

## Monthly Report of May 2003

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THAILAND  
PRC  
HONG KONG  
MALAYSIA  
SINGAPORE  
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### THAILAND

#### News in May 2003

1. Trade privileges at risk over copyright violations
2. Commerce Ministry wants price of CDs cut
3. Anti-piracy Campaign failed
4. Protesters condemn RS tactics
5. Bid to block patents on two plant species
6. Two CD-stamping machines snatched
7. Ignorance behind lack of patents
8. Biotec urges use of patents as collateral
9. EC presses for export controls to curb sound recording piracy
10. Wattana slams EC report on high piracy in Thailand
11. BSA seminar
12. Science Ministry eyes expired patents
13. Patents for His Majesty
14. Apec to target pirates
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1. Trade privileges at risk over copyright violations

(from *Business Day, Thailand, 2 May 2003*

*Post Today Newspaper, Business & Market Section, Page B1, Thailand, 2 May 2003*

*The Nation Newspaper, Local News Section, Page 5A, Thailand, 2 May 2003*

*Bangkok Post Newspaper, Business Section, Page 1, Thailand, 2 May 2003*

*Krung Thep Thurakit Newspaper, Economic Commerce Section, Page 21, Thailand, 2 May 2003*

*Organisation of Asia-Pacific News Agencies, 3 May 2003*

*Xinhua News Agency Bulletin, 3 May 2003*

*The Strait Times Newspaper, Singapore, 3 May 2003*

*Post Today Newspaper, Finance Section, Page B12, Thailand, 3 May 2003*

*Bangkok Post Newspaper, Business Section, Page 8, Thailand, 3 May 2003*

*The Nation Newspaper, Business Section, Page 1B&2B, Thailand, 3 May 2003*

*Thai Daily Digest, 5 May 2003*

*Thai News Service, 6 May 2003*)

The US government said it would put Thailand on the “Priority” Watch List from the current normal Watch List for its failure to suppress piracy, a move that might result in the removal of a number of trade privileges.

Deputy Commerce Minister Wattana Muangsuk also said that the Thai government has tried continuously to take the necessary action to minimize the amount of copied goods produced and distributed in the country.

“In the next six months, the US may remove the country from the “Watch List” outright, should Thailand be able to resolve this issue satisfactorily,” he said.

Wattana also said a 100-man task force organized by the ministry, together with representatives of property rights owners and malls, will soon be visiting 15 shopping complexes in Bangkok as part of a crackdown on illegally produced goods. Among those on the list Pantip Plaza, Mah Boon Krong, Sapanlek and Ban Mo.

## 2. Commerce Ministry wants price of CDs cut

*(from Business Day, Thailand, 6 May 2003*

*Post Today Newspaper, Business & Market Section, Page B1, Thailand, 6 May 2003*

*Thai News Service, 7 May 2003)*

The Commerce Ministry will seriously encourage local music companies to cut prices of their CDs by as much as 30 to 50 per cent to around 80-100 baht to stay competitive with illegal CD producers.

Deputy Commerce Minister Wattana Muangsuk said he will soon talk with CD producers about the issues.

## 3. Crackdown on piracy is stalling

*(from Bangkok Post Newspaper, Business Section, Page 1, Thailand, 8 May 2003*

*Krung Thep Thurakit Newspaper, Economic & Finance Section, Page 18, Thailand, 8 May 2003*

*Krung Thep Thurakit Newspaper, Prime News Section, Page 1&8, Thailand, 16 May 2003*

*Krung Thep Thurakit Newspaper, Economic Section, Page 3, Thailand, 17 May 2003*

*Post Today Newspaper, Business & Market Section, Page B1, Thailand, 17 May 2003)*

The anti-piracy campaign that was launched last week has made little progress in cracking down on fake goods, Deputy Commerce Minister Wattana Muangsuk acknowledged. He blamed copyright owners and producers for not providing adequate assistance and support to state officials to help the campaign run effectively.

