

Monthly Report of January 2003

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THAILAND

News in January 2003

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1. Exporters threaten suit

(from The Nation Newspaper, Business Section, Page 3B, Thailand, 6 January 2003)

Major Thai rice exporters are planning to file a lawsuit against Chinese importers over trademark imitation, which they say has caused them market losses. Some of the packers were previous counterparts of Thai exporters in China and that Thai fragrant rice had been subject to imitation due to its popular taste among local consumers.

Thai rice exporters who participated in the recent "Thai Home Mali Rice Promotion" campaign held in Guangzhou and Shenzhen shared the same complaint, saying an imitation product damaged the image of authentic Thai rice, as the quality of the imitation was lower.

Local rice exporters need to focus more on registering their trademarks not only in Thailand, but also in foreign markets.

2. Ideas will soon be collateral for loans

(from Bangkok Post Newspaper, Business Section, Page 3, Thailand, 7 January 2003

World Today Newspaper, Page A4, Thailand, 20 January 2003

Bangkok Post Newspaper, Business Section, Page 3, 22 January 2003)

Criteria for using intellectual property rights as collateral for loan applications will be completed by the end of the month, according to Yanyong Phuangrach, director-general of the Intellectual Property Department.

The formula will be discussed further at a workshop titled “Conversion of Assets into Capital”, to be chaired by Prime Minister Thaksin Shinawatra, in the middle of this month. However, Mr Yanyong said that using only intellectual property rights as collateral was unlikely, as such rights had many different features and were very difficult to evaluate.

Under the preliminary evaluation study, revenues projected to be earned from the commercial use of intellectual property rights would be taken into account against the future risk of the value and depreciation of the intellectual property.

He said that using patents and trademarks as loan collateral would be much less complicated as legislation already existed to cover cases in which borrowers failed to repay loans to the financial institutions.

Meanwhile, Mr Yanyong said the department planned this year to place its strategic focus on promoting intellectual property rights for locally made products, and speeding up requests for protection of Thai intellectual property rights.

Also the SME Bank plans to consider intellectual property rights as loan collateral, pending discussion Commerce Ministry.

3. More moves to counter illegal CDs

(from The Nation Newspaper, Business Section, Page 3B, Thailand, 10 January 2003)

The commerce Ministry has launched stricter restrictions on CD vendors, requiring them to be commercially registered and have distribution rights from the copyright owners, in an effort to suppress copyright violations, a senior ministry official said.

Deputy Commerce Minister Wattana Muangsuk said CD vendors would also have to report monthly sales to the ministry, a measure that would help officials not only monitor the total sales value but also counter illegal products.

He said that copyright owners could easily check whether their clients were distributing illegal products by comparing their retail property rental cost with their total legal sales revenue. The ministry will take action against shopping centres that still house illegal CD vendors on January 31, he said.

4. Britain presses for tighter law enforcement against violators

(from Bangkok Post Newspaper, Business Section, Page 1, Thailand, 10 January 2003)

The Thai government should strengthen its law enforcement to solve the country’s copyright piracy problem as a solution is crucial for economic development, a British minister said.

Patricia Hewitt, the United Kingdom's Secretary of State for Trade and Industry, said the issue of copyright piracy had been raised with the government during her two-day visit to Thailand and meetings with Prime Minister Thaksin Shinawatra and Commerce Minister Adisai Bodharamik.

Ms Hewitt said the issue of intellectual property rights was significant globally. Legitimate companies spent talent and capital in producing creative work and hoped Thailand would do more to stop piracy.

5. 'We may be off piracy list in 6 months'

*(from The Nation Newspaper, Business Section, Page 4B, Thailand, 16 January 2003
Bangkok Post Newspaper, Business Section, Page 1, Thailand, 16 January 2003)*

Deputy Commerce Minister Wattana Muangsuk said the United State would consider withdrawing Thailand from Washington's "watchlist" within six months thanks to its "serious suppression policy" for tackling the problem of pirated goods.

Following meeting with William Lash, assistant secretary for market access and compliance at the US Commerce Department, Wattana said the American official would as a means of encouraging suppression disseminate Thailand's counterfeit-protection measures for other countries to consider.

Lash said Thailand needed however to engage in more protection measures to tack the increasing number of pirated products. He said he wanted the Thai government to put pressure on intellectual property owners to eliminate retailers of counterfeit products.

The assistant secretary said the US had encouraged recent measures with a memorandum of understanding-singing ceremony among the heads of 13 different Thai agencies in a bid to fight intellectual property problems.

