] As established above, the Beijing First Intermediate Court found that this use, i.e., web caching, did not constitute a substitution for the original work in the marketplace and that Sogou had not directly profited from that use.[154] These factors enabled the Court to protect the numerous public benefits offered by the service, including assistance in online navigation and increased search efficiency.[155] The judicial discretion it exercised in proactively considering the existence of a public interest was kept in check by the fair use factors protecting the market value of copyrighted works.[156] Furthermore, had its approach not been employed, the public interest could have been severely damaged through the institution of a total ban on this novel internet service.

Second, by going beyond the statutory list of fair use exemptions, Chinese judges have safeguarded the public interest by protecting users' right to make fair use of copyrighted works and trademarks. Conventionally, fair use is treated as an affirmative defense against allegations of IP infringement.[157] In line with this characterization of fair use, users are procedurally

153. *See Beijing Sogou Info. Serv. Co.*, 2013 YIZHONG MIN ZHONGZI 12533.

154. *Id.*

155. *Id.*

156. *See, e.g.*, CARDOZO, *supra* note 1, at 167–74 (discussing the tension between the legislature's intent and to effectuate the spirit of the times).

157. *See, e.g.*, Peter Letterese & Assocs. v. World Inst. of Scientology Enters. Int'l, 533 F.3d 1287, 1307 n.21 (11th Cir. 2008) ("The affirmative defense of fair use is a mixed question of law and fact as to which the proponent carries the burden of proof."); Am. Geophysical Union v. Texaco Inc., 60 F.3d 913, 918 (2d Cir. 1994) ("Fair use serves as an affirmative defense to a claim of copyright infringement, and thus the party claiming that its secondary use of the original copyrighted work constitutes a fair use typically carries the burden of proof as to all issues in the dispute."); Columbia Pictures Indus. v. Miramax Films Corp., 11 F. Supp. 2d 1179, 1187 (C.D. Cal. 1998) ("Because fair use is an affirmative defense, Defendants bear the burden of proof on all of its factors").

required to bear the burden of producing the requisite evidence and persuading the courts that said evidence is sufficiently probative to demonstrate that their use of the copyrighted work in question satisfies all fair use factors.[158] However, this procedural treatment of fair use has resulted in inequality.[159]

The public interest principle requires fair use to be treated as a collective user right. According to the principle, only public interest uses that comport with group or societal interests are protected by the fair use right.[160] Therefore, such public interests are by nature collectively shared by users as members of a group or society. Given the collective nature of users' interests, fair use should be characterized as a collective user right.

Third, the aforementioned rulings made by Chinese judges were in response to problems with the overly rigid list of existing statutory limitations on the IP right. The Google Library decision demonstrates how difficult it can be to serve the public interest when the courts must apply such a predetermined list of permissible fair use exemptions. None of the statutory exemptions under Article 22 of the 2010 Copyright Act was applicable to defending the legality of Google Library's operation in China.[161] Although the Beijing First Intermediate Court proclaimed at the outset of its first instance decision that the purpose of copyright is to protect the public interest, the Court's focus was on protecting the rights of authors to achieve that goal.

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158. *See* Ned Snow, *Proving Fair Use: Burden of Proof as Burden of Speech*, 31 CARDOZO L. REV. 1781, 1784 (2010) (pointing out that to prove the existence of fair use, a user is required to "produce the necessary evidence (even where the inquiry is speculative) and to persuade the court that her interpretation of the evidence reflects fact (even where the inquiry is subjective)").

159. *See id.*

160. Wendy J. Gordon & Daniel Bahls, *The Public's Rights to Fair Use: Amending Section 107 to Avoid the "Fared Use" Fallacy*, 2007 UTAH L. REV. 619, 626 (2007) ("[F]air use is a 'right' in all these senses: it is an existing liberty, to which the public has an enduring entitlement, and which deserves significant weight."). For a theoretical discussion of how to treat fair use and fair dealing as a user right, see *Id. See also* Abraham Drassinower, *Taking User Rights Seriously*, *in* IN THE PUBLIC INTEREST: THE FUTURE OF CANADIAN COPYRIGHT LAW 462, 463 (Michael Geist ed., 2005); Niva Elkin-Koren, *Copyright in a Digital Ecosystem: A User Rights Approach*, *in* COPYRIGHT LAW IN AN AGE OF LIMITATIONS AND EXCEPTIONS 132, 133–34 (Ruth Okediji, ed., 2017); Niva Elkin-Koren, *The New Frontiers of User Rights*, 32 AM. UNIV. INT'L L. REV. 1, 4 (2016); Joseph P. Liu, *Copyright Law's Theory of the Consumer*, 44 B.C. L. REV. 397, 425–26 (2003) ("Instead, the law sets entitlements to give recognition to these interests, to provide breathing space for others to interact with copyrighted works.").

161. *See* Haochen Sun, *supra* note 35, at 132.

It held that Google's full-text reproduction could not constitute a fair use owing to the potential harm to the market interests of copyright holders.[162] The Beijing High Court concurred.[163] Despite acknowledging the possibility of going beyond the Article 22 list of exemptions, the Court did not explore whether Google Library constituted a new form of fair use.[164] Both courts thus failed to properly consider the broader public interest in this resource, denying internet users its valuable research benefits.

Judicial rulings such as *Sogou*, however, reversed the overly rigid treatment of fair use in the public interest. Primarily, they clarified that it is possible for the Chinese courts to go beyond the twelve examples of fair dealing listed in Article 22 of the 2010 Copyright Act.[165] The effect of these rulings has been to demonstrate that the rigid Chinese model of fair use can be made more flexible and receptive to public interest considerations.[166] Although the latest revision of the Copyright Act in 2020 did not alter the model's rigidity, IP professionals and scholars can still rely on the rulings to continue to push hard for a more liberal statutory fair use mechanism in China. Moreover, the trademark rulings discussed in the preceding Part demonstrate the urgent need for China to consider revising the Trademark Act to embrace other rights limitations such as the nominative use exemption, thereby empowering the courts to decide similar cases by directly following new statutory rules.

