The Register of Copyrights of the United States of America
United States Copyright Office • 101 Independence Avenue SE • Washington, DC 20559-6000 • (202) 707-8350

February 26, 2004

Law Offices of Ann Koo
Attn: George E. Williamson, Esq.
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RE: Three Mask Works Entitled,
5595B2CF, 620A2XX and
900AX.

Dear Mr. Williamson:

After carefully reviewing the arguments you made in support of registering the above referenced mask works, the Copyright Office Board of Appeals is upholding the Examining Division's refusal to register them. This letter reviews the administrative record before the Board and sets forth the legal reasoning that is the basis for this decision.

A. ADMINISTRATIVE RECORD

On March 29, 2001, Senior Examiner, Geoffrey R. Henderson, refused to register three mask works identified as 5595B2CF, 620A2XX and 900AX that are owned by your client, Silicon Integrated Systems Corp. (hereafter, SiS), a Taiwanese company. These mask works were first commercially exploited in Taiwan in 1999, on January 29th, February 4th and February 25th, respectively. Mr Henderson refused to registration the mask works on the basis that information provided in the applications did not meet the statutory requirements that authorize protection for semiconductor chips owned by foreign nationals. 17 U.S.C. §902(a)(A), (B) and (C).[1] (Hereafter, referred to as "subpart (A)," "subpart (B)" and "subpart (C).")

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[1] Sec. 902. Subject matter of protection (a)(1) Subject to the provisions of subsection (b), a mask work fixed in a semiconductor chip product, by or under the authority of the owner of the mask work, is eligible for protection under this chapter if -

(A) on the date on which the mask work is registered under section 908, or is first commercially exploited anywhere in the world, whichever occurs first, the owner of the mask work is (i) a national or domiciliary of the United States, (ii) a national, domiciliary, or sovereign authority of a foreign nation that is a party to a treaty affording protection to mask works to which the United States is also a party, or (iii) a stateless person, wherever that person may be domiciled;

(B) the mask work is first commercially exploited in the United States; or

Mr. Henderson stated that the applications did not satisfy subpart (A) because Taiwan was not a party to a treaty affording protection to mask works to which the United States was also a party. They did not satisfy subpart (B) because the works were not first commercially exploited in the United States. And they did not satisfy subpart (C) because the mask works did not come withing the scope of a Presidential proclamation extending such protection to Taiwanese nationals or domiciliaries.

In a letter dated August 8, 2001, your colleague, Matthew I. Berger, requested that an earlier letter, dated June 13, 2001, be incorporated as the basis for the first request for reconsideration. In the June 13th letter, Mr. Berger, argued that the mask works are entitled to protection under subpart (A), on the basis of the Treaty of Friendship, Commerce and Navigation between the Republic of China and the United States of America, also known as an "FCN treaty." This treaty was signed by the United States and the Republic of China on November 4, 1946. It entered into force on November 30, 1948.[2]

Mr. Berger argued that the Taiwan FCN treaty satisfied the requirement of subpart (A) that both countries be party to a "treaty affording protection to mask works." 17 U.S.C. §902(a)(1)(A). Quoting Article IX of the treaty, he stated that mask works are a form of intellectual property subject to the treaty. Mr. Berger then said that, while the concept of mask works did not yet exist at the time that the FCN treaty was signed, in 1946, "[c]onceptually, protection of the intellectual property contained in the mask work is of the same nature and included within the other protections specifically enumerated in the Treaty, i.e., "copyrights, patents, trademarks, trade names and *other ... industrial property*." Applicant's letter, 6/13/01, at 3. In support of his point that mask works and copyrights are conceptually related as intellectual property, he cited Brooktree Corp. v. Advance Micro Devices, Inc., 705 F.Supp. 491, 494 (S.D. Cal. 1988), in which the court noted that many of the concepts in the mask work law were derived from copyright law.[3] *Id.*

C) the mask work comes within the scope of a Presidential proclamation issued under paragraph (2).

[2] The State Department confirmed that this treaty is still in effect.