Only three shops in Ban Moh were found selling pirated goods following the seizure of more than 5,000 pieces of fake CDs, VCDs and DVDs on May 1, the first day of the campaign. An industry source said shop owner appeared to have been well prepared for the highly publicized crackdown and had removed all goods from their normal sales venues, opting to sell in smaller outlets such as weekend markets.

Mr Wattana said some factories were reporting write-offs of damaged goods of up to 20% well above the generally accepted industry rate of 2%. He warned that under current industrial laws, factories could be closed if they were modifying equipment to hide the production of counterfeit products.

#### 4. Protesters condemn RS tactics

*(from Bangkok Post Newspaper, Business Section, Page 3, Thailand, 13 May 2003  
Post Today Newspaper, Market Section, Page B9, Thailand, 13 May 2003  
Bangkok Post Newspaper, Business Section, Page 3, Thailand, 15 May 2003)*

More than 100 karaoke jukebox operators rallied in front of the Commerce Ministry to file a complaint accusing RS Promotion 1992 Co of using force in handling disputes over music copyright fee collection.

However, two after, Thai Copyright Collection Co (TCC), a subsidiary of Thailand's second-largest entertainment group, RS Promotion Plc, has insisted that the existing music copyright fee rates are fair and has no plans of changing them.

#### 5. Bid to block patents on two plant species

*(from Bangkok Post Newspaper, Home News Section, Page 2, Thailand, 17 May 2003)*

The Agriculture Department is confident it can stop a Dutch firm patenting Thailand's two popular decorative plants "Poy Sian" and "Yok". The Dutch authority has acknowledged our protest, but we will have to supply them enough evidence to show that the species were developed chiefly by Thais in Thailand before the application will be dismissed. The bid to stop the firm patenting the plants would go on even after the period for objections had passed.

#### 6. Two CD-stamping machines snatched

*(from Bangkok Post Newspaper, Business Section, Page 1, Thailand, 20 May 2003  
Post Today Newspaper, Today's News Section, Page A3, Thailand, 20 May 2003)*

Two stamping machines worth about 30 million bath used to produce counterfeit music CDs were seized from a factory in Nonthaburi. The Nestal-brand machines belong to Siam Sure Disc Industry, which had licences to produce music discs for foreign music companies, including Sony Music Entertainment Inc. But it was found to have illegally produced discs well above the volume authorized.

Though the factory was ordered to close, it was necessary to remove the machines in order to prevent any further wrongdoing. The police will get two million bath in rewards for the confiscations.

#### 7. Ignorance behind lack of patents

*(from The Nation Newspaper, Prime News Section, Page 1A, Thailand, 21 May 2003  
Post Today Newspaper, Page A10, Thailand, 21 May 2003)*

Dr Saksit Tridet, deputy permanent secretary to the Science and Technology Ministry, said only 50 to 60 Thai innovators sought patents for innovations every year. The ministry assumes that patent application is low because most innovators are not aware of the benefits that come with protection.

To address the problem, the ministry is planning to hold training programmes on applying for patent, he said.

8. Biotec urges use of patents as collateral

*(from The Nation Newspaper, Local News Section, Page 2A, Thailand, 22 May 2003  
Post Today Newspaper, Page A10, Thailand, 22 May 2003  
Krung Thep Thurakit Newspaper, Page 8, Thailand, 22 May 2003)*

Biotech deputy director Darunee Edwards said many patented innovations had become mired at the laboratory stage because the researchers who owned the patents did not have the capital to invest in their idea. She said being able to use patents as collateral would not only help researchers in the biotechnology field, but also promote new industrial development.

Intellectual Property Department promotion and development director Kajit Sukhum said he agreed with Darunee, although he harboured some concerns. He said intellectual property was an intangible asset that was very sensitive and conversion into real economic value was difficult.

However, he said he would help Biotec draw up guidelines for converting patents into capital. These guidelines will then be incorporated into Biotec's proposal to the government.

9. EC presses for export controls to curb sound recording piracy

*(from Bangkok Post Newspaper, Business Section, Page 1, Thailand, 23 May 2003  
Post Today Newspaper, Business & Market Section, Page B1, Thailand, 23 May 2003  
The Nation Newspaper, Business Section, Page 3B, Thailand, 23 May 2003  
Krung Thep Thurakit Newspaper, Economic Section, Page 3, Thailand, 23 May 2003)*

The European Commission has urged the Thai government to strengthen measures against the piracy of sound recording products, particularly export controls, claiming Thailand is a major center for the export of counterfeit goods.