B. CREATIVE METHODS TO ASCERTAIN PUBLIC INTERESTS

In addition to affirming the prime importance of the public

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162. *Id.* at 140.

163. *Id.*

164. *Id.* at 140–41.

165. *See* Haochen Sun & Jonny Xuyang Han, *supra* note 76, at 263.

166. Chen Shaoyu (陈韶虞), *Ban Quan Zhi Shi—Qian Tan Zuo Pin de "He Li Shi Yong"* (版权知识——浅谈作品的 " 合理使用") [Copyright Knowledge—Discussing "Fair Use" of a Work], Li Lun Xue Kan [THEORY J.] no. 4, 1987, at 72, 73 (China) ("The purpose of fair use is primarily to ensure that the masses can quickly and conveniently access all types of scientific knowledge, thereby promoting the improvement of society's scientific and cultural standards and societal development. As for those uses which harm both the author's and society's interests by engaging in the unauthorized reprinting or seeking personal gain through some other form, this conduct is a type of serious copyright infringement.") (*cited in* Stephen McIntyre, *The Yang Obeys, but the Yin Ignores: Copyright Law and Speech Suppression in the People's Republic of China*, 29 UCLA PAC. BASIN L.J. 75, 100 n.168 (2011)).

interest principle in the IP judicial process, Chinese judges have shed new light on how to apply the principle to determine the scope of the public interest in practice. They have developed a broad "public interest standard" to encompass a range of public interests related to fair uses of copyrighted works and trademarks. That range of interests is broader than that protected by the transformative use standard developed by U.S. judges, which is a legal method that is more dynamic and effective in protecting the public interest than the Chinese approach.

Since the U.S. Supreme Court's ruling in *Campbell v. Acuff-Rose Music, Inc.*,[167] transformative use has been the predominant legal standard for fair use analysis.[168] In *Campbell*, the Court opined that the "[t]he more transformative the new work, the less will be the significance of other factors, like commercialism, that may weigh against a finding of fair use."[169]

By nature, transformative use protects the public interest. The immediate beneficiary is the person who uses the work for the transformative purpose concerned. For instance, by making transformative use of copyrighted books, Google received the immediate benefit of creating Google Library. However, the ultimate beneficiaries are members of the public. By adding a "new expression, meaning, or message"[170] or function[171] to the

167. 510 U.S. 569, 585 (1994) ("[T]he fact that even the force of that tendency will vary with the context is a further reason against elevating commerciality to hard presumptive significance.").

168. *See* Matthew Sag, *Predicting Fair Use*, 73 OHIO ST. L.J. 47, 84 (2012) ("[T]ransformative use by the defendant is a robust predictor of a finding of fair use."); Rebecca Tushnet, *Copy This Essay: How Fair Use Doctrine Harms Free Speech and How Copying Serves It*, 114 YALE L.J. 535, 555 (2004) ("[F]air use law has been realigned around transformative use[.]").

169. 510 U.S. at 579; *see also* Mattel Inc. v. Walking Mountain Prods., 353 F.3d 792, 800 (9th Cir. 2003) ("The Supreme Court has recognized that parodic works, like other works that comment and criticize, are by their nature often sufficiently transformative to fit clearly under the fair use exception."); Kelly v. Arriba Soft Corp., 336 F.3d 811, 818 (9th Cir. 2003) ("The more transformative the new work, the less important the other factors, including commercialism, become."); Suntrust Bank v. Houghton Mifflin Co., 268 F.3d 1257, 1271–74 (11th Cir. 2001) ("[C]onsideration of [the transformative nature of the parody] certainly militates in favor of a finding of fair use, and, informs our analysis of the other factors[.]").

170. *Campbell*, 510 U.S. at 579.

171. *See*, *e.g.*, Perfect 10, Inc. v. Amazon.com, Inc., 508 F.3d 1146, 1165 (9th Cir. 2007) (citing *Kelly*, 336 F.3d at 818–19)) ("[M]aking an exact copy of a work may be transformative so long as the copy serves a different function than the original work[.]"). The court found a search engine's copying of website images in order to create an Internet search index transformative because the original

original work, a transformative use communicates a new work or the original to the public with benefits that the copyright holder of the original work did not intend to offer.[172] Therefore, it ultimately "enrich[es] public knowledge."[173]

However, the major problem with the transformative use standard is that it does not protect public interests in non-transformative uses of copyrighted works. For instance, it would rule out web caching, a commonly used information technology for the temporary storage (caching) of Web pages and images to reduce server lag. Web caching triggers only the verbatim copying of works. The transformative use standard requires that users of an existing work create a new expression and function of that work, which precludes web caching from qualifying as a fair use. However, the public interest standard, as applied by Chinese judges in certain landmark cases, embraces the public interests promoted by such non-transformative uses of works as web caching, thereby protecting them as fair uses under Chinese IP law.

The judges in *Sogou* outlined two substantive public interest requirements for fair use.[174] By determining from Article 21 of the Implementation Regulation that unauthorized uses must not create a substitute for the original work and should not be made for profit-making purposes, the court replicated some elements of U.S. fair use analysis.[175] For instance, the first and fourth factors of fair use analysis under Section 107 of the U.S. Copyright Act consider the purpose of the use and the effect of the use on the potential market for the use, respectively.[176] The *Sogou* judges did not consider the nature of the copyrighted work or explicitly consider whether its use for web caching was transformative.[177] However, they did examine how web caching

works "serve[d] an entertainment, aesthetic, or informative function, [whereas the] search engine transforms the image into a pointer directing a user to a source of information." *Id.*

172. Authors Guild v. Google, Inc., 804 F.3d 202, 214 (2d Cir. 2015) ("[T]ransformative uses tend to favor a fair use finding because a transformative use is one that communicates something new and different from the original or expands its utility, thus serving copyright's overall objective of contributing to public knowledge.").