[3] Mr. Berger accurately quoted the U.S. District Court for the Southern District of California as having said, "However, the Mask Work Act is not *sui generis* legislation; it is based upon concepts derived from copyright laws." Brooktree Corp. v. Advanced Micro Devices, Inc., 705 F.Supp. 491, 494 (1988). In a later proceeding, the District Court revised that comment by stating that, "The Semiconductor Chip Protection Act was *sui generis* ... . However, a substantial portion of the provisions of the Chip Act were modeled after U.S. copyright laws." 757 F.Supp. 1088, 1098 (1990). In a subsequent appeal, the U.S. District Court of Appeals for the District of Columbia concurred. Brooktree Corp. v. Advanced Micro Devices, Inc., 977 F.2d 1555, (D.C.Cir. 1992) (While some copyright principles underlie the law, as do some attributes of

Mr. Berger also asserted that Taiwan is providing reciprocal mask work protection to the United States. He stated that the Taiwanese government enacted a mask work law in 1995, the Integrated Circuit Layout Protection Act (ICLPA), which took effect in 1996. He said that the Taiwan Intellectual Property Office "confirms that reciprocal relationships are established with the United States, as well as Japan, Italy, and Korea." *Id.* He provided a copy of the ICLPA as an attachment to that letter.

In a letter dated December 5, 2001, Attorney Advisor, Virginia Giroux, again refused to register the mask works, by reiterating Mr. Henderson's arguments in greater detail and by rejecting Mr. Berger's arguments regarding the FCN treaty.

You then submitted a second request for reconsideration on behalf of SiS, in a letter dated April 3, 2002. You argued that the three mask works are entitled to registration because on December 11, 2001, Taiwan became a member of the World Trade Organization (WTO). As a member of WTO, Taiwan and the United States are both parties to the Agreement on Trade-Related Aspects of Intellectual Property Rights, known as the "TRIPS Agreement," which is a treaty satisfying the requirements of subpart (A). Relying on Article 70, paragraph 2, you correctly stated that the three mask works fall within the subject matter covered by the TRIPS Agreement. You therefore argued that, on the basis of paragraph 7 of Article 70, the three mask works are entitled to U.S. registration.

B. ANALYSIS

1. SUBPARTS (B) AND (C)

The question of whether these mask works are entitled to registration under §902(a)(1)(B) and (C) of the SCPA can be quickly eliminated. SiS stated in its applications that the three mask works were first commercially exploited in Taiwan, not the United States. Therefore, the works do no qualify for protection under subpart (B). The Board agrees with Mr. Berger that the three mask works do not qualify for protection under subpart (C) because they are not covered by a presidential proclamation. Letter from Applicant's attorney, Matthew I. Berger, to Virginia Giroux, 12/14/01, at 1.

2. SUBPART (A)--TRIPS AGREEMENT

Your argument that the mask works are entitled to registration under the TRIPS Agreement fails because the dates that the works were first commercially exploited were prior to the date when the United States and Taiwan were both parties to that Agreement. Under §902(a)(1) of the SPCA, subpart (A) not only requires that both countries be party to a treaty affording mask work protection, but both must have been a party to such a treaty on either the

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patent law, the Act was uniquely adapted to semiconductor mask works ... .")

date of the registration or the date of first exploitation, whichever is earlier. In this case, the earlier date for each mask work is the date of first commercial exploitation which for all of them occurred in 1999, too early to qualify for protection under subpart (A) on the basis of the TRIPS Agreement, because Taiwan did not become a member of the WTO until 2001.

Paragraph 1 of Article I of the TRIPS Agreement states that "Members may, but shall not be obliged to, implement in their law more extensive protection than is required by this Agreement provided that such protection does not contravene the provisions of this Agreement." Therefore, the mask works are not eligible for protection under subpart (A) on the basis of Taiwan becoming a member of the WTO because the dates of first exploitation are prior to that time.

3. SUBPART (A)--TAIWAN FCN TREATY

With respect to the argument that the Taiwan FCN Treaty satisfies the requirements of Subpart A, we start with the text of Subpart A, which provides, in pertinent part:

> [A] mask work fixed in a semiconductor chip product ... is eligible for protection under this chapter if ... on the date on which the mask work is registered under section 908, or is first commercially exploited anywhere in the world, whichever occurs first, the owner of the mask work is ... (ii) a national, domiciliary, or sovereign authority of a foreign nation that is a party to *a treaty affording protection to mask works* to which the United States is also a party ....

17 U.S.C. § 902(a)(1)(A) (emphasis added). Thus, the central question is whether the Taiwan FCN treaty is a "treaty affording protection to mask works." I believe it is not. There are several reasons to conclude that it is not.