EC officials want to see a permanent strategy, especially on enforcement of the Copyright Law, after the end of the three months anti-piracy campaign that started on May 1. They will also push for speedy enactment of legislation such as the Optical Disc Control Law, which is still before Parliament.

The EC conducted its initial investigation in 2002 following a complaint from the International Federation of the Phonographic Industry, which maintained that high levels of sound piracy still existed in Thailand.

Soren Schonberg of the EC's Dispute Settlement and Trade Barriers Regulation Unit, said his team wanted to hear from Mr Wattana about the government's long-term plan for dealing with piracy. "What we would like to see in terms of practice is the application of prison sentences, not for everybody but for the really serious criminals," he said.

#### 10. Wattana slams EC report on high piracy in Thailand

*(from Bangkok Post Newspaper, Business Section, Page 1, Thailand, 23&24 May 2003  
The Nation Newspaper, Business Section, Page 2B, Thailand, 24 May 2003  
Post Today Newspaper, Today's News Section, Page A3, Thailand, 24 May 2003)*

Deputy Commerce Minister Wattana Muangsook lashed out at the EC over its report on the high piracy rate of sound recording products in Thailand, saying the data used were out-of-date and destroyed by Thai distributors.

He said the EU representatives should have checked the accuracy of the data in the report from their customs officials before accusing Thailand of being a major piracy center.

#### 11. BSA seminar

*(from Bangkok Post Newspaper, Database Section, Page 3, Thailand, 28 May 2003)*

The Business Software Alliance (BSA), in co-operation with the Intellectual Property Department, the Association of Thai Software Industry and the Association of Thai Computer Industry will organize a free workshop on Software Asset Management under the title "The Nuts & Bolts of SAM."

The seminar aims to educate corporations on the effective management of software for maximizing organizational productivity and network security.

#### 12. Science Ministry eyes expired patents

*(from The Nation Newspaper, Local News Section, Page 5A, Thailand, 27 May 2003)*

The Science Ministry is hoping to reap a rich harvest of innovations by using the technology described in expired patents. The ministry has an initiative to develop innovations whose patents have already expired for industrial application so that Thai society could benefit from them.

At present, there is about 600 expired patents registered in Thailand, most of which originally belonged to foreigners.

#### 13. Patents for His Majesty

*(from Daily News Newspaper, Thailand, 26 May 2003  
Bangkok Post Newspaper, Prime News Section, Page 1, Thailand, 27 May 2003)*

The government will present patents to His Majesty the King for his development of a new rainmaking technique and an engine lubricant made from pure palm oil. Deputy Commerce

Minister Wattana Muangsook said a delegation including Deputy Prime Ministers Suvit khunkitti and Visanu Krue-ngarm and Yanyong Puangraj, director-general of the Intellectual Property Department, would seek an audience with the King at the Klai Kang Won Palace in Prachuap Khiri Khan on June 2 to present the patents.

The patent for the radical rainmaking approach unique was sought on Aug 28 last year and issued on Nov 29. Mr Verasak Maiwatana, deputy director of the department's patent office, said the King had started researching the matter before Thailand had its own patent law. Its development was of immense help to farmers in drought areas and in increasing the water reserves held by dams.

#### 14. Apec to target pirates

*(from The Nation Newspaper, Local News Section, Page 4A, Thailand, 30 May 2003)*

APEC members agreed to introduce more stringent measures to combat copyright violation following a call from the United States, said Foreign Ministry spokesman Sihasak Phuangkhetkaew.

Senior officials of the Asia-Pacific Economic Cooperation forum agreed to support the US proposal on "digital economy and piracy". The proposal seeks to address the growing problem of piracy involving films, music, software, video games and other published materials in Asia, which the US said was both a commercial and political issue in the region.

The US asked Apec members to enforce best practices for regulations on copyright protection, implement the WIPO treaties and educate the public on the issue. Thailand suggested at the meeting that the center should also provide an IPR registration service.

#### 15. 40% of Japanese firms victims of piracy

*(from Bangkok Post Newspaper, Business Section, Page 5, Thailand, 30 May 2003*

*Stock Wave, 30 May 2003*

*Business Day, Thailand, 30 May 2003*

*Manager Daily, Thailand, 30 May 2003*

*Matichon Newspaper, Thailand, 30 May 2003*

*Post Today Newspaper, Today's News Section, Page B4, Thailand, 30 May 2003*

*Krung Thep Thurakit Newspaper, Economic Commerce Section, Page 17, Thailand, 31 May 2003*

*Naew Na Newspaper, Thailand, 31 May 2003*

*Arthit Wikhrao Raiwan, Thailand, 31 May 2003*

*Khao Sod Newspaper, Thailand, 31 May 2003*

*Khom Chad Luek Newspaper, Thailand, 31 May 2003*

*Thansettakij Newspaper, Thailand, 1 June 2003)*

More than 40% of Japanese companies in Thailand lose out financially to counterfeiters and they would like to see the government extend anti-counterfeit activities to industrial products. The survey, conducted by the intellectual property department of the JETRO in Bangkok, in co-operation with the JCC, revealed that 41.3% of the Japanese companies surveyed in Thailand are affected by counterfeiting, losing more than 35 million bath last year.

Junichi Matsuo, director of JETRO's intellectual property department, said the survey revealed that counterfeiting was a common problem in Thailand, not only for music CDs, VCDs, DVDs and computer software, but also for Japanese industrial goods such as automobile parts and food products. The survey also makes it clear that the quality of counterfeit goods is substantially inferior to genuine items.

Hiroo Sutoh, chairman of the legal committee of JCC, added that more than 60% of respondents were not wholly satisfied by the anti-counterfeiting activities of the Thai government but they had neither the budgets nor the staff to tackle the issue themselves.

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## PEOPLE'S REPUBLIC CHINA

### News in May 2003

1. Yuxing organization China DVD alliance to fight against 6C on DVD patent charge issues
2. Panasonic encountered intellectual property hardness in China
3. Rule on famous trademarks identification & protection released
4. China research institute urged to be more patent aware
5. First patent credit card to be born in Shenzhen
6. Honda wins copyright suit in China

1. Yuxing organization China DVD alliance to fight against 6C on DVD patent charge issues  
(from *Interfax China IT & Telecom Report*, 2 May 2003)

Beijing Golden Yuxing Electronic Technology Co (Yuxing), an electronics maker listed on Hong Kong's Growth Enterprises Market (GEM), is organization a China DVD Alliance to team up major domestic DVD manufacturers to fight against the DVD 6C Licensing Agency on patent issues.

2. Panasonic encountered intellectual property hardness in China  
(from *SinoCast China Business Daily News*, 5 May 2003)

On the World Intellectual Property Day, the Intellectual Property Department of Panasonic China Co.,Ltd. complained of the two difficulties in the intellectual property area it has encountered in China. One is that the relevant departments are slow in examining and approving patent applications submitted, and the other is that the pirated commodities injure the image of Panasonic.

The relevant officers at Panasonic suggest that China's patent offices consider implementing an advanced approval system to alleviate the present slowness in the examination and approval of intellectual property applications so that the new patents can enjoy timely protection from violation and piracy.

3. Rule on famous trademarks identification & protection released  
(from *Xinhua Financial Network News*, 8 May 2003)

The State Administration for Industry and Commerce declared to have released the Rule on the Identification and Protection for Well-known Trademarks, which was ratified by the SAIC executive meeting. The rule is due to take effect on June 1, 2003. The famous trademarks stated in the rule refer to those which are extensively known and enjoy high reputation in related areas in China. The rule stipulates that the owner of a famous trademark is entitled to appeal to the enterprise-name registration authorities to revoke any corporate name in form of the said famous brand, which may otherwise deceive or cause misunderstandings among the public.