173. *Id.*

174. *Beijing Sogou Info. Serv. Co.*, 2013 YIZHONG MIN ZHONGZI 12533. *See also supra* notes 81–87 and accompanying text.

175. *See* Haochen Sun & Jonny Xuyang Han, *supra* note 76, at 263–64.

176. *Id.* at 264.

177. *See Beijing Sogou Info. Serv. Co.*, 2013 YIZHONG MIN ZHONGZI 12533.

serves to protect the public interest.[178] Therefore, despite Chinese legislation establishing a fair use model that permits only specified uses of copyrighted works, the *Sogou* ruling demonstrates that Chinese judges are capable of applying legislation in a way that reflects fair use when a novel use serves the public interest.

Furthermore, the *Sogou* ruling has significantly advanced the application of public interest in fair use cases. It demonstrates that as long as a court can identify specific public benefits, the public interest standard can be satisfied.[179] The judges in the case also examined what might happen if the public interest use in question were disallowed, noting that the public would be deprived of web caching entirely if search engines were forced to take on unnecessarily burdensome responsibilities.[180] Given the virtually limitless potential for new online uses of works in the digital age, it would be damaging to progress if judges were forced to ignore the public interest in these circumstances. The *Sogou* ruling therefore demonstrates that judges hearing the Google Library case should have prioritized copyright law's role in protecting uses of copyrighted materials that carry significant benefits such as improved access to ideas, knowledge, and stories.[181] If the *Sogou* approach had been applied to the Google Library case, it seems inevitable that a

178. *Id.*; Haochen Sun & Jonny Xuyang Han, *supra* note 76, at 264 (quoting *Kelly*, 336 F.3d at 820) ("According to the U.S. Court of Appeals for the Ninth Circuit, the transformative use doctrine is by nature designed to protect the public interest: 'The [U.S.] Copyright Act was intended to promote creativity, thereby benefitting the artist and the public alike. To preserve the potential future use of artistic works for purposes of teaching, research, criticism, and news reporting, Congress made the fair use exception. Arriba's use of Kelly's images promotes the goals of the Copyright Act and the fair use exception. The thumbnails do not stifle artistic creativity because they are not used for illustrative or artistic purposes and therefore do not supplant the need for the originals. In addition, they benefit the public by enhancing information-gathering techniques on the internet.'").

179. Haochen Sun & Jonny Xuyang Han, *supra* note 76, at 264.

180. *Id.* at 265 ("The court indicates that a ruling in favor of Cong's demand, that web cache providers delete all infringing images even without any take-down notice from copyright owners, would seriously jeopardize public interest. Only a small part of web caches involves copyright infringing materials. Moreover, the existing technology could not possibly consider the particular conditions of the specific web caches that involve copyright infringements. Therefore, the only viable option to satisfy Cong's demand would be to completely terminate the web cache service as a whole.").

181. *See id.* at 266 (noting how the American Google Library holding protected the public interest by rejecting the copyright infringement claim against it).

different decision would have been reached.

Finally, the proactive examination of the public interest in *Sogou* constitutes an important step forward for social justice, a value that underlies any judicial system. The judges' flexible approach helped to ensure that information is not monopolized by copyright owners at the expense of the public.[182] Social justice requires the courts to call copyright owners' infringement claims into question, and further requires that a defendant's failure to make a social justice case should not be grounds for the public to be denied potential benefits.[183] Fair use, by its very nature, is designed to promote social justice.[184] Following *Sogou*, the Chinese courts may feel more empowered to take it upon themselves to protect the public interest. Equally, defendants may be more willing to raise similar arguments when accused of copyright infringement for uses that serve a genuine purpose.

With respect to nominative fair use, Chinese judges have also identified ways to ascertain the scope of public interest associated with trademark protection. First, the Chinese courts have explicitly recognized a nominative use exemption, albeit without any statutory basis to do so under the Chinese Trademark Act. In *Toyota v. Zhejiang Geely*,[185] for example, the defendant, Geeley, a Chinese car manufacturer, had used the Toyota trademark in its promotional materials to show that its car engines incorporated technology licensed from Toyota.[186] Although the Beijing Second Intermediate Court upheld Geely's contention that such use was legal, it was unable to base its

182. *See* Haochen Sun, *supra* note 35, at 172–73.

183. *Id.*

184. *See, e.g.*, Haochen Sun, *Copyright and Responsibility*, 4 HARV. J. SPORTS & ENT. L. 263, 299 (2013) (discussing how copyright law can promote social justice); MADHAVI SUNDER, FROM GOODS TO A GOOD LIFE: INTELLECTUAL PROPERTY AND GLOBAL JUSTICE 105–119 (2012) (considering examples of how fair use can promote social justice).

185. (Riben) Fengtian Zidong Che Zhushi Huishe Su Zhejiang Jili Qiche Youxian Gongsi Deng Qinfan Shangbiao Quan Ji Bu Zhengdang Jingzheng jiufen An Pingxi ((日本)丰田自动车株式会社诉浙江吉利汽车有限公司等侵犯商标权及不正当竞争纠纷案评析) [(Japan) Toyota Motor Co., Ltd. v. Zhejiang Geely Automobile Co., Ltd., etc., on trademark infringement and unfair competition disputes] ER ZHONG MIN CHU ZI 06286 (Beijing Second Inter. People's Ct. 2003), *unofficially reproduced in* Zhongguo Zhishi Changquan Lushi Wang (中国知识产权律师网) [CHINA INTELL. PROP. LAW. NET] (Dec. 21, 2006), http://180.76.51.122:8080/html/fgsb/20061221/122644.html. For an English-language description of the key facts and holding, see Mark O'Neill, *Toyota Loses Logo Suit in China*, S. CHINA MORNING POST (H.K.) (Nov. 25, 2003), https://www.scmp.com/article/435868/toyota-loses-logo-suit-china.

186. CHINA INTELL. PROP. LAW. NET, *supra* note 185.

ruling on a finding of nominative fair use.[187] Instead, it merely held that Geely's use of the trademark conformed to normal business practice,[188] which is by no means a legal rule under the Trademark Act.

Other courts have defined nominative use as a legitimate trademark rights limitation in cases involving internationally famous trademarks. For example, in *Caterpillar, Inc. v. Ruian Changshen*,[189] the defendant's automobile filters had been affixed with the defendant's registered mark "C" and "FORCATERPILLAR."[190] The court noted that filters are unique and indispensable components of automobiles and that because different filters match different cars, it is important for manufacturers to help consumers by identifying which filters they need.[191] However, the court also stated such a use must be in good faith and strictly limited to a reasonable scope, thus leading to its finding in this case that the use had exceeded what was necessary, as the defendant had emphasized Caterpillar's mark while making its own difficult to locate.[192] This accordingly confused customers as to the filters' origin and did not constitute fair use.[193]

C. ALIGNING IP LAW WITH TECHNOLOGICAL DEVELOPMENT

It is in the IP field that the value of judicial flexibility in the absence of legislation is especially evident, as IP law must be dynamic enough to continue to protect the public interest through the promotion of new technology. Technology is in a perpetual state of flux, industries can quickly develop then disappear, and new techniques and processes are continually adopted to displace older methods.[194]

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187. *Id.*

188. *Id.*

189. Kate Bi Lei Su Changsheng Lu Qing Qi Shangbiao Su Su An (卡特彼勒诉长生滤清器商标侵权纠纷案) [*Caterpillar v. Changsheng Filter Trademark Infringement Case*], ER ZHONG MIN ZHONG SHENG 78286 (Shanghai Pudong New Dist. Ct. 2007), *unofficially reproduced in* Zhongguo Zhishi Changquan Lushi Wang (中国知识产权律师网) [CHINA INTELL. PROP. LAW. NET] (Aug. 24, 2007), http://180.76.51.122:8080/html/sfsb/20070824/123097.html.

190. *See* George Fu & Cathy Wu, *supra* note 110, at 1250.

191. *Id.*

192. *Id.*

193. *Id.*

194. Dan L. Burk, *Patent Reform in the United States: Lessons Learned*, REGULATION, Winter 2012-2013 at 20, 20–21.

In the case of copyright, technological developments spurred by the Internet are constantly creating new ways to consume, share, and replicate protected works. Moreover, in addition to new technologies of dissemination, Artificial Intelligence is providing new ways to create works. Machine learning algorithms have made it possible for systems to process data in order to generate new pieces of work, with the technology already being applied in music, journalism and gaming.[195] These developments have ignited important legal debates. For instance, from one perspective, holding that algorithm-generated works fall outside of the scope of copyright should be considered fair as the technology makes it easier than ever to create works and the public should be able to benefit from this.[196] However, from the other perspective, those who wrote the algorithms would argue that this approach would harm the creative economy, as it would have a chilling effect on investment in automated systems.[197] As described above, if judges are unduly restricted by the civil law tradition, they would be unable to play a positive role in this process by adapting or extending existing law while waiting for legislative reform.

While technology and copyright are often in bitter conflict, there is a long history of the Constitution's goal of promoting the progress of science being realized, with the two generally "coming out together stronger on the other side".[198] In U.S. copyright law, there is an extensive history of judge-made fair use principles being used to promote technological innovation. For instance, in *Sony Corp. of America v. Universal City Studios, Inc.*,[199] the court held that Sony's Betamax technology, which enabled users to copy protected works while also enabling private, noncommercial time-shifting of those works at home, was protected under fair use, as it had significant non-infringing uses.[200] This ensured that the motion picture industry could not

195. Andres Guadamuz, *Artificial Intelligence and Copyright*, WIPO MAG., Oct. 2017, at 14, 17 https://www.wipo.int/export/sites/www/wipo_magazine/en/pdf/2017/wipo_pub_121_2017_05.pdf.

196. *Id.* at 17–18.

197. *Id.* at 18–19.

198. Brad Greenberg, *Copyright Law and New Technologies: A Long and Complex Relationship*, LIBR. OF CONG.: COPYRIGHT: CREATIVITY AT WORK (May 22, 2017), https://blogs.loc.gov/copyright/2017/05/copyright-law-and-new-technologies-a-long-and-complex-relationship/.

199. 464 U.S. 417 (1984).

200. *Id.* at 442.

prevent the distribution of tape recorders in favor of lesser, alternative technology which did not allow for video recording.[201]

This decision set the stage for the events that occurred during the digital era of copyright, allowing for many of the technological developments witnessed during this period.[202] The safe harbor provided by *Sony* has proved influential in promoting technological innovation in subsequent fair use cases.[203] For example, in the *Perfect 10* case discussed above,[204] *Sony* was cited to support a finding of fair use in the case of thumbnail images as a technological development in Internet navigation.[205] "Short term vision and interests" have the potential to halt innovation that could lead to "groundbreaking inventions that would revolutionise [sic] the world for both the copyrighted and the public."[206] Just as the invention of movable type printing created the environment which necessitated copyright protection,[207] future technology will offer new benefits that will change how the copyright system best serves the public interest and courts must be free to adapt.

In the patent law arena, the U.S. courts have also taken steps to ensure dynamism that protects technological innovation. For example, the court in *eBay Inc. v. MercExchange LLC*[208] held that permanent injunctions were no longer automatic following a finding of patent infringement, and the established factors included consideration of the public interest in access to the infringing product.[209] In practice, this factor has been applied to promote technological innovation. Whereas practicing entities are generally granted injunctions, non-practicing entities, which usually operate in complex

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201. Jane C. Ginsburg, *Copyright and Control Over New Technologies of Dissemination*, 101 COLUM. L. REV. 1613, 1624 (2001).

202. Roger Gachago, The Effect of Technology on Copyright 44 (June 2011) (Master's thesis, University of Cape Town) (ResearchGate), https://www.researchgate.net/publication/333675350_The_Effect_of_Technology_on_Copyright.

203. Dilan Thampapillai, *Creating an Innovation Exception? Copyright Law as the Infrastructure for Innovation*, 7 SCRIPTED 104, 120 (2010).

204. 508 F.3d 1146 (9th Cir. 2007).

205. *Id.* at 1168.

206. Gachago, *supra* note 202, at 79.

207. Thomas Eger & Marc Scheufen, *The Past and the Future of Copyright Law: Technological Change and Beyond*, RESEARCHGATE 1, 5 (Jan. 2012), https://www.researchgate.net/publication/280043122_The_past_and_the_future_of_copyright_law_technological_change_and_beyond.

208. 547 U.S. 388 (2006).

209. *Id.* at 391–92.

technological industries and obtain patents for small components of larger products, have frequently been denied both injunctions and compensation.[210] In *KSR Int'l Co. v. Teleflex Inc.*,[211] the U.S. Supreme Court included the creative or innovative tendencies of ordinary scientists in the field as part of the test for whether the invention claimed for a patent is obvious to a person skilled in the art, and in doing so empowered the courts to use the obviousness doctrine "as a case-by-case policy lever, one that will lead to more valid patents in industries in which the [person skilled in the art] knows little or is uncreative, and more invalid patents in industries with more sophisticated players."[212]

Chinese judges have also appreciated the importance of protecting the public interest in appropriately interpreting IP rules to encourage technological development. In the *Sougo* ruling, for example, the judges recognized that a flexible fair use system is an effective means of shaping copyright law that is adaptable to technological developments. Innovation in web caching technology might have been stifled entirely in China if the court had not gone beyond the exhaustive list of statutory fair use exemptions. In this respect, as many technology vendors must draw from a reservoir of copyrighted works, and therefore depend on fair use to make their products viable, fair use in effect serves as part of the "startup capital" necessary for emerging technologies.[213] For instance, there would have been no iPod if Apple had not been able to rely on copyright law to ensure that users could copy their existing CD collections onto their devices.[214]

V. THINKING THROUGH THE REFORMS OF THE COMMON LAW

Chinese judges' deviation from the relevant IP statutes, as I proffer in the preceding Part, can be justified as a creative destruction of the civil law tradition for the purpose of protecting the public interest. In this Part, the reforms that have taken

210. Dan L. Burk & Mark A. Lemley, *Courts and the Patent System*, REGULATION, Summer 2009, at 18, 22.

211. 550 U.S. 398 (2007).

212. *See* Burk & Lemley, *supra* note 210, at 21.

213. Fred von Lohmann, *Fair Use as Innovation Policy*, 23 BERKELEY TECH. L.J. 829, 836–37 (2008).

214. *Id.* at 837.

place in the U.S. also lend strong support to such creative destruction.

A. STATUTORY REFORMS IN THE U.S.

In U.S. intellectual property law, there has been increasing movement away from the traditional emphasis on judge-made principles and towards a regulatory model. This process has involved greater codification of existing principles, making statutes the predominant source of intellectual property law. While this may suggest the distinctions between common law and civil law adjudications described in Part I will be brought into doubt, it will be demonstrated below that there is still room under the new approach for broad judicial autonomy.

Following the codification of most questions of policy and doctrine through the Copyright Act of 1976, contemporary U.S. copyright law is largely perceived as statutory in origin.[215] The new "regulatory" system of copyright has been characterized as having increased statutory complexity as a result of congressional efforts to legislate for all foreseeable circumstances, rather than leaving it to the courts to apply a broadly defined property right on a case-by-case basis.[216] This restricts the creative role of judges, placing a greater focus on interpretation and making sense of statutes.[217]

Codification of copyright law has involved more industry-specific regulation. For instance, the Copyright Act of 1976[218] introduced extremely detailed and complex exemptions from liability, departing from the traditional industry-neutral model.[219] These included provisions outlining when libraries were entitled to make copies of works in their collection, rather than leaving the question to fair use.[220] The new statute instead predetermined "the types of libraries and archives that can take advantage of the exemption . . . the acceptable purposes for making copies . . . the number of permissible copies . . . and other specific conditions that must be satisfied . . . ."[221]

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215. *See supra* notes 22–30 and accompanying text.

216. Joseph P. Liu, *Regulatory Copyright*, 83 N.C. L. REV. 87, 103 (2004).

217. Joseph P. Liu, *Between Code and Treatise: The Hard Challenge of the Restatement of Copyright*, 44 COLUM. J.L. & ARTS 441, 442 (2021).

218. Pub. L. No. 94-553, 90 Stat. 2541.

219. *See* Liu, *supra* note 216, at 105-106.

220. *Id.* at 106.

221. *Id.*

Similarly, the statute introduced an extensive list of industry-specific activities which were held not to fall under the public performance right of copyright owners, such as "face-to-face teaching activities of nonprofit educational institutions[,] performances of certain works in the course of services at places of worship[] [and] performances of certain works by nonprofit agricultural or horticultural organizations," amongst others.[222]

Legislation which has followed the Copyright Act of 1976 has adopted the same regulatory approach. For instance, the Digital Performance Right in Sound Recordings Act of 1995,[223] after amending the list of exclusive rights to give sound recording owners the right to control digital public performances, introduced a complex system of "exemptions and compulsory licenses, encompassing digital performances, temporary digital copies, and digital covers."[224] Then, under the Digital Millennium Copyright Act of 1998,[225] Congress introduced a detailed system of intermediary liability, exempting Internet service providers (ISPs) from direct or indirect liability for activities such as system caching and temporary storage and forwarding, while also introducing a system of conditional safe harbor for ISPs hosting content uploaded by their users.[226]

U.S. trademark law went through a similar codification process under the Lanham Act.[227] For instance, "Section 33(b) of the Act codified several traditional common law defenses to trademark infringement and applied them to suits for the infringement of registered marks, regardless of incontestable status."[228] These defenses cover the use of trademarks which were registered or obtained incontestable status fraudulently,

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222. *Id.*

223. Pub. L. No. 104-39, 109 Stat. 336.

224. Liu, *supra* note 216, at 119–121 ("First, certain noninteractive, non-subscription digital transmissions are exempted (subject to a number of complex qualifications) . . . . Second, certain interactive, subscription digital transmissions are fully subject to the digital performance right. Thus, for example, providers of internet music on demand must negotiate directly with the sound recording owners for a license . . . . Third, and most importantly for the purposes of this Article, certain non-interactive digital transmissions (e.g., through 'webcasting') are subject to a complex statutory compulsory license scheme.").

225. Pub. L. No. 105-304, 112 Stat. 2860.

226. Liu, *supra* note 216, at 122.

227. 60 Stat. 427 (1946) (codified as amended at 15 U.S.C. §§ 1051-1141n).

228. Michael Grynberg, *Things Are Worse than We Think: Trademark Defenses in a "Formalist" Age,* 24 BERKELEY TECH. L.J. 897, 945 (2009).

were abandoned by the registrant, and in similar such circumstances.[229] Subsequent cases have appeared to suggest that the statutory list is exhaustive. For example, in *Park 'N Fly, Inc. v. Dollar Park & Fly, Inc.*,[230] the court rejected the defendant's claimed defense that the incontestable mark in question was descriptive (and thus ineligible for protection), as, at the time, Section 33(b) contained no specific exception for use of descriptive marks.[231] Since *Park 'N Fly*, new defenses have twice been added to Section 33(b), including for uses of marks that are functional in nature, reinforcing the case's conclusion that Congress determines the defenses for uses of incontestable marks.[232]

U.S. patent law underwent essential codification in 1952 after strong criticism had been directed towards the non-statutory and highly confusing "invention" requirement.[233] Congress acted by replacing the standard with the principle of non-obviousness, which took the subjective notion of inventiveness and sought to express in the most simple and objective terms possible.[234] However, subsequent judicial developments have led to calls for greater codification, more similar to the codification processes described above, because the current judge-made standards of patent eligibility have introduced problems similar to those existing before 1952.[235]

Whereas the 1952 problem concerned the invention requirement, contemporary patent law is struggling with the inventive concept requirement – though similar in name, the latter requirement considers whether a claimed invention constitutes protectable subject matter.[236] By allowing courts to search for an inventive concept in claims directed towards seemingly patent-ineligible innovations, David O. Taylor argues that "[l]ike the invention requirement, the inventive concept requirement presents a mystical mystery, an enigma, a situation of knowing it when you see it, which certainly is no way to run an incentive scheme that is supposed to support investment in

229. Lanham Act, 15 U.S.C. § 1115(b).

230. 469 U.S. 189 (1985).

231. *See* Grynberg, *supra* note 228, at 946.

232. *Id.* at 947.

233. David O. Taylor, *Patent Reform, Then and Now*, 2019 MICH. ST. L. REV. 431, 433.

234. *Id.* at 469–70.

235. *Id.* at 433–34.

236. *Id.* at 498.

invention and innovation."[237]

There are several reasons behind the increased tendency towards codification of intellectual property law. Primarily, Congress is considered to be the best-positioned institution to introduce new developments, both in terms of legitimacy and capability.[238] Unelected federal judges are often scrutinized for their role in the lawmaking process and are further limited by the facts before them, whereas the legislature is not subject to such scrutiny and is considered "more capable of calibrating policies to address the needs of the citizenry as a whole."[239]

Other justifications include the growing complexity of subject matter and relevant markets. For instance, whereas original copyright law was aimed at regulating mainly books, maps and charts, modern day copyright law must regulate "such diverse types of works as books, newspapers, magazines, fine art, movies, recorded music, and computer software."[240] This, in turn, results in a more complex set of competing interests and copyright entitlements.[241] As copyrights become more valuable, the incentive to fine-tune the law and the pragmatic need to balance the interests of relevant parties increases.[242] The detailed exemptions introduced during copyright codification, for example, have provided far more guidance to industries about what they can and cannot do with copyrighted works.[243]

B. JUDGES' AUTONOMY

U.S. legal reforms have codified IP protection principles and rules into statutes as comprehensively and thoroughly as civil law IP protection systems have done. One key difference still lies in the varying degree of autonomy that judges possess in the U.S. compared to civil law jurisdictions such as China. Despite those changes to the legislative mechanism of U.S. intellectual property law, U.S. judges enjoy a considerably greater degree of

237. *Id.* at 499–500.

238. Michael Grynberg, *The Judicial Role in Trademark Law*, 52 B.C. L. REV. 1283, 1300–01 (2011).

239. *Id.*

240. *See* Liu, *supra* note 216, at 129.

241. *Id.* at 129–30.

242. *Id.* at 130.

243. *See id.* at 133 (arguing that the regulatory approach to copyright law provides clearer guidance to interested parties than the judicial, property-rights-based approach).

judicial autonomy as examined in Part I.[244] The regulatory approach is limited in that it ensures reform is slow-moving, and limited in responding to changes or public-interest concerns that have emerged as technologies or industries develop.[245] Even under a regulatory model, the limitations of legislation mean there is still an influential role for judges to have within the U.S. intellectual property system. In this context, judges can act to fill legislative gaps or interpret existing provisions in light of new issues. This role does not necessarily undermine, and is not independent of, the regulatory approach, as judicial action can "remain interstitial and coexist with legislative enactments in an area."[246]

In this Section, I argue that there are jurisprudential justifications for affording a greater judicial autonomy to shape IP protection systems through deciding cases to not only judges in common law jurisdictions such as the U.S. but also their counterparts in civil law jurisdictions such as China. To be specific, these jurisprudential justifications allow judges in both common law and civil law jurisdictions to enjoy a greater degree of autonomy in protecting the public interest through their application of IP laws to legal disputes.

First, judges should be equipped with sufficient autonomy in protecting the public interest so as to fill in the loopholes of IP statutes. As the basic ingredients of statutes, language itself is often fraught with ambiguity. As long as the law relies on language to convey its prescriptions, the problem of ambiguity will persist.[247] Legislation often employs words or phrases which are subject to extensive debate during adjudication. For instance, in *Continental Can Co. v Chicago Truck Drivers*,[248] the court was required to consider the exact meaning of "substantially all", with one party arguing that this referred to a simple majority and the other party arguing that the phrase

244. *See supra* Section I.A.

245. *See* Balganesh, *Stewarding the Common Law*, *supra* note 22, at 104; *see also* Balganesh, *The Pragmatic Incrementalism*, *supra* note 22, at 1569.

246. 245Balganesh, *The Pragmatic Incrementalism*, *supra* note 22, at 1595.

247. *See* H. L. A. HART, THE CONCEPT OF LAW 127–28 (2nd ed. 1994) ("Whichever device, precedent or legislation, is chosen for the communication of standards of behavio[]r, these, however smoothly they work over the great mass of ordinary cases, will, at some point where their application is in question, prove indeterminate; they will have what has been termed an *open texture*.") (emphasis in original); *see also* Haochen Sun, *supra* note 29, at 304.

248. 916 F.2d 1154 (7th Cir. 1990).

should be interpreted to mean at least 85%.[249] In cases where such nonspecific language is used, searching for legislative intent can be an entirely fruitless practice.[250]

Second the inability of legislators to foresee all future situations makes it impossible for them to enact laws that are capable of regulating all legal matters that might occur after legislation has been passed.[251] Whereas technology is dynamic, legislation is static and the costs and efforts required to update it cannot reasonably be expended year-in and year-out to keep pace.[252] This presents challenges throughout intellectual property law. For instance, the global reach afforded to trademarks by the Internet may require courts to take note of evolving factual circumstances and recognize broader geographic rights for unregistered marks than foreseen by legislation that originated before the Internet.[253] Moreover, the rapid development of Artificial Intelligence has IP attorneys worldwide asking whether both patent law and copyright are equipped to handle the technology.[254]

In response to the dilemma, Justice Benjamin Cardozo has suggested that judges should strictly follow precedent and apply the law in easy cases, but liberally apply the law in hard cases by balancing competing considerations, including the paramount value of social welfare.[255] Public law such as

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249. *Id.* at 1155.

250. *See* Miller, *supra* note 151, at 25.

251. *See* HART, *supra* note 247, at 128 ("[H]uman legislators can have no such knowledge of all possible combinations of circumstances which the future may bring. This inability to anticipate brings with it a relative indeterminacy of aim."); Wesley Newcomb Hohfeld, *Some Fundamental Legal Conceptions as Applied in Judicial Reasoning*, 23 YALE L.J. 16, 30 (1913) ("The strictly fundamental legal relations are, after all, *sui generis*; and thus it is that attempts at formal definition are always unsatisfactory, if not altogether useless."); Haochen Sun, *supra* note 29, at 305 ("[T]he letters of the law, no matter how general or specific they are, do not provide definite and exhaustive answers in order to sidestep any future legal pitfalls.").

252. *See* Burk, *supra* note 194, at 21.

253. *See* Grynberg *supra* note 238, at 1326.

254. *See e.g.* Renee White, *Medical AI: Can Patent Law Keep up with the Trajectory of Innovation?*, GRIFFITH HACK (Apr. 30, 2019), https://www.griffithhack.com/ideas/insights/medical-ai-can-patent-law-keep-up-with-the-trajectory-of-innovation; Nina Fitzgerald et al., *An In-Depth Analysis of Copyright and the Challenges Presented by Artificial Intelligence*, ASHURST (Mar. 11, 2020), https://www.ashurst.com/en/news-and-insights/insights/an-indepth-analysis-of-copyright-and-the-challenges-presented-by-artificial-intelligence/.

255. CARDOZO, *supra* note 1, at 150 ("[W]hen a rule, after it has been duly tested by experience, has been found to be inconsistent with the sense of justice

constitutional law regularly prioritizes social welfare, and perhaps private law such as IP should more frequently apply social welfare as a guiding principle for reinterpreting and remaking its rules.[256]

Third, judges must have sufficient autonomy in developing creative interpretations of the nature and scope of the public interest implicated in IP protection. The public interest is a difficult notion to define and efforts to do so have been frequently met with criticism from commentators.[257] The topic has been derided as semantic chaos and assertions of public interest have been dismissed as often nothing more than whatever the speaker believes to be desirable policy.[258] The notion of public interest also suggests that a policy designed to serve this goal should attempt to offer benefits to all members of a given society, but in practice, due to the existence of competing interests, public is more likely to refer to a majority or simply to the many.[259] The term is also highly contextual, changing along with social and moral values, meaning something that is deemed to be in the public interest today may not be so in ten years.[260]

The difficulty of defining the public interest is also evident in intellectual property law. For instance, in copyright law, the public interest is sometimes treated as synonymous with the current law as enacted or, more often, with a specific policy or reform goal being put forward by an interested party.[261] Commentators have argued that, since the inception of copyright law, there has been an underlying tension between the interests of authors and the interests of the public at large.[262] Copyright

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or with the social welfare, there should be less hesitation in frank avowal and full abandonment.")

256. *Id.* at 150–51 ("We have had to do this sometimes in the field of constitutional law. Perhaps we should do so oftener in fields of private law where considerations of social utility are not so aggressive and insistent.").

257. *See, e.g.*, William A. Galston, *An Old Debate Renewed: The Politics of the Public Interest*, 136 DÆDALUS, Fall 2007, at 10, 11 (2007).

258. *Id.*

259. Bruce Douglass, *The Common Good and the Public Interest*, 8 POL. THEORY 103, 110 (1980).

260. Jane Johnston, *Whose Interests? Why Defining the 'Public Interest' Is Such a Challenge*, CONVERSATION (Jan. 22, 2019), https://theconversation.com/whose-interests-why-defining-the-public-interest-is-such-a-challenge-84278.

261. Rebecca Giblin & Kimberlee Weatherall, *If We Redesigned Copyright From Scratch, What Might it Look Like?*, *in* WHAT IF WE COULD REIMAGINE COPYRIGHT? 1, 3–5 (Rebecca Giblin & Kimberlee Weatherall eds., 2017).

262. GILLIAN DAVIES, COPYRIGHT AND THE PUBLIC INTEREST 235 (2d ed. 2002).

has traditionally treated the rights of authors as synonymous with the public interest.[263] This perspective is based upon the idea that a right of public access to works is only valuable if there are works worth accessing.[264] However, more recently, the public interest has been increasingly used as a proxy for the interests of users, often being invoked in favor of free access to copyrighted works for personal use.[265]

Similarly, trademark law has experienced a balancing of competing interests, with both sides arguing their position serves the public interest. For instance, in *New Kids on the Block*,[266] Judge Kozinski held that nominative fair use was essential for free speech as "[m]uch useful social and commercial discourse would be all but impossible if speakers were under threat of an infringement lawsuit every time they made reference to a person, company or product by using its trademark."[267] However, some commentators have attempted to argue that other public interests should be protected over free speech. For instance, despite the free speech value of parody, it has been argued that some uses of brand names add nothing to the humorous element of a product and, therefore, amount to nothing more than free riding "to take advantage of the senior brand."[268]

VI. CONCLUSION

China has long had a reputation for blatantly infringing intellectual IP rights. The country's failure to curb counterfeiting has caused severe financial damage to foreign companies and earned it the unenviable moniker "king of the global counterfeit trade."[269] Several disputes have arisen

263. Giblin & Weatherall, *supra* note 261, at 5.

264. *See* Neil Turkewitz, *Inside Views: Copyright And The Public Interest: Not Necessarily Competing Forces*, INTELL. PROP. WATCH (July 7, 2015), https://www.ip-watch.org/2015/07/07/copyright-and-the-public-interest-not-necessarily-competing-forces/.

265. Giblin & Weatherall *supra* note 261, at 5–6.

266. 971 F.2d 302 (9th Cir. 1992).

267. *Id.* at 307.

268. Maria Solis, Trademark Dilution & Copyright Infringement 5 (Aug. 25, 2018) (unpublished manuscript) (available at author's SSRN account, https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3306431).

269. Lily Kuo, *China is Still King of the Global Counterfeit Trade*, QUARTZ (Apr. 16, 2013), https://qz.com/74942/china-is-still-king-of-the-global-counterfeit-trade/.

between China and other countries based on its faulty protection of IP,[270] not least the ongoing trade war with the U.S.[271]

In contrast to the prevailing view, however, this article reveals a positive dimension to the Chinese IP protection system. Through their creative judicial rulings, Chinese judges are creating a new reputation for China's IP law, that is, as an engine of public interest protection. Not only are Chinese judges today dealing with the largest number of IP infringement lawsuits in the world, but they are also dedicating themselves to proactively protecting the public interest using creative legal methods. They thus offer lessons that judges elsewhere could learn from in order to better protect the public interest in resolving IP lawsuits.

270. *See, e.g.*, Peter K. Yu, *A Half-Century of Scholarship on the Chinese Intellectual Property System*, 67 AM. U. L. REV. 1045, 1075 (2018) ("One major incident that attracted considerable policy and scholarly attention in this phase was the U.S.-China WTO dispute over the lack of protection and enforcement of intellectual property rights under the TRIPS Agreement. This dispute marked the first time the United States used the mandatory WTO dispute settlement process to address the massive piracy and counterfeiting problems in China.").

271. *See, e.g.*, Jyh-An Lee, *Shifting IP Battlegrounds in the U.S.-China Trade War*, 43 COLUM. J.L. & ARTS 147, 149 (2020) ("Among other points of contention, intellectual property . . . issues have primarily been driving the most recent trade dispute between the two countries.").