The Taiwan FCN treaty, for obvious reasons, nowhere mentions "mask works,"as it was concluded in 1946, long before protection for mask works was contemplated. Instead, the FCN treaty contains a single article setting forth obligations between the United States and Taiwan with respect to various forms of intellectual property. The operative provision, Article IX, states *inter alia*, that nationals of the treaty parties shall enjoy:

> all rights and privileges of whatever nature in regard to copyrights, patents, trademarks, trade names and *other* literary, artistic and *industrial property* ...; and, in regard to patents; trademarks, trade names and *other industrial property*, upon terms no less favorable than are or may hereafter be accorded to the nationals, corporations and associations of any third country.

(Emphasis added). The only possible construction of the Taiwan FCN treaty that would support the conclusion that it is a "treaty affording protection to mask works" is one that

interprets "mask works" as being covered by one of the types of intellectual property set out in Article IX. It is clear from the legislative history to the SCPA that Congress believed that mask work protection was *sui generis*, and not copyright, patent, or trademark protection. "The approach taken in H.R. 5525, the creation of sui generis form of protection, reflects the Committee's judgment that such an approach is uniquely suited to the protection of mask works, which represent a form of industrial intellectual property." H.R. Rep. 98-781, at 6. Congressman Kastenmeier stated during House consideration of the SCPA that it provided " ... a free-standing form of protection is uniquely suited to the protection of mask works, which represent a unique form of industrial intellectual property." 130 Cong. Rec. H11610-11611 (daily ed. October 9, 1984) (statement Rep. Kastenmeier).

Therefore, the only enumerated category of intellectual property in Article IX that might be conceived to encompass "mask works" is the reference to "industrial property." But we need not even reach that question,[4] because that the Taiwan FCN treaty is not one that "affords protection to" other "industrial property." It merely requires "national treatment" between the United States and Taiwan as to the "rights and privileges *of whatever nature* in regards to ... other ... industrial property." (emphasis added). Both Taiwan and the United States are free under this treaty to choose not to provide any protection to "other industrial property". In contrast, the treaty sets out specific standards of minimum protection for patents, trademarks, trade names and copyrights.[5] No such protection is required for "other ... industrial property."

Thus, even if the Office was to conclude that "other ... industrial property" as used in 1946 encompassed the 1980's-era protection for "mask works", the Taiwan FCN treaty would not be a "treaty affording protection to mask works" because it sets no minimum standards for such protection and therefore leaves the parties free *not* to afford any protection. In contrast, the TRIPS agreement requires member countries to provide certain level of protection for mask works by incorporating provisions from the Treaty on Intellectual Property in Respect of Integrated Circuits, in addition to national treatment obligations for such protection.

There is also authority from the legislative history that Congress did not intend the phrase "treaty affording protection to mask works" to include existing treaties, like the Taiwan FCN

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[4] Because it is not necessary to the Office's opinion, I am not expressing any view as to whether the phrase "industrial property" as used in the Taiwan FCN treaty or any other treaty can be construed to include mask works.

[5] For patents, trade marks and trade names, the treaty requires that "unauthorized manufacture, use or sale of such inventions, or imitation or falsification of such trademarks and trade names, shall be prohibited and effective remedy therefor shall be provided by civil action." *Id.* Similarly, for copyrights, "unauthorized reproduction, sale, diffusion or use of such literary and artistic works shall be prohibited, and effective remedy therefor shall be provided by civil action." *Id.*

treaty, that provided protection for patents, trademarks, copyrights or "industrial property" in the traditional sense. In the deliberations leading up to the SCPA, the Senate version of the legislation sought to cover mask works under copyright protection, largely to bring such protection within the existing international framework governing copyright. As the Senate Report explains:

> [T]he international application of a *sui generis* statute raises further uncertainties. The Committee recognizes that the treatment that other nations will accord to U.S. copyright protection for semiconductor chip design is not entirely predictable, because of the differences between mask works and the traditional subject matter of copyright. However, the Committee intends that mask work copyrights should be treated like any other copyright for these purposes, and believes that foreign nations which are party to treaties with the United States requiring mutual recognition of copyrights will accord full comity to U.S. mask work copyrights. The Committee believes that the international recognition of a new species of protection, governed by a new statute, would be even more uncertain. Thus, although the size of the U.S. market justifies a strong chip protection statute, even if the protection is not recognized in other countries, the Committee believes that this factor of international recognition also argues in favor of copyright as opposed to *sui generis* protection.