4. China research institute urged to be more patent aware  
(from *Xinhua News Agency Bulletin*, 12 May 2003  
*China Daily*, 12 May 2003  
*Asia Pulse*, 13 May 2003)

The Chinese ministry of Science and Technology has issued regulations urging Chinese research institutes and technological firms to set up a sound system for intellectual property rights. Entitled “Regulations on Enhancing Intellectual Property Protection on National Scientific Programs”, the regulations aim to encourage and safeguard technological innovations and accelerate the commercialization of new technology.

Research institutes undertaking large scientific projects of international importance will receive government subsidies when applying for patents in foreign countries.

5. First patent credit card to be born in Shenzhen  
(from *SinoCast China Business Daily News*, 23 May 2003)

Shenzhen Development Bank (SDB) said that it was applying for a patent for its credit card service, “pay with credit card and pin”. Their application had been handed in to State Intellectual Property Office of China. If it was approved, the credit cards issued by SDB would become the first credit cards with patent in China.

6. Honda wins copyright suit in China  
(from *Kyodo News*, 31 May 2003)

Honda Motor Co. has won a copyright suit in China as a Beijing court threw out a lower court decision rejecting Honda’s claim that Chinese manufacturers illegally copied its scooter design, Honda officials said.

The Beijing high court made the final ruling on 30 May. The ruling ended Honda’s legal battle over the design of its scooter as China adopts a two-stage trial system on cases involving intellectual property rights such as patents and copyright.

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## HONG KONG

### News in May 2003

#### University of HK joins patent race

*(from South China Morning Post, 8 & 9 May 2003)*

The university has filed an application to patent the virus sequence it discovered when its researchers first identified the SARS virus as a coronavirus. But it will have to compete with researchers from Canada, the United States Centres for Disease Control and Prevention and several pharmaceutical companies who have applied separately.

The holders of the patent would have exclusive rights to the use of the data and any other researchers would have to apply for a licence from them to use it for further research and development.

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## MALAYSIA

### News in May 2003

1. Ministry drafts intellectual property rights policy
2. Minister leads crackdown on pirated VCDs
3. NGOs urged to help stamp out illegal VCDs

#### 1. Ministry drafts intellectual property rights policy

*(from New Straits Times Newspaper, Malaysia, 15 May 2003)*

The Domestic Trade and Consumer Affairs Ministry is drafting a special policy on intellectual property rights as an action plan to manage the country's wealth. Its minister Tan Sri Muhyiddin Yassin said such a policy was necessary to stabilize intellectual property rights management in Malaysia.

Muhyiddin said the policy, expected to be ready by end 2003, would be a guideline on which sector needed the most protection in terms of intellectual property.

#### 2. Minister leads crackdown on pirated VCDs

*(from The Strait Times Newspaper, Singapore, 14 May 2003)*

Malaysian authorities seized more than 100,000 illegal VCDs. The minister led several raids in the capital, marking the start of a major crackdown on pirated VCDs nationwide, seizing 3,000 worth RM17,000.

The government is anxious to end Malaysia's reputation as a center of pirated goods in South-East Asia, but authorities have struggled to stem the tide of pirated discs that flood warehouses and sidewalk stalls.

3. NGOs urged to help stamp out illegal VCDs

*(from New Straits Times Newspaper, Malaysia, 15 May 2003)*

To help the Government stamp out pirated and pornographic VCDs, non-governmental organizations and religious bodies are urged to preach to the public the effects of watching such material.

Domestic Trade and Consumer Affairs Minister Tan Sri Muhyiddin Yassin said the parties must also inculcate in the public mind, the importance of observing international copyright law and respecting others' intellectual property rights.

Stressing that the Government would not start nabbing purchasers of such materials, Muhyiddin said it would be more effective to educate the public on why it was wrong to purchase pirated and pornographic materials.

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## SINGAPORE

### News in May 2003

1. Singapore's Trek 2000 receives 2<sup>nd</sup> patent for ThumbDrive

*(from AFX Asia, 5 May 2003)*

Trek 2000 International Ltd said The Registry of Patents Singapore has granted the patent for its Biometrics ThumbDrive. The patent is the second received by Trek for its ThumbDrive solutions in the city state. Additionally, Trek said Namibia has also granted patent for the Biometrics ThumbDrive.

2. Review is on to give copyright laws more teeth

*(from Channel News Asia, 20 May 2003)*

*Business Times, Singapore, 21 May 2003*

*The Strait Times Newspaper, Singapore, 21 May 2003)*

Singapore is reviewing its intellectual property laws to bring it more in line with international practices and requirements in the United States. The review, expected to take six to eight months, is spearheaded by the Intellectual Property Office of Singapore (IPOS) and targets 15 key provisions.

These include extending copyright protection from 50 to 70 years after the death of the creator of a piece of work. The changes will also include making it a criminal offence to commit 'significant and willful' copyright infringements.

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# THE PHILIPPINES

## News in May 2003

1. Raid in Talayan
2. Optical Media law needs spark plug
3. New patent system seen to increase applications

### 1. Raid in Talayan

*(from Philippine Daily Inquirer, 3 May 2003)*

National Bureau of Investigation (NBI) agents seized about P10 million worth of fake Warner Bros, Mattel and Sanrio products during a raid in Quezon City. NBI men also seized 87,897 pieces of fake shirts bearing the trademarks of the three firms.

### 2. Optical Media law needs spark plug

*(from Philippine Daily Inquirer, 4 May 2003)*

The Optical Media bill, which has already been passed by the House of Representatives, will help deter, if not eliminate, piracy in the Philippines, according to Intellectual Property Office director general Emma Francisco.

The House version of the bill aims to curb piracy by limiting the materials used to propagate intellectual property-infringing content. It requires companies or individuals engaged in the reproduction of CDs and other “optical media” to secure licenses, and institutionalizes a “source identification code system.” Violators face imprisonment and fines.

The measure will also dissolve the Videogram Regulation Board and create in its place the “Optical Media Board,” which will be placed under the Office of the President.

### 3. New patent system seen to increase applications

*(from Manila Bulletin, 18 May 2003)*

The number of patent applications of foreign inventions dropped significantly last year by almost four-fold to 705 from 2,470 in 2001 but the figure is expected to increase this year following the designation of the Philippines in the Patent Cooperation Treaty (PCT).

But applications for trademarks have continued to increase annually. On the other hand, foreign trademarks applications reached 4,681 last year from 4,499 in 2001. The increase in the number of applications for IP protection only signals the awareness of inventors and owners the need to protect their creation and products.

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## INDONESIA

### News in May 2003

#### RI retained on priority watch list

*(from The Jakarta Post Newspaper, Indonesia, 14 May 2003)*

The United States Trade Representative (USTR) has maintained Indonesia on its Priority Watch List for intellectual property protection violation. This is the third consecutive year that Indonesia has been included on the list for apparently falling to adequately protect US intellectual property rights.

The USTR acknowledges that Indonesia has been making significant progress in the protection of intellectual property rights, but overall protection remains weak.

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## VIETNAM

### News in May 2003

#### 1. Vietnam destroys fake CDs to mark world IP Day

*(from World Markets Research Centre, 7 May 2003)*

Vietnamese officials said that they had destroyed over 48,000 fake audio and computer CDs and 1,200 books in a piracy purge to mark World Intellectual Property Day on 26 April. The products were either burnt or crushed by a steamroller. However, investors will be keener to see more sustained institutional action against piracy rather than one-off ceremonies.

#### 2. Trung Nguyen successfully protects trademark stateside

*(from Saigon Times Daily, 9 May 2003)*

Trung Nguyen Coffee Co. has at last succeeded in retaining the rights for registering its trademark in the United States after more than one year settling a dispute with a company in that country.

Doan Dinh Hoang, Marketing manager of Trung Nguyen, said that his company had reached an agreement with Rice Field Co. after the two sides signed a contract under which the coffee processor gave in to some compromise.

Under the contract, Rice Field Co. must withdraw its application to register the industrial property rights under the name of Trung Nguyen in the US market, while the local company will in turn allow the US company to be the sole distributor of its coffee products there within two years from 2003.

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