

## Monthly Report of February 2004

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THAILAND  
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### THAILAND

#### News in February 2004

1. Pirated CDs come back
2. US-Thailand FTA
3. Golden silk soap
4. Japan-Thailand FTA
5. Brand name products piracy
6. Change in treatment of violations queried
7. Patent Thai herbal products
8. Keep intellectual property out of FTA

#### 1. Pirated CDs come back

*(from Post Today Newspaper, Today's News Section, Page A2, Thailand, 9 February 2004)*

Thailand Tape and Recorder Association said that pirated CDs, movies, games, and computer software have come back to the market again after serious action during the APEC meeting last year. They asked the new director-general of Intellectual Property Department, Mr. Kanissorn Navanugraha, to do more action.

#### 2. US-Thailand FTA

*(from Bangkok Post Newspaper, Business Section, Page 3, Thailand, 13 February 2004*

*The Nation Newspaper, Local News Section, Page 3A, Thailand, 13 February 2004*

*WMRC Daily Analysis, 13 February 2004*

*Dow Jones International News, 13 February 2004*

*Bangkok Post Newspaper, Business Section, Page 1, 14 February 2004*

*The Nation Newspaper, Business Section, Page 2B, Thailand, 14 February 2004*

*Krung Thep Thurakit Newspaper, Economic Commerce Section, Page 15, Thailand, 14 February 2004)*

United States Trade Representative Robert B Zoellick has formally notified congressional leaders of US objectives and goals for negotiations for a free-trade agreement (FTA) with Thailand. The negotiations may now begin in 90 days.

The letter highlights US concerns about intellectual property protection in Thailand. The US has worked with Thailand on intellectual property rights issues under the Trade and Investment Framework Agreement (TIFA). While some progress has been made, bringing Thailand's intellectual property regime up to the standards set in other recent FTAs that the US has negotiated will be a high priority of these negotiations.

### 3. Golden silk soap

*(from Bangkok Post Newspaper, Home News Section, Page 2, Thailand, 16 February 2004)*

The government will speed up the copyright patent for products initiated by their Majesties the King and Queen this year. The copyright for “golden silk soap” would be patented before the end of the year.

The soap, which was developed under a joint research project to make use of silk industry by-products, has efficient healing properties.

### 4. Japan-Thailand FTA

*(from Bangkok Post Newspaper, Home News Section, Page 3, Thailand, 15 February 2004  
Kyodo News, 17 February 2004)*

Japan and Thailand ended two days of talks on creating a free trade agreement (FTA), agreeing that it should cover all sectors, officials from both sides said. A senior Japanese official echoed the view, saying the envisaged FTA would have to be instrumental in tearing down impediments to trade and investment and sharpening the competitiveness of the two nations.

The two countries have set up groups of experts to dwell on specific issues, including trade in goods and services, investment, intellectual property rights and competition policy.

### 5. Brand name products piracy

*(from Krung Thep Thurakit Newspaper, Economic Commerce Section, Page 15, Thailand, 21 February 2004)*

Customs Department announced and showed the counterfeit well-known products such as Louis Vuitton, Christian Dior, Gucci and Chanel, worth 3 million baht.

### 6. Change in treatment of violations queried

*(from Bangkok Post Newspaper, Business Section, Page 4, Thailand, 23 February 2004)*

The Federation of Thai Industries (FTI) urged the government to revise the draft amendment of Anti-Money Laundering Act which adds intellectual property violations to the list of offences. The draft increases the number of offences indictable under the money laundering law from eight to 15. However, for IP violations, it set no minimum damage charges.

Without the clause, state authorities might abuse the law and treat violators unfairly, according to Pichai Tinsuntisook, the deputy secretary of Innovation and Intellectual Property committee of the FTI.

The FTI is studying comparisons of Thailand’s intellectual property law with those in other countries and it wants the government to do the same. It plans to raise the issue with state authorities after the establishment of the new FTI board next month.

A source in the Anti-Money Laundering Office said the inclusion of IP in the Act was aimed at suppressing the activities of influential local people who earned huge income from producing and distributing pirated products including CDs, VCDs and DVDs. Some have used the money made from these illegal businesses to start careers in politics.

## 7. Patent Thai herbal products

*(from fnWeb Daily News, 24 February 2004*

*Krung Thep Thurakit Newspaper, Innovation Section, Page 8, Thailand, 25 February 2004)*

Khon Kaen University has developed herbal products in the northeastern region for commercial purpose and to apply for patent on the products. Dean of the Faculty of Pharmaceutical, Khon Kaen University Bong-orn Sripanichkulchai said that the establishment of the herb development center in 2002 was aimed at preserving Thai traditional remedies from medicinal properties in herbs and conducting the comprehensive research studies to develop Thai herbal products to meet increasing demand in the local and global markets.

The studies of herbs is in line with the governments policy to develop local products to meet the international standard and apply for a patent on the products to gain acceptance among potential customers in the highly-competitive world market. The natural products which have been already developed for use include oral hygiene products and skin care products made from locally grown herbs such as Aloe Vera, Tiger Herbal, Siamese Rough Bush, and Turmeric, she said.

## 8. Keep intellectual property out of FTA

*(from The Nation Newspaper, Local News Section, Page 4A, Thailand, 28 February 2004)*

Health advocates urged the government to exclude intellectual property rights from its negotiations on FTA with the United States. Activists, senators, scholars and civil groups said that if these rights cannot be excluded, agreements on the issue should be consistent with the agreement on TRIPs.

The US wants to restrict the use of compulsory licensing, a legal measure that authorizes private or state use of patents without the consent of patent holders. It also wants to ban the import of patented drugs from places where they are sold cheaper. These measures are allowed under TRIPs.

The Health Ministry must be involved in all negotiations, and the proposed agreement should be submitted to Parliament, and made public. However, one of the civil group FTA Watch, said that there was little chance for Thai agricultural products to benefit from a free trade pact with the US, as the policy of US politicians with regard to farm-sector subsidies is intact.

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## PEOPLE'S REPUBLIC OF CHINA

### News in February 2004

1. China's trademark registrations top 400,000 in 2003
2. Starbucks sues Shanghai copycat coffee house
3. Japan urges China to deal with trade name issue prudently
4. China to arouse public patent awareness
5. Electronic patent application
6. Website on IPR
7. China-EU cooperation on intellectual property fruitful
8. US decries intellectual property theft in China

1. China's trademark registrations top 400,000 in 2003

*(from Asia Pulse, 2 February 2004*

*Xinhua's China Economic Information Service, 2 February 2004*

*Business Daily, 3 February 2004)*

In 2003 the number of China's applications for trademark registration topped 400,000, ranking first in the world for two consecutive years. By the end of 2003, China had verified a total of over 1.973 million trademark registrations, and there were over 840 trademark agencies around the country.

An official in charge of trademark registration from State Administration for Industry and Commerce said the rising application for trademark registration not only reflects the enterprises' full confidence in the economic development, but reflects the improving trademark consciousness in the whole society.

2. Starbucks sues Shanghai copycat coffee house

*(from Dow Jones International News, 5 February 2004*

*South China Morning Post, 6 February 2004*

*The Asian Wall Street Journal, 6 February 2004*

*Associated Press Newswires, 6 February 2004*

*Bangkok Post Newspaper, Business Section, Page 4, Thailand, 6 February 2004*

*The Nation Newspaper, Business Section, Page 6B, Thailand, 6 February 2004*

*China Daily, 16 February 2004)*

US coffee giant Starbucks Corp. said it has sued a chain of coffee houses in Shanghai for copying the Starbucks name in Chinese. In a statement, Starbucks said it brought the suit against Shanghai Xing Ba Ke Coffee Shop Co. on Dec. 23 for trademark infringement. Shanghai Xing Ba Ke uses the same set of Chinese characters as Starbucks in Chinese, but just adds Shanghai in front.

They will take legal steps to protect the value of our trademark, and protect the public from confusion and deception, when they are unable to resolve a matter through alternate means.

3. Japan urges China to deal with trade name issue prudently

*(from Kyodo News, 10 February 2004)*

The Japanese agriculture ministry urged China to exercise prudence in dealing with a Chinese company's application for a trademark that spells the name of a Japanese prefecture, ministry officials said. The issue should be dealt with in a manner that will avoid confusing consumers if approved, Taro Kimura, parliamentary secretary for agriculture, forestry and fisheries, told Lu Shuyun, minister-counselor of the Chinese Embassy in Tokyo.

4. China to arouse public patent awareness

*(from Xinhua News Agency, 10 February 2004*

*Business Daily, 11 February 2004)*

China's State Intellectual Property Office (SIPO) and the China Association for Science and Technology announced that they will arouse and organize a public promotion for patent awareness. The two organizations will grant awards to people who have a keen interest in making innovations and holding money-earning patented technologies.

China Central Television together, with five local television stations, would join the promotion drive by producing serial TV programs featuring stories of inventors and other concerned topics. The programs are expected to be broadcast around April 26, the World Intellectual Property Day.

5. Electronic patent application

*(from Xinhua News Agency, 10 February 2004)*

A senior official with the State Intellectual Property Office said that the office will begin accepting electronic patent applications on March 12. Chen Zhonghua, secretary general of the SIPO, said any patent applicant and agent, whether from China or overseas, could submit applications via electronic forms on the official website, [www.cponline.gov.cn](http://www.cponline.gov.cn).

6. Website on IPR

*(from Business Daily, 11 February 2004*

*Associated Press Newswire, 11 February 2004*

*San Jose Mercury News, 11 February 2004*

*SinoCast China Business Daily News, 19 February 2004)*

A Chinese website on intellectual property rights, jointly launched by the State Intellectual Property Office and IPR TV programs, opened on February 10. The website – <http://www.cipmun.net>—provided access to IPR news, a data bank, information searches, on-line view exchanges and patent services. The website is expected to issue over 10,000 items of patent information a year.

7. China-EU cooperation on intellectual property fruitful

*(from Xinhua News Agency, 24 February 2004)*

A project between China and the EU aiming to promote cooperation on issues of intellectual property will be wrapped up with satisfactory achievements this year, according to information from an international forum in Shenyang, capital of northeast China's Liaoning Province.

The eight-year project was kicked off on May 7, 1996 with a fund of 4.8 million euros provided by the EU. Its goal was to help China apply international standards on protection of intellectual property.

8. US decries intellectual property theft in China

*(from Reuters News, 28 February 2004)*

US Secretary of Commerce Donald Evans urged a crackdown on what he described as a wholesale violation of intellectual property rights in China. He said during a visit to an auto parts assembly plant outside Detroit that about 95 per cent of the intellectual property that's moving around through China is stolen.

He added that Washington had been working "very hard" with authorities in Beijing to beef up intellectual property rights protection.

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## HONG KONG

### News in February 2004

#### Drug-makers in Hong Kong threaten WTO action over patent protection

*(from WMRC Daily, 16 February 2004*

*South China Morning Post, 16 February 2004)*

The Hong Kong Association of the Pharmaceutical industry warned that it will go to the World Trade Organization (WTO) if patent protection rules are not enforced more rigorously. The association claims that Hong Kong is missing out on hundreds of millions of investment dollars because of unfair generic competition.

Alice Chin Hang-yin, President of the Association, claims that Hong Kong is 10 years behind Western countries in terms of patent protection, and that a simple procedure of 'patent linkage', whereby authorities can assess patent validity when considering generics, and which is already in place on the mainland.

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## MALAYSIA

### News in February 2004

#### 1. MDTC to launch brand campaign

*(from New Straits Times Newspaper, Malaysia, 7 February 2004)*

In an effort to create greater awareness of branding to get ahead in the global environment, the Malaysia Design Technology Center (MDTC) will launch the Creative People, Innovative National campaign on Feb 12.

The campaign would be launched by Minister of International Trade and Industry at the Securities Commission. MDTC president said that they must move into brand building. They must go into research and development to develop intellectual property and not depend too much on manufacturing and landed property. That is because when times are bad, they cannot bring land to sell but they can sell intellectual property.

#### 2. Microsoft take on piracy in Malaysia

*(from Reuters News, 26 February 2004*

*World Entertainment News Network, 27 February 2004)*

Software piracy remains big business in Malaysia and the government must do more to fight the trade or risk stunting the growth of its computer industry, say a Microsoft executive. Large-scale manufacturing of pirated software discs was rampant and illegal operators still held the biggest share of the local market despite a recent government crackdown.

Malaysia continues to be a high-pirated market in all aspects, from home to small and medium industries. Malaysia seized more than three million illegal entertainment and business software discs in the first half of last year and is due to impose price controls on music and video discs effective 1 April as part of an anti-piracy drive.

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## THE PHILIPPINES

### News in February 2004

1. Arroyo signs anti-piracy act into law
2. IPO wants law enforcers to coordinate moves
3. Philippines likely to face US trade sanctions for piracy

1. Arroyo signs anti-piracy act into law  
(from Xinhua News Agency, 10 February 2004)

Philippine President Gloria Macapagal-Arroyo signed into law the anti-piracy act, also known as the Optical Media Act 2003 to intensify the government's campaign against video piracy. The law ensures protection of intellectual property rights and the development of local talents, and provides for sharper teeth to the campaign against piracy, she said.

To implement the policies and attain the objectives enunciated in the law, the Videogram Regulatory Board has been reorganized into the Optical Media Board.

2. IPO wants law enforcers to coordinate moves  
(from Business World, 19 February 2004)

The Intellectual Property Office (IPO) has stressed to law enforcement agencies the urgency to actively coordinate its operations, should the Philippines wish to be dropped from a United States priority watchlist of intellectual property rights violators.

Despite more raids on suspected counterfeiters and measures to strengthen IP legislation, the US Trade Representative last year retained the Philippines on its watchlist of IPR violators noting a boom in optical media piracy.

3. Philippines likely to face US trade sanctions for piracy  
(from Xinhua News Agency, 24 February 2004)

The Philippines could face trade sanctions by the United States for its failure to address rampant software piracy in the country. In a report released by the United States-based International Intellectual Property Alliance (IIPA), the Philippines remain in the organization's priority watch list of countries that have serious piracy problems.

The IIPA noted alarming piracy levels in the Philippines: 95 per cent in entertainment software, 89 per cent in motion pictures and 40 per cent in record music. The IIPA is a coalition of six trade associations representing the United States-based industries in bilateral and multilateral efforts to open up foreign markets closed by piracy and other market access barriers.

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## INDONESIA

### News in February 2004

- US urges Indonesia to curb piracy  
(from Dow Jones International News, 4 February 2004)

US Assistant Commerce Secretary William Lash warned Indonesia that inflows of foreign investment could begin to dry up if the government did not move swiftly to tackle critical economic issues such as the protection of intellectual property rights.

He said that he had seen good intention, but not seen serious action. Citing statistics that indicate IP theft in Indonesia last year cost US companies more than US\$250m.

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## VIETNAM

### News in February 2004

1. Register wine's trademark in Japan
2. Business still unaware of intellectual property
3. Trademark development highlighted at Hanoi seminar

1. Register wine's trademark in Japan  
(from *Asia Pulse*, 17 February 2004)

The Dalat brand of wine is set to be registered in Japan in preparation for penetrating further into that market. Dalat entered Japan nearly four years ago and the company has now decided to spend more than US\$3,000 for registering its trademark there.

2. Business still unaware of intellectual property  
(from *The Saigon Times Daily*, 19 February 2004)

Businesses in Vietnam are still unaware of the importance of patent information although it contributes to raising their competitiveness on local overseas markets. Businesses can search for patent information before carrying out new trading or product strategies to avoid backwardness in the global economic integration process, Phan Minh Tan said during the seminar on the use of patent information for innovation which organized by the Japan Patent Office and the Japan Institute of Invention and Innovation in collaboration with the Vietnam Bureau of Intellectual Property and the city's science service.

3. Trademark development highlighted at Hanoi seminar  
(from *IPR Strategic Information Database*, 26 February 2004)

A seminar on legal corridor for Vietnamese trademarks was held in Hanoi drawing the participation of representatives from nearly 30 corporations, small and medium-sized enterprises and officials from the Trade Ministry.

Deputy Head of the Trade Promotion Department, Do Thang Hai said most Vietnamese enterprises were not well aware of the significance of trademarks and did not pay due attention to developing trademarks, which he said costs no more than seven per cent of total revenue.

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