S. Rep. 98-425, at 13.

The House, however, favored a *sui generis* form of protection for mask works, which was ultimately adopted. The House Report discusses the international implications of this approach:

> With respect to international protection, the Committee believes that the interest of the United States in establishing a reasonable system of domestic protection for mask works is paramount, especially since the possibility of international protection under the copyright conventions is speculative. There are technical problems in fitting mask work protection under the Universal Copyright Convention ... ... No country has protected mask works under the UCC to date. There is no assurance that any other country would agree with the United States that the functional features of a semiconductor chip can be protected under copyright.
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> If the United States enacts copyright legislation to protect mask works, we would be required to give equivalent protection under the UCC; arguably we could stand thereafter alone in the obligation to protect works first published in UCC countries or created by UCC nationals. The United States could be required to protect, for example, the mask works of Japan, West Germany, and the Soviet

> Union, and receive no protection in return. This is required by application of the principle of "national treatment," the fundamental principle of the UCC.
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> * * * * * * * * * * *
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> Accordingly, the Committee concludes that the UCC does not now obligate member countries to protect mask works, and this bill does not attempt to meet the requirements of the UCC. Possibly international protection could be sought through bilateral arrangements (and eventually through a new or revised treaty) that would assure United States national of substantially the same amount of mask work protection in foreign countries as the United States grants to foreign nationals. It also is possible that the UCC, or another multilateral treaty, could be amended.

H.R. Rep. 98-781, at 7 (emphasis added).

It is clear from this discussion that the drafters of the version of the SCPA ultimately enacted did not believe that existing international intellectual property agreements "afforded protection for mask works."[6] The House Report specifically notes the need for a "new or revised treaty" or revisions to the "UCC, or another multilateral treaty" to afford protection for mask works internationally.

This legislative history supports the conclusion that Congress did not intend the phrase "treaty affording protection to mask works" to be interpreted to include treaties containing national treatment provisions with respect to "industrial property" generally, like the Taiwan FCN Treaty. Notably, that Taiwan FCN treaty is not mentioned as a possible source of international obligation that might afford U.S. mask works protection abroad. Perhaps more importantly, neither the House nor Senate Reports attempt to assert that the Paris Convention for the Protection of Industrial Property (1967) could afford protection to mask works, even though that convention provides that "industrial property shall be understood in the broadest sense," Art. 1(3), and includes a specific requirement that "[i]ndustrial designs shall be protected in all the countries of the Union," Art. 5^{quinquies}. If Congress did not find the Paris Convention a worthwhile candidate for international protection of mask works, then it certainly could not have intended that the less specific Taiwan FCN treaty fall in that category.[7]

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[6] Indeed, based on the statements quoted above and other statements made during congressional consideration (130 Cong. Rec. H11611 (daily ed. October 9, 1984) (statement Rep. Kastenmeier), this lack of international agreements prompted the inclusion of international transition provisions of 17 U.S.C. § 914.

[7] Stated another way, if the Senate drafters believed that the a treaty respecting "industrial property" would be sufficient to cover "mask works", it would have advocated for

In sum, we conclude that Congress intended the phrase "treaty affording protection to mask works" be interpreted to include treaties that provide minimum standards of protection for mask works specifically, such as the TRIPS Agreement or the Treaty on Intellectual Property in Respect of Integrated Circuits. It does not include treaties like the Taiwan FCN treaty that merely provide national treatment obligations for "industrial property" generally.[8] As a result, the Taiwan FCN treaty cannot be used to support registration of the mask works at issue here.

For the reasons stated in this letter, the Copyright Office Board of Appeals affirms the refusal to register the submitted claims and is closing the file in this case. This decision constitutes final agency action on this matter.

Sincerely,

Marybeth Peters

Marybeth Peters
Register of Copyrights

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assimilating the new mask work protection into some form of industrial design protection in the United States that was subject to the Paris Convention, rather than attempting to fit mask works within the realm of copyright.

[8] This conclusion is buttressed by the other provisions of Section 901, such as Subpart C, which provides another vehicle for international protection of mask works in the absence of a "treaty affording protection to mask works." Section 901(a)(2) allows the President to issue a proclamation recognizing where a country, like Taiwan, provide sufficient mask work protection and thus enjoys national treatment under U.S. law notwithstanding the lack of a treaty between the United States and that country. Thus, the more specific definition in Subpart A does not act as an insuperable barrier to protection of foreign mask works in the United States. As noted above, no such proclamation has been issued for Taiwan.