

## Monthly Report of November 2002

- By Country:

THAILAND  
PRC  
HONG KONG  
MALAYSIA  
THE PHILIPPINES  
INDONESIA  
VIETNAM

---

### THAILAND

#### News in November 2002

1. US and Thailand sign bilateral TIFA
2. Thailand tops BSA survey
3. Counterfeits thrive despite crackdown
4. Protection for rice and silk hits snags
5. Thailand won't yield on Jasmati
6. Group to work on method for appraising value of intellectual property
7. Foreigners could exploit local goods
8. Ministry, agencies plan crackdown on piracy
9. GPO to sue drug firm over patent

1. US and Thailand sign bilateral TIFA  
(from *Thai News Service, 1 November 2002*)

US Trade Representative Robert B. Zoellick and Thai Minister of Commerce Adisai Bodharamik signed a bilateral agreement to promote the liberalization of trade and investment between the two countries. The Trade and Investment Framework Agreement (TIFA) creates a Joint Council to further facilitate and liberalize trade and investment, including such areas as intellectual property, information technology, biotechnology policy, and capacity building, as well as coordination in the APEC and the WTO.

2. Thailand tops BSA survey  
(from *Bangkok Post Newspaper, Database Section, Page 1, Thailand, 6 November 2002*)

Industry watchdog the BSA claims that Thai companies have a higher awareness of software asset management (SAM) than others in the region following a survey of eight countries recently.

BSA has promoted SAM for the past two years in order to educate corporate users about legal software use. The survey found that around 49% of 200 small to large companies in eight countries were aware of proper SAM practices, while 46% has adopted a SAM model.

In Thailand, however, some 57% of companies were aware of the SAM concept while 54% already use it.

### 3. Counterfeits thrive despite crackdown

*(from Bangkok Post Newspaper, Business Section, Page 10, Thailand, 7 November 2002)*

Counterfeited versions of leading brands such as Sunsilk shampoo and Lux soap have been increasing locally despite a relentless crackdown on the producers, according to Unilever Thai Trading Ltd.

The Anglo-Dutch consumer goods giant said there had been 35 cases so far this year involving vendors and producers who had distributed imitation products. Unilever had co-operated with government and private organizations in taking action against those who produced imitation products, said Wannipa Bhakdibutra, home care director of Unilever Thai Holdings Ltd.

She said she expected the co-operation and legal action taken would effectively help reduce the proliferation of fake goods.

### 4. Protection for rice and silk hits snags

*(from Bangkok Post Newspaper, Business Section, Page 3, Thailand, 21 November 2002)*

Thai trade negotiators are facing an uphill battle to extend geographical indication (GI) protection to goods such as Thai rice and silk, on par with the protection given to French wines and Scotch whisky.

In dealing with one of the more contentious issues of the current round of World Trade Organisation negotiations, Thailand would likely have to accept trade-offs with other nations when it came to its trade interests, said a Commerce Ministry official.

Geographical indications are place names or names associated with a place, used to identify the origin and quality, reputation or other characteristics of products, for example, Champagne or Tequila.

The current TRIPs agreement offers two types of GI protection. All geographical indications are protected under Article 22, the main criteria being to avoid misleading consumers or uncompetitive practices.

Thailand is lobbying to have its rice and silk protected under Article 23, arguing that the products are distinctive and originate exclusively from its soil. Thailand's position is backed by the European Union, Switzerland, Bulgaria and India. Opponents of broadening GI protection include the United States, Canada, Japan, Australia, New Zealand, Argentina, Chile, Paraguay and Mexico.

The TRIPs Council discussions in Geneva echoed the Thai official's views. Some delegations raised the question of what happened when two countries had places with the same names and both places produced the same goods.

In Thailand, the Senate is considering the draft of the Geographical Indications Bill. The country has passed several laws since 1994 to reflect its commitments under various WTO agreements on intellectual property. The GI bill is the last in the series.

### 5. Thailand won't yield on Jasmati

*(from Bangkok Post Newspaper, Business Section, Page 1, Thailand, 28 November 2002)*

Thailand will continue to press for Rice Tech Inc, an American company, to lose its registered trademark, Jasmati, although the United States Federal Trade Commission has turned down previous complaints.

Yanyong Phuangraj, the director-general of Thailand's Intellectual Property Department, said that jasmine or Hom Mali rice could be grown only in the northeastern and upper northern regions of Thailand.

Witoon Lianchamroon, of BioThai, a local biodiversity group campaigning to protect "local wisdom", said the department could press home its point by giving the commission evidence that Jasmati had eroded the market share of Thai jasmine rice in the US.

Mr Witoon said he held little hope that Thailand's House of Representatives would copy the Indian government by amending the draft Geographical Indications Bill to include Thai jasmine rice as a product that needs protection. The draft has already been endorsed by the senate without such a provision.

6. Group to work on method for appraising value of intellectual property  
(from *Thai News Service*, 25 November 2002)

The Intellectual Property Department and state-run banks have set up a working group to set principles for appraising intellectual property as a kind of collateral that can be used to borrow money. Yanyong Phuangrach, director-general of the department, said the working group of experts would outline appraisal principles for pricing intellectual property as part of the government's efforts to help small investors borrow more money from banks. The outline of the appraisal principles should be completed in two to four weeks, Yanyong said.

7. Foreigners could exploit local goods  
(from *Bangkok Post Newspaper, Home News Section, Page 7, Thailand, 26 November 2002*)

The Geographical Indication Bill, passed by the Senate last week, would allow foreigners to exploit Thai agricultural produce, including jasmine rice, the Senate committee on foreign affairs said. Khunying Chodchoi Sophonpanich, a committee member, said the Senate passed the bill even though most senators were confused about its intent.

Geographical indications are those which identify the place of origin of a product, where a given quality, reputation or other characteristic of the product is essentially attributable to its geographical origin. However, products which originate in Thailand might not be protected because they had been left out of the bill. The bill excluded plant and animal strains, Thai food, and traditional medicine from its protection list.

8. Ministry, agencies plan crackdown on piracy  
(from *Thai Daily Digest*, 26 November 2002  
*The Nation Newspaper, Business Section, Page 4B, Thailand, 26 November 2002*)

The Commerce Ministry and 10 other government agencies are to jointly crack down on pirated products, the ministry said. Deputy Commerce Minister Wattana Muangsuk said he had ordered the Intellectual Property Department to draft a memorandum of understanding on the joint suppression of copyright violation. "The 10 state agencies have to share responsibility for the suppression of illegal products. They have to ink an MoU to ensure that each agency pursues government policy by suppressing pirated goods," he said.

## 9. GPO to sue drug firm over patent

*(from The Nation Newspaper, Local News Section, Page 2A, Thailand, 30 November 2002)*

The Government Pharmaceutical Organisation (GPO) will seek a court revocation of a US drug firm's patent on the bill form of a vital but expensive HIV drug. The GPO's executive board resolved to ask public prosecutors to file a lawsuit on its behalf against Bristol-Myers Squibb (BMS), which holds a 20-year patent on didanosine (ddI), said the organisation's chief Thongchai Thawichart.

The GPO will submit evidence to the Attorney General next week. BMS has already lost one lawsuit filed by three HIV-positive people and the AIDS Access Foundation. BMS has not said if it will appeal

---

## PEOPLE'S REPUBLIC OF CHINA

### News in November 2002

1. Ukraine, China sign copyright protection, aircraft agreements
2. Japan helps China fight fake brand goods
3. Guangdong Kelon gets trademark for debt-paper
4. Korea, China, Japan to link patent networks
5. METI to send mission to China to fight commercial piracy
6. Sony loses in Design Rights Case in china

### 1. Ukraine, China sign copyright protection, aircraft agreements

*(from BBC Monitoring Asia Pacific-Political, 18 November 2002)*

Ukrainian and Chinese governments signed a cooperation agreement to protect intellectual property and a protocol on aircraft construction. Zemin promised to support Ukraine in its desire to become a member of the World Trade Organisation. China considers Ukraine a reliable friend and partner in Central Europe, Ukrainian presidential press secretary, Olena Hromnytsks, quoted Jiang Zemin as saying.

### 2. Japan helps China fight fake brand goods

*(from JIJI Press Newswire, 21 November 2002)*

The Japan Patent Attorneys Association said it has agreed to help the China Trademark Association introduce stricter measures to combat a flood of fake brand-name goods in China.

Fujio Sasajima, president of the association, plans to visit China to sign a memorandum on the matter. The memorandum will include an exchange of information on intellectual property rights and support for companies damaged by fake brand-name goods.

The China Trademark Association comprises major Chinese firms such as electronics maker Haier and Tsingtao Beer, and trademark experts.

### 3. Guandong Kelon gets trademark for debt-paper

*(from Reuters News Service, 22 November 2002)*

China's Guangdong Kelon has accepted a trademark and some land use rights as payment for 857.4 million yuan in debt owed by a former shareholder. The white goods maker has also agreed to forgive another 50.4 million yuan in interest owned by former largest shareholder Guangdong Kelon (Rongsheng) Group, the official China Securities Journal said quoting a statement from the listed company. Guangdong Kelon officials declined comment. Its shares on the Hong Kong and Shenzhen stock exchanges were suspended on Friday pending an announcement of a major transaction.

4. Korea, China, Japan to link patent networks  
(from *The Korea Herald*, 25 November 2002)

Korea, China and Japan agreed to set up a computer network linking the three countries' patent offices in a bid to conduct joint screening of patents and share results of their patent screenings, the Korea Intellectual Property Office (KIPO) said. KIPO chief Kim Gwang-lim will hold talks with Shinichiro Ota, head of Japan Patent Office, and Wang Jingchuan, head of China's State Intellectual Property Office, in Seoul to formalize the agreement.

The heads of the three countries' patent offices are also set to reach an agreement to jointly hold a seminar aimed at discussing measures to protect and manage intellectual property rights owned by firms in the three Northeast Asian countries. The three are also expected to agree on details to cooperate with one another in the protection of patents relating to state-of-the-arts technologies, including e-commerce and biotechnology.

5. METI to send mission to China to fight commercial piracy  
(from *Organisation of Asia-Pacific News Agencies*, 29 November 2002  
*JJI Press Newswire*, 29 November 2002)

A government-business mission will visit China for seven days to call for a stronger crackdown on commercial piracy of Japanese patents and copyrights, the Ministry of Economy, Trade and Industry said.

The mission plans to visit such cities as Beijing and Guangzhou to urge local authorities to put more effort into countering the piracy widely seen in the country as it hampers Japanese business opportunities, the ministry said. It will be the first mission dedicated to the protection of intellectual property rights Japan has sent.

6. Sony loses in Design Rights Case in China  
(from *JJI Press Newswire*, 30 November 2002)

A Chinese district court has rejected Sony Corp.'s claim for an injunction of Chinese electronics maker Bubugao's design rights on VCD players that are similar to Sony's PlayStation game machine.

In late 2000, Sony filed the claim against Bubugao with China's patent agency, insisting that the Chinese firm imitate the design of the PlayStation game machine. The agency had once admitted Sony's claim, but the case was sent to the district court as Bubugao filed a complaint against the agency's decision.

---

## HONG KONG

### News in November 2002

#### HK's efforts on intellectual property protection awarded

*(from Xinhua News Agency bulletin, 14 November 2002*

*Asia Pulse, 15 November 2002)*

Henry Tang, secretary for commerce, industry and technology of the Hong Kong Special Administrative Region (SAR), has been given the Cyber Champion Award by the BSA. The award has been granted in recognition of the legislative framework developed by the Hong Kong SAR government in protecting intellectual property rights as well as government's leadership and commitment to IPR protection.

---

## MALAYSIA

### News in November 2002

1. RM3m worth of counterfeit printer cartridges seized
2. Pirated VCDs and DVDs worth RM20,000 seized from a house
3. Pirated copies of new telemovie seized in raids
4. A pirated DVD version of Harry Potter on sale in Kuala Lumpur
5. 20,000 pirated and pornographic VCDs worth RM100,000 seized
6. Seminars on intellectual property rights
7. More R&D to promote local innovations
8. Six optical disc factories making pirated VCDs
9. Malaysia drives video pirates off streets to malls
10. 140,000 pirated CDs worth RM400,000 seized

#### 1. RM3m worth of counterfeit printer cartridges seized

*(from New Straits Times Newspaper, Malaysia, 1 November 2002*

*Malay Mail, 21 November 2002)*

Enforcement officers seized more than 100,000 units of counterfeit printer cartridges worth RM3 million at a warehouse in Bandar Manjalara Kepong. This was the biggest seizure reported this year.

Federal Territory enforcement director Mohd shahar Osman said the counterfeit printer cartridges were using brand names such as Canon, Hewlett-Packard and Epson. The cartridges had been packed in boxes bearing Thai words, indicating that the shipment could have been destined for Thailand.

#### 2. Pirated VCDs and DVDs worth RM200,000 seized from a house

*(from Bernama Daily Malaysian News, 8 November 2002)*

Domestic Trade and Consumer Affairs enforcement officers seized RM200,000 worth of pirated digital versatile discs (DVDs) and video compact discs (VCDs) from a house here following a tip-off. A total of 15,696 pirated DVDs and 1,580 pirated VCDs were seized during the operation.

3. Pirated copies of new telemovie seized in raids  
(from *New Straits Times Newspaper, Malaysia, 16 November 2002*)

The Domestic Trade and Consumer Affairs Ministry has seized 1,683 pirated CDs and VCDs. Of the total, 112 VCDs are on new telemovie 'New Boyz-Pulau Inspirasi'.

Domestic Trade and Consumer Affairs Ministry's State enforcement division director Sulaiman Salam said the pirated copies were being sold at RM8 a copy while the original copy is priced at RM19.90. He said the movie was meant for the coming Hari Raya but unscrupulous manufacturers had already made several versions of its pirated copies and distributed them in the market.

4. A pirated DVD version of Harry Potter on sale in Kuala Lumpur  
(from *Reuters News Service, 19 November 2002*)

A pirated DVD version of "Harry Potter and the Chamber of Secrets" is displayed on a rack of a shop in Kuala Lumpur November 19, 2002. The film which earned \$142 million at the box office in its first weekend in North America and eight international markets also opened at cinemas in Malaysia, regarded by the entertainment industry as one of Asia's hotspots for piracy. The pirated DVD sells for \$3.

5. 20,000 pirated and pornographic VCDs worth RM100,000 seized  
(from *Bernama Daily Malaysian News, 20 November 2002*)

20,000 pirated and pornographic VCDs worth RM100,000 were seized by the Domestic Trade and Consumer Affairs Ministry's Enforcement Division, from a shop at Jalan Armugan Pillai.

He said the shop, which was operated by a Chinese man who was in his 30's, had been raided several times before, but had continued its illegal activities. Speaking to reporters after the operation, he said the man would be charged under the Copyright Act 1987 and Price Control Act 1946.

6. Seminars on intellectual property rights  
(from *New Straits Times News paper, Malaysia, 21 November 2002*)

The Domestic Trade and Consumer Affairs Ministry is organizing seminars to boost awareness of intellectual property rights. Deputy Minister Datuk S. Subramaniam said the programmes include seminars for target groups such as researchers, businessmen, students and the public. The seminars are organized by the intellectual property training centers.

7. More R&D to promote local innovations  
(from *Computimes, 21 November 2002*)

Figures from the Domestic Trade and Consumer Affairs Ministry showed that of the 6,000 patents registered annually, only 200 are by Malaysian companies. The highest number of applications comes from the United States, followed by Japan and Germany.

Mustafa Azhar Mahmud, principal assistant secretary of the Ministry's Intellectual Property Division. He was presenting a paper on The Government's Current Legislation on Intellectual Property at the Federation of Malaysian Manufacturers intellectual property seminar.

8. Six optical disc factories making pirated VCDs  
(from *New Straits Times Newspaper, Malaysia, 25 November 2002*)

Six optical disc factories are believed to have abused their operating licences by manufacturing pirated CDs and VCDs for sale nationwide. The Domestic Trade and Consumer Affairs Ministry's enforcement unit is gathering evidence against the six factories to charge them with the offence.

Minister Tan Sri Muhyiddin Yassin said all six would be asked to show cause why their operating licences should not be revoked with immediate effect. "This is a serious matter as we have warned all manufacturers to abide by regulations under the Copyright Act 1987 and Optical Disc Act 2000.

Muhyiddin said 42 companies had been licensed under the Optical Disc Act to manufacture the intellectual property and were required to present reports on their activities to the ministry regularly. He said all factories had to renew their operating licences every year and the ministry would only approve their applications after surprise checks had been conducted at their premises.

9. Malaysia drives video pirates off streets to malls  
(from *Reuters News Service, 27 November 2002*)

Malaysia is winning a battle to drive sellers of pirated VCDs off the streets – only to see many of them resurfacing in shopping malls. Malaysia is a hot market for pirated videos, with VCDs and DVDs of hit Hollywood films selling on the streets for up to \$3 a piece, almost as soon as they open at the cinema.

Domestic Trade and Consumer Affairs Minister Muhyiddin Yassin said the number of street hawkers had fallen to 380 from 2,800 since a crackdown began last year, but a second sweep was needed to drive them out of the malls.

The International Intellectual Property Alliance, a US pressure group, estimates that trade losses due to piracy in Malaysia cost US firms \$316.5 million last year compared with \$140 million in 2000. Malaysia has recently announced some successes in catching optical disc factories that had been producing pirated products.

10. 140,000 pirated CDs worth RM400,000 seized  
(from *New Straits Times Newspaper, Malaysia, 29 November 2002*)

Selangor police seized 140,000 pirated music and movie CDs worth about 400,000 during a raid in Puchong recently. The group had been operating for the past two months and believed to be a distributor of illegal VCDs to several states including Perlis, Malacca, Johor and Kuala Lumpur.

---

## THE PHILIPPINES

### News in November 2002

1. VCD-making machines seized
2. Software group gives second chance to fakes
3. Fake Nike, Adidas shores seized

1. VCD-making machines seized

*(from Philippine Daily Inquirer, 23 November 2002)*

Agents of the Criminal Investigation and Detection Group (CIDG) seized some P800 million worth of fake Nike and Adidas rubber shoes smuggled from China in separate raids on retail stores and warehouses in Pasay City.

The seized goods were brought to the offices of Nike and Adidas in Manila for inventory and safekeeping. The CIDG agents, together with representatives from the Nike Philippines and Adidas Philippines conducted the searches in the stores and warehouses based on warrants issued by a local city court.

2. VCD-making machines seized

*(from Manila Standard, 8 November 2002)*

Agents of the Bureau of Customs seized some P500 million worth of replicating machines that produce pirated VCDs in a flash. Deputy customs commissioner Ray Allas said the six machines that were seized at the Port of Manila could produce a million copies of fake VCDs in two weeks.

The shipment, consigned to Kayana General Merchandise in Novaliches, Quezon City, came in three 40-foot container vans from Taiwan aboard m/v Zhao Qing He last Oct. 28. Allas said the importer will be charged with violating the tariff and customs code for misdeclaration and for importing replicating machines without a permit from the Videogram Regulatory Board.

3. Software group gives second chance to fakes

*(from Business World, Philippines, 15 November 2002)*

The BSA is giving companies the chance to be free from the risks of being raided by the National Bureau of Investigation through the Assistance in Software Auditing Program 2 (ASAP2), a program designed to assist companies in adopting proper software management.

Companies are using only legal software and practices software asset management (SAM). The certificate also guarantees a one-year grace period during which the company will not be subject to any BSA-initiated raid or legal action.

---

## INDONESIA

### News in November 2002

Indonesian firms pirated 1,500 foreign brands

*(from Asia Pulse, 1 November 2002)*

Local firms have pirated at least 1,500 of 30,000 registered foreign brands in the country. The Association of Intellectual Property Rights Community said the figure reflected poor protection of rights in the country.

Association chairman Gunawan Suryomurcito was quoted by the newspaper Bisnis Indonesia the United States Trade Representative has put Indonesia in its Priority Watch List for 2002 along with a number of other countries like China and Brazil.

Gunawan said dispute over violation of rights could lead to sanctions in the form of restriction on Indonesian exports to the US and its trading partner countries. Gunawan said many cases of right violations in the country could not be settled in court because of inconsistency of the country's judicial system.

---

## VIETNAM

### News in November 2002

1. Copyright key for BTA implementation
2. TRIPs to open doors for VN's WTO entry

1. Copyright key for BTA implementation  
(from *Saigon Times Daily*, 6 November 2002)

Intellectual property rights is a focal point in the city's action plan on implementating the Vietnam-US Bilateral Trade Agreement, HCMC Vice Chairman Nguyen Thien Nhan told a senior official of the US Trade Development Agency.

"What we pay most attention to is intellectual property rights," Nhan told the agency's India-Indochina Regional Manager, Elena Bryan. Nhan said Vietnamese companies paid much attention to the copyright issue as it would also ensure their benefits. According to Nhan, in the process on integration, local companies also have to face the problems of fake products.

2. TRIPs to open doors for VN's WTO entry  
(from *Saigon Times Daily*, 12 November 2002)

An expert in international laws emphasized Vietnam would see easier entry into the WTO once it seriously implemented the agreement on Trade Related Aspects of Intellectual Property Rights (TRIPs).

Nguyen Van Nam from Humboldt University in Berlin said all WTO members had to fulfill TRIPs as it was the world's most important agreement governing intellectual property rights and regulating the protection of intellectual property.

Vietnam will have to pass the TRIPs standards before it joins the WTO, Nam told a seminar organized by the Vietnam Asia-Pacific Economic Centre in HCMC at the Saigon Times Club.

He said Vietnam should establish courts at all levels to deal with violations of intellectual property rights in accordance with international laws, and should improve the national judicial system if it was to implement TRIPs.

---