

Monthly Report of December 2003

- By Country:

THAILAND
PRC
HONG KONG
MALAYSIA
SINGAPORE
THE PHILIPPINES
VIETNAM

THAILAND

News in December 2003

1. Police seize illegal software
2. Destroyed counterfeit products
3. Win for Sompote
4. Amlo wants wider power to take assets
5. Karaoke problem
6. Clampdown on counterfeit goods praised

1. Police seize illegal software

(from Bangkok Post Newspaper, Database Section, Page 3, Thailand, 3 December 2003)

Police from the Economic Crime Investigation Department have raided a suspected cyber pirate who allegedly sold pirated software on the Internet and seized documentary evidence, software and music CDs.

The Business Software Alliance (BSA), which collaborated with police for the raid, said the pirate had advertised the software online and then received orders and payment from customers before using the Thai postal system to send the pirate discs to the purchaser.

Under the Thai Copyright Act, a person who reproduces or distributes unlicensed products for commercial purposes shall be liable to a fine of up to 800,000 baht or four years in jail.

2. Destroyed counterfeit products

(from Post Today Newspaper, Today's News Section, Page A2, Thailand, 12 December 2003)

Krung Thep Thurakit Newspaper, Economic Commerce Section, Page 25, Thailand, 12 December 2003)

Customs Department destroyed counterfeit products such as games, watches, CDs, small motorbike etc., worth 30 million bath. From this year Customs dept. destroyed counterfeit products worth over 100 million baht.

3. Win for Sompote

(from The Nation Newspaper, Business Section, Page 1B, Thailand, 12 December 2003)

Krung Thep Thurakit Newspaper, Economic Section, Page 10, Thailand, 17 December 2003)

The Tokyo High Court upheld a lower court ruling awarding a Thai movie-production company executive the exclusive overseas rights to Japan's "Ultraman" TV series. Presiding

judge Motoaki Kitayama ruled in favour of Sompote Saengduenchai, rejecting a claim to the overseas rights by Tsuburaya Productions, the Tokyo-based company that produces the popular television series.

4. Amlo wants wider power to take assets

(from *Bangkok Post Newspaper, Home News Section, Page 3, Thailand, 16 December 2003*
Post Today Newspaper, Prime News Section, Page A1, Thailand, 16 December 2003)

The Anti-Money Laundering Office wants the power to seize assets acquired through seven more offences. The seven wrongdoings are gambling, trade in war weapons, abuse and dishonest use of natural resources and the environment, human trade, illegal exchange of currencies, violations of intellectual property and price collusion in bidding for government projects.

5. Karaoke problem

(from *Post Today Newspaper, Business Market Section, Page B3, Thailand, 19 December 2003*
Krung Thep Thurakit Newspaper, Economic Section, Page 9, Thailand, 19 December 2003
Krung Thep Thurakit Newspaper, Economic Section, Page 4, Thailand, 26 December 2003)

Mr. Wattana Muangsuk, Minister of Commerce said after the meeting with Thai Karaoke Alliance that they concluded to ask the music owners to divide the CDs for each propose. So the commercial CD would include the copyright fee. Then the music company cannot ask for the fee later.

6. Clampdown on counterfeit goods praised

(from *Bangkok Post Newspaper, Business Section, Page 10, Thailand, 24 December 2003*)

The group that owns the luxury brand Louis Vuitton has commended the Thai government's crackdown on counterfeit products, which it says has resulted in the removal of up to 80% of contraband Louis Vuitton goods from key tourist spots in the last three months.

Philippe van Eeckhout, the LVMH Fashion Group's head of anti-counterfeiting for Asia Pacific, said he was very satisfied with the results. Most counterfeit Louis Vuitton products distributed in Asia, particularly in Thailand, are produced in China.

PEOPLE'S REPUBLIC OF CHINA

News in December 2003

1. Patent owner wins case against State Intellectual Property Office
2. China's Huaxia Bank applying for patents for 3 financial services
3. Deal struck on tackling intellectual property breaches
4. Shanghai reports record patent applications
5. Astronaut Yang tries to protect image
6. Market order expected to be further protected
7. China patents new IT formats to avoid royalties
8. China needs to be more savvy on intellectual property
9. Shanghai united property rights exchange inaugurated
10. China court rejects J&J copyright suit
11. China to enhance administrative enforcement on intellectual property
12. China to launch campaign against online game piracy Jan 1

1. Patent owner wins case against State Intellectual Property Office

(from Xinhua News Agency, 1 December 2003)

A patent owner recently got more than 3,350 yuan of compensation from the State Intellectual Property Office (SIPO) for their dereliction of duty. The SIPO granted the patent to Wang in December 2001. It published the announcement for the patent and sent the certificate to Wang. But in the announcement and the certificate, the bureau deleted the words “transferred by Xia” in the address.

Because of the error, Wang did not receive the certificate for long, nor did he hear from anyone who showed interest in his invention. Wang sued the office in July 2003, asking it to make an announcement for the address correction and pay compensation of 4.5 million yuan.

After meticulously checking and rechecking all the facts, the Beijing No. 1 Intermediate People’s court decided the office, because of dereliction of duty, made mistakes which caused havoc to the interests to the patent owner. The court ordered the office to make the announcement for the address change within 30 days after the verdict and pay direct economic loss of 3,354.5 yuan to Wang.

2. China’s Huaxia Bank applying for patents for 3 financial services

(from Xinhua Financial Network News, 2 December 2003)

Huaxia Bank Co Ltd is applying to China’s State Intellectual Property Office for patents for its three new online financial services. The three new services are online interbank digital identification for banking services, online data storage services and online company display platforms.

It said Citibank has already applied for patents on 19 financial products since 1996, which has caused alarm bells to ring in China’s domestic banking sector.

3. Deal struck on tackling intellectual property breaches

(from South China Morning Post, 4 December 2003

The Standard, 4 December 2003)

Guangdong and Hong Kong officials agreed to work out a framework for dealing with cross-border intellectual property infringement cases under the two different legal systems. The agreement was reached in the first meeting of the Guangdong-Hong Kong Expert Group on the Protection of Intellectual Property Rights. Mainland officials also agreed to launch a “no-fakes” campaign among shops in the province, similar to a programme in Hong Kong.

With the increasing economic co-operation between Guangdong and Hong Kong, it was vital to step up collaboration between the two places to tackle intellectual property infringements. A “no-fakes” campaign in the province would resemble the one Hong Kong has had since 1998. Shops pledging not to sell counterfeit goods are given logos to display, raising customer confidence.

4. Shanghai reports record patent applications

(from Xinhua News Agency, 4 December 2003)

Shanghai, a leading industrial and commercial city of China, saw booming patent applications in the first 10 months this year. The recorded 18,301 patent applications in the January-October period, up 47.3 per cent over the same period last year and 23 percentage points higher than the national average increase rate for the first 10 months this year.

A record 4,797 patent applications were for inventions, rising by 64.4 per cent on a yearly basis. The figure accounted for 10.62 per cent of the national patent applications for inventions.

5. Astronaut Yang tries to protect image

(from Business Daily, 10 December 2003

Post Today Newspaper, International Economic Section, Page A12, Thailand, 10 December 2003)

The face of China's first astronaut has been registered as a trademark after wall calendars and playing cards bearing his image were found in the cities across the country, including Shanghai. The announcement came on December 8 from the Beijing Space Medical Engineering Institute, of which astronaut Yang Liwei is a member.

6. Market order expected to be further protected

(from China Daily, 15 December 2003)

The National Office of Rectification and Standardization of Market Economic Order held its second meeting in Beijing, hearing opinions on intellectual property protection and activities against piracy and counterfeiting from foreign-invested firms in China.

Representatives from 80 foreign-invested companies attended the meeting to give their comments on China's efforts with the anti-counterfeiting campaigns, and to give suggestions for further protecting market order.

7. China patents new IT formats to avoid royalties

(from Nikkei Weekly, 15 December 2003)

The Chinese government and local manufacturers are working hard to develop their own specifications for IT products to avert legal disputes over intellectual property rights. Securing their own patent rights will enable the firms to avoid paying huge amounts of royalties to companies from industrialized countries, including Japan.

They have obtained patent rights on seven EVD technologies and applied to the International Electrotechnical Commission for recognition of the EVD format as an international standard.

8. China needs to be more savvy on intellectual property

(from Xinhua News Agency, 17 December 2003

AFX Asia, 18 December 2003

Business Daily, 18 December 2003

South China Morning Post, 19 December 2003)

China needs to protect itself better against foreign countries abusing intellectual property rights to gain economic advantages. Some developed countries could protect their domestic markets by abusing intellectual property rights and making allegations of dumping.

China's judges should fight this trend by doing more research on intellectual property rights. Since China entered the WTO, local courts have accepted a growing number of cases related to intellectual property, including transnational cases.

9. Shanghai united property rights exchange inaugurated

(from Xinhua's China Economic Information Service, 19 December 2003)

Shanghai United Property Rights Trading Exchange was launched on the basis of the former Shanghai Property Rights Trading Exchange and former Shanghai Technological Property Rights Exchange with an aim to facilitate and standardize transactions of property rights.

The new exchange establishment will offer: transactions in property and stock rights of all enterprises with diverse ownership; transfer of intellectual property rights and scientific, technological achievements; strategic adjustment of state assets; enterprise restructuring and mergers of overseas-financed businesses; auxiliary services in preparation for enterprise restructuring and listing; fund-raising; venture capital investment; and trustee management of stock rights of non-public listed companies.

10. China court rejects J&J copyright suit

(from Reuters News, 23 December 2003

Xinhua News Agency, 23 December 2003

Dow Jones International News, 24 December 2003

Krung Thep Thurakit Newspaper, World Business Section, Page 37, Thailand, 25 December 2003)

A Beijing court has rejected a Johnson & Johnson lawsuit against China's trademark regulator, which denied the US company's claim of copyright infringement by a local maker of women's sanitary towels.

Johnson & Johnson, which sells its Carefree brand in China, had accused Wenzhou-based Kangfuya Health Products Ltd since 1997 of misleading consumers with a product line called Careful.

The US health care products maker had petitioned the Trademark Bureau of the State Administration for Industry and Commerce twice to nullify the Kangfuya's registered trademark, but was denied both times.

11. China to enhance administrative enforcement on intellectual property

(from Xinhua News Agency, 23 December 2003

China Daily, 24 December 2003)

China's State Intellectual Property Office organized an inter-agency consultation for strengthening administrative enforcement, together with law enforcement, to effectively protect intellectual property.

Since China gained access to the WTO in 2001, more intellectual property disputes have occurred. Against this backdrop, the SIPO decided to coordinate with other agencies to further enhance intellectual property protection.

12. China to launch campaign against online game piracy Jan 1

(from Dow Jones International News, 24 December 2003

China Daily, 24 December 2003)

China plans to launch a campaign Jan. 1 to crack down on Internet game piracy in the rapidly expanding sector. The three-month-long campaign is aimed at shutting down Web sites that operate unauthorized Internet game servers and those that provide software to cheat on online games.

Statistics show at least 60% of Chinese Internet game players use software to cheat on online games, causing a daily loss of CNY100,000 for Internet game producers.

13. Nike warned on China copyright

(from South China Morning Post, 27 December 2003)

A mainland designer of flash animations for use in Internet advertising campaigns is threatening to sue Nike for intellectual property rights infringement after the shoemaker used a stick-man figure in a recent marketing campaign.

The United States sports equipment giant has dismissed the allegation.

14. Trademark violators punished

(from Shanghai Daily, 30 December 2003)

A local court ordered three Chinese companies to pay 500,000 yuan in compensation to Montagut for conspiring to violate the French fashion company's trademarks.

Bonneterie Cevenole SARL, which owns the trademark of Montagut, filed a lawsuit against Shanghai Meizheng Garment Co Ltd, Montequ Mayjane (Hong Kong) Fashion Ltd and Changshu Haoteba Garment Co Ltd for trademark infringement and unfair competition in September last year. It requested 1 million yuan in compensation.

The court decided the three defendants conspired to illegally use the Montagut trademark and they have caused damage to the French company.

HONG KONG

News in December 2003

China's Guangdong, Hong Kong, Macao launch database on intellectual property

(from BBC Monitoring Asia Pacific, 3 December 2003

Xinhua News Agency, 3&11 December 2003

Business Daily, 4&12 December 2003

China Daily, 12 December 2003)

The Intellectual Property Database for Guangdong, Hong Kong and Macao was launched. It enables Pearl River Delta's existing and potential investors to search in a one-stop-shop manner for information on intellectual property systems throughout the region.

The database allows easy access to information on the intellectual property systems in the Chinese mainland, Hong Kong and Macao. Laws and registration procedures in relation to trade marks, patents and registered design as well as laws and regulations on copyright can be found on the database.

The database is jointly developed by a number of government departments from Guangdong Province, Hong Kong Special Administrative Region and Macao Special Administrative Region. The three regions have agreed to continue to enhance the database with useful and up-to-date information.

MALAYSIA

News in December 2003

1. Malaysia stands to gain US\$200 mln if piracy is reduced
2. Easy steal
3. Man detained with 42,000 pirated DVDs/VCDs

1. Malaysia stands to gain US\$200 mln if piracy is reduced
(from *Bernama Daily Malaysian News*, 1 December 2003)

The Malaysian government stands to gain an additional US\$200 million in tax revenue if piracy rate in the country is reduced, Deputy Minister of Domestic Trade and Consumer Affairs Datuk S. Subramaniam said.

He said Malaysia has already been able to reduce its piracy rate by 10 points to 60 per cent since 1995. He said the country would enjoy some of the best benefits in the region from such a reduction, helping it to create 6,000 new techs, high-wage jobs and increase local industry revenues.

2. Easy steal

(from *Post Today Newspaper, International's News Section, Page A12, Thailand, 3 December 2003*
Krung Thep Thurakit Newspaper, Krung Thep IT Section, Page 5, Thailand, 3 December 2003
Krung Thep Thurakit Newspaper, IT Internet Section, Page 6, Thailand, 4 December 2003
The Nation Newspaper, Business Section, Page 4B, Thailand, 4 December 2003)

The illegal copy of the latest Microsoft Windows operating system were founded in Kuala Lumpur. Brazen software pirates are hawking the software code-named "Longhorn" for five ringgit each, years before it is supposed to be on sale. The software is an early version of Longhorn distributed at a conference for Microsoft programmes in LA in October.

3. Man detained with 42,000 pirated DVDs/VCDs
(from *Bernama Daily Malaysian News*, 24 December 2003)

A special team from the Ministry of Domestic Trade and Consumer Affairs managed to foil an attempt to deliver more than 40,000 pirated VCDs and DVDs to the northern parts of the Peninsular in an operation.

On searching the vehicle the officers found a total of 2,500 Lord Of The Rings – Return Of The King VCDs, 500 Lord Of The Ring – The Two Towers DVDs, 28,385 VCDs of various movie titles and 11,605 DVDs of various titles, worth about RM500,000.

SINGAPORE

News in December 2003

1. New law soon to fight hybrid copycats
2. Increased intellectual property protection a draw for business
3. Japan mission to urge Singapore to go tough with pirated goods

1. New law soon to fight hybrid copycats
(from *The Straits Times Newspaper, Singapore, 3 December 2003*)

Orchid breeders who produce new hybrids are likely to acquire a fresh tool soon to keep others from copying their plants, and it could happen as early as next July. It is a new law that the Intellectual Property Office of Singapore is drawing up for orchids and other plants.

Once the New Plant Variety Right is approved, researchers and breeders will be able to take copycats to court. The new law being drafted will likely give protection for 20 years.

2. Increased intellectual property protection a draw for business
(from *The Straits Times Newspaper, Singapore, 5 December 2003*
Central News Agency, 31 December 2003)

More technology companies will do business in Singapore as the United States-Singapore Free Trade Agreement raises the level of protection of inventions, known as intellectual property. Even as software companies lose billions each year to piracy, FTAs are a good platform for them to play a part in changing IP laws in other countries.

The USSFTA was also a landmark in being the first cross-border agreement to protect electronically-distributed products. It will also help improve IP protection in other countries with which Singapore and the US have FTAs.

The agreement will be effect on Jan. 1.

3. Japan mission to urge Singapore to go tough with pirated goods
(from *JJI Press English News Service, 5 December 2003*)

Japan will send a mission of government and private sector representatives to Singapore for three days as part of a government bid to eradicate pirated versions of popular Japanese entertainment software products.

The mission, the first of its kind to be organized by Japan, will meet with officials from the relevant authorities in Singapore to ask them to crack down more aggressively on illegally copied products, officials of the Ministry of Economy, Trade and Industry said.

It will also visit department stores, book stores and video shops in the country to urge them to stop selling copied products.

THE PHILIPPINES

News in December 2003

- Davao bans businesses from selling fake goods
(from *Business World, Philippines, 19 December 2003*)

The Davao City Council has passed a resolution prohibiting legitimate businesses from selling pirated or fake products. It passed the resolution after the local business sector in a letter to the council expressed alarm over the continued proliferation of pirated goods like VCDs and similar products.

(Selling of pirated products) shall be a ground for the revocation or suspension of the business permit or license for the period of not more than 10 days for the first violation, 30 for the second violation and cause of cancellation thereof for a third and subsequent violations.

Those found violating the measure will be fined with P2,500 or imprisonment not exceeding six months, or both, depending on the decision of the court. Anyone prosecuted for violating the ordinance can also be prosecuted for violating the Intellectual Property Code and other similar laws.

VIETNAM

News in December 2003

1. Vietrade enlists exporters to promote national trademark
2. Beer fraudster jailed
3. Copyright Laws need clearing up in Vietnam

1. Vietrade enlists exporters to promote national trademark
(from *Vietnam Investment Review*, 1 December 2003)

Trade promotion agency Vietrade is set to throw some financial muscle behind small and medium sized exporters to promote the national trademark of 'Vietnam, value inside'. The programme, which will operate in domestic and foreign markets to build and develop the trademark by 2010. The programme focuses on building awareness of the 'Vietnam, value inside' logo. The criteria would focus on good-quality products, stable markets and dedicate staff to develop the trademark.

2. Beer fraudster jailed
(from *Bangkok Post Newspaper, International News Section, Page 5, Thailand, 6 December 2003*)

A small-time counterfeiter has been jailed in Vietnam for six years for bottling and selling local draught beer under the Heineken label. From February until his arrest in late March, Luu Van Duan, 37, sold more than 1,000 bottles of beer in old Heineken bottles he had collected. He ran his illegal bottling operation from a rented house and sold the beer to local shops.

3. Copyright Laws need clearing up in Vietnam
(from *Asia Pulse*, 18 December 2003)

An expert at a seminar in Hanoi said unclear legislation relating to intellectual property rights could ultimately affect implementation of the Vietnam-US Bilateral Trade Agreement. The meeting was run by the National Assembly Office, National Assembly's Committee of Science, Technology and Environment, and the Viet Nam Star Project.