6. Wattana assures US it's serious about piracy

*(from Business Day, Thailand, 21 January 2003
The Nation Newspaper, Business Section, Page 4B, Thailand, 21 January 2003)*

The US's Motion Picture Association (MPA) received assurances from the Commerce Ministry of its intention to suppress the sale of pirated products, Deputy Commerce Minister Wattana Muangsuk said.

Wattana said the government would launch a continued campaign to crack down on the sale of copied products including fake cassettes, and VCDs that were on sale at various shopping centres. Wattana's pledge came after a meeting with MPA representatives led by Michael Copyright Ellis, MPA's vice-president and director of Asia-Pacific Anti-Piracy Operations.

Ellis told Wattana that US companies are interested in investing in Thailand, but could have second thoughts over concerns that no serious effort is being made to tackle piracy.

7. Fake Italian fashions seized

(from Bangkok Post Newspaper, Business Section, Page 3, Thailand, 23 January 2003)

Police have raided a network of seven manufacturers and retail shops in popular Bangkok tourist areas for openly selling counterfeit fabrics bearing the famous Italian fashion name Zegna.

Raid teams led by 10 officers, private investigators and lawyers for the Ermenegildo Zegna Group seized thousands of yards of unauthorized Ermenegildo Zegna fabrics, the Economic Crime Investigation Division (ECID) said.

The managers of the businesses were arrested and charged with trademark infringement offences. The maximum criminal penalty is four years' imprisonment and/or a fine of 400,000 baht.

8. Police to get two bath for every pirate CD seized

(from Bangkok Post Newspaper, Home News Section, Page 4, Thailand, 30 January 2003

The Nation Newspaper, Business Section, Page 4B, Thailand, 30 January 2003)

Prime Minister Thaksin Shinawatra is backing a proposal to reward police with two bath for every pirate CDs confiscated, Deputy Commerce Minister Wattana Muangsuk says. Informants would also be rewarded.

The payments would be part of a tough new crackdown against intellectual property rights violation. Mr Wattana said the reward would be paid from state coffers and he was confident it would wipe out production, distribution and sale of pirate goods in six months.

A reward would also be offered for fake brand-name products such as handbags, wallets and clothing based on the value of seized goods.

PEOPLE'S REPUBLIC OF CHINA

News in January 2003

1. Campaign targets fake products
2. Chinese police inspect a machine used to manufacture pirated cigarettes
3. China promulgates decree revising patent law rules
4. World summit on intellectual property, knowledge economy to be held in Beijing
5. Private firms aiming to register name brands
6. Japan, US agree must stop China auto parts imitation
7. Japan's METI set up intellectual property offices in China
8. China launches world's first eco-leather trademark
9. China to clean up Internet game piracy

1. Campaign targets fake products

(from China Daily, 3 January 2003

Xinhua News Agency Bulletin, 3 January 2003

Bernamea Daily Malaysian News, 3 January 2003)

Eight ministry-level departments have launched a year-long nationwide crackdown on counterfeit products. Documents released jointly by the departments said the aim is to clear China's markets of fake and poor-quality products and rebuild consumer confidence.

Law-enforcement and quality-supervision departments will be the major forces in the anti-counterfeiting campaign. Enterprises or shops found to have been involved in manufacturing or selling fake or poor-quality products will be severely punished according to State laws and regulations.

In January, the focus will be on vulnerable rural markets in the run-up to the Lunar New Year. Quality supervisors will be sent to rural areas this month to check the quality of food supplies. The campaign will widen its scope in February, when nearly all kinds of products that affect consumers' interests will undergo spot checks.

A highlight of the campaign will be March 15, Consumer's Day. In March, the campaign will enter a new stage. Consumers and enterprises will then be urged to play an active part in the campaign by providing useful information to quality-supervision departments.

2. Chinese police inspect a machine used to manufacture pirated cigarettes

(from Reuters News Service, 7 January 2003

China Daily, 11 January 2003)

Chinese police inspect a machine used to manufacture pirated cigarettes at an illegal cigarette factory in Chengdu, the capital of China's Sichuan province. More than 100,000 packs of pirated cigarettes were confiscated in the operation. The amount of pirated products has increased significantly in China since the country began to transform its economy into a market-oriented system.

3. China promulgates decree revising patent law rules.

(from BBC Monitoring Asia Pacific-Political, 8 January 2003)

The State Council Decision on Revising 'Detailed Rules for Implementing the Patent Law of the People's Republic of China is hereby promulgated for enforcement beginning 1 February 2003.

4. World summit on intellectual property, knowledge economy to be held in Beijing

(from Xinhua News Agency Bulletin, 9 January 2003)

China's State Intellectual Property Office (SIPO) announced that the World Summit on the Intellectual Property and Knowledge Economy will be held in Beijing from April 24 to April 26.

SIPO Deputy Commissioner Tian Lipu said this would be the first ever in the history of the WIPO. He said the number of participants from home and abroad is expected to exceed 3,000.

Issues to be discussed at the summit include intellectual property challenges and opportunities in the new millennium, the contribution of creativity to human progress, leveraging the benefits of inventions in the real and virtual worlds, and promoting respect for intellectual property rights.

5. Private firms aiming to register name brands
(from *Xinhua News Agency Bulletin*, 15 January 2003)

Trademarks of 13 private firms were among the 40 name brands recently announced in the eastern commercial hub Shanghai, the largest number since the annual proclamation was initiated in 1996.

The administration of industry and commerce has joined hands with the municipal trademark association and the federation of private enterprises in recent years to promote public awareness of trademarks and their legal significance.

The name brands are selected according to a number of indicators including their market share, customer satisfaction and popularity, and are protected by the municipal administration of industry and commerce from trademark infringement, said Xing Dongsheng, an official in charge of trademark affairs at the administration.

6. Japan, US agree must stop China auto parts imitation
(from *Dow Jones International News*, 17 January 2003)

Japan and the United States have wrapped up two days of talks on automobile trade and agreed that China should strengthen efforts to prevent the imitation of foreign auto parts. The two countries focused on multilateral auto issues on the second day, following the first-day session on bilateral issues.

The two countries agreed that China needs to step up efforts to protect intellectual property rights, including those for foreign auto parts. There was discussion on specific measures to urge China to protect intellectual property rights as officials felt it necessary to take a unified action with other industries on the issue.

7. Japan's METI to set up intellectual property offices in China
(from *Asia Pulse*, 22 January 2003)

The Ministry of Economy, Trade and Industry will take action against violations of intellectual property rights in China to prevent the growing tide of knockoffs and pirated copies of Japanese goods.

The ministry will set up offices in its embassy in Beijing and in the facilities of the Japan External Trade Organisation (Jetro) in Shanghai and Hong Kong to assist Japanese companies there. The offices will respond to complaints from Japanese companies that have had their products pirated in some cases will ask the Chinese government to clamp down on violators.

8. China launches world's first eco-leather trademark
(from Xinhua's China Economic Information Service, 23 January 2003)

The State Economic and Trade Commission and the China Light Industry League jointly launched the world's first Genuine Eco-leather Mark and 12 leather manufacturing enterprises were granted the qualification.

It is an active response from China to technical barriers set by some countries in the leather trade which will, in a way, open a green road for Chinese leather to enter the European market. The Genuine Eco-leather Mark is a proven trademark registered by the China Leather Industry Association in the State Administration for Industry and Commerce.

9. China to clean up Internet game piracy
(from Reuters News Service, 24 January 2003
China Daily, 24 January 2003)

China plans to launch a campaign next month to clean up Internet game piracy in a bid to improve protection of intellectual property. Topping the hit list are illegal Internet café owners who make big profits by setting up on-line servers to steal Web games from legitimate operators.

The ministry planned to implement a regulatory framework for the on-line game industry, estimated to be worth about two billion yuan in 2003, later this year.

HONG KONG

News in January 2003

1. IP registration goes online
2. Unfinished Woo film already pirated

1. IP registration goes online
(from *Managing Intellectual Property Magazine*, UK, Issue 125, Page 16-17, December 2002/January 2003)

From 2003 a new IT system in Hong Kong's Intellectual Property Department will make the registration of rights quicker and cheaper. The first stage is that the public will be able to search the trade mark database remotely from anywhere. However, the patent system's search facilities are not going to come on until late 2003.

2. Unfinished Woo film already pirated
(from *South China Morning Post*, 12 January 2003)

Pirated copies of the latest film from Hong Kong director John Woo, *Bulletproof Mong*, are being sold on the streets three months before its scheduled premiere.

The pirated film was believed to have been duplicated in Malaysia before being exported to Hong Kong, Taiwan, Singapore and Thailand. The vice-chairman of the Motion Picture

Industry Association of Hong Kong, Peter Lam Yuk-wan, said it was the first time he had heard of an unfinished film being pirated.

MALAYSIA

News in January 2003

1. Pirated VCD copy of Bulletproof Monk
2. VCD pirates 'under the microscope'
3. Imitation goods seized at factory sale in hotel
4. 15,000 pirated CDs, VCDs seized in raid

1. Pirated VCD copy of Bulletproof Monk
(from Reuters News Service, 12 January 2003
Malay Mail, 14 January 2003)

A pirated VCD copy of "Bulletproof Monk" is shown for sale in Kuala Lumpur. The movie, directed by Hollywood action movie director John Woo, is still in its post-production phase, and is not due to premiere for four more months.

2. VCD pirates 'under the microscope'
(from Malay Mail, 13 January 2003)

A RM500,000 high-powered microscope, recently acquired by the Chemistry Department, is the latest gadget to detect culprits who produce pirated VCDs and CDs. The Domestic Trade and Consumer Affairs Ministry will be working closely with the department in exposing the special code which is destroyed by the pirates.

Its anti-piracy task force director, Roslan Mahayuddin, said the forensic unit, run by trained chemists, would begin work by the end of this month. However, with the microscope, the chemists would be able to read the code and alert the task force. The task force will conduct follow-up checks by 'visiting' the suspected factory.

3. Imitation goods seized at factory sale in hotel
(from New Straits Times Newspaper, Malaysia, 13 & 27 January 2003)

Copyright enforcement officers seized imitation goods worth about RM100,000 at a hotel in Bukit Bintang where a factory sale was being held. The sale is believed to be one of three organized since Christmas by a syndicate which uses hotels to pass off well-made imitation goods as original to customers.

4. 15,000 pirated CDs, VCDs seized in raid
(from New Straits Times Newspaper, Malaysia, 16 January 2003)

State Domestic Trade and Consumer Affairs Department officers seized more than 15,000 pirated CDs and VCDs worth RM75,200 in a raid. State department director Fahmi Kassim said the seizure from a house in Jalan Langkawi was the largest in the past six months.

In Kota Baru, enforcement officers seized 1,365 pirated VCDs worth about RM7,000 in a raid at the Wakaf Che Yeh night market. The other 130 VCDs were seized from a stall.

SINGAPORE

News in January 2003

1. Company sold fake creative sound cards
2. Police smash piracy syndicate in tourists belt
3. Intellectual Property Academy opens in Singapore

1. Company sold fake creative sound cards

(from The Straits Times Newspaper, Singapore, 9 January 2003

Reuters News Service, 9 January 2003

Business Times, Singapore, 10 January 2003)

A local computer equipment company, Cosmo Trade-nology, was fined \$800,000 for infringing Creative Technology's copyright by selling counterfeit versions of its sound cards. Cosmo Trade-nology landed in the magistrate's court after a private investigator, hired by Creative Technology, bought over 3,000 counterfeit Creative Vibra sound cards from it.

2. Police smash piracy syndicate in tourists belt

(from Channel News Asia, 26 January 2003

The Straits Times Newspaper, Singapore, 27 January 2003)

A piracy syndicate operating in the heart of the tourist belt was smashed by the police over the weekend. Some 80,000 pirated CDs, DVDs and CD-ROMs with a total street value of a million dollars, were seized from a retail outlet at Far East Plaza as well as a warehouse at Short Street.

Also seized were a motorbike which police say was used as a dispatch vehicle by the syndicate. Investigations are still in progress and the CID says more arrests are expected.

3. Intellectual Property Academy opens in Singapore

(from Channel News Asia, 28 January 2003

The Straits Times Newspaper, Singapore, 29 January 2003)

Singapore has launched the Intellectual Property Academy positioning itself to becoming an international Intellectual Property hub. Senior Minister of State for Law and Home Affairs, Professor Ho Peng Kee said the academy aimed to educate and train professionals to deepen their knowledge on Intellectual Property.

Research programmes are also being set up to keep track of emerging trends in the field. To further strengthen its expertise, the academy will also be working with overseas universities in Australia and Taiwan.

THE PHILIPPINES

News in January 2003

1. Foreign cable program providers mull pullout of channels to fight piracy
2. Manila to stay on US piracy watch list-envoy
3. Philippines authorities strike CD, VCD piracy
4. NBI raids firm for pirated software

1. Foreign cable program providers mull pullout of channels to fight piracy
(from *Business World, Philippines*, 2 January 2003)

Foreign cable program providers are considering pulling out their programs from local cable operators found to be pirating cable programs. Philippine Cable Television Association, Inc. (PCTA) president J. Manuel Z. Dabao said foreign program providers have made the threat due to the piracy problem in the country.

Under the proposal, a local cable found pirating even just one foreign program would lose all its cable programming including those it pays foreign content providers.

Mr Dabao said piracy is a major problem for foreign program providers. He estimates for every one cable operator, there is one illegal operator. He said the next meeting on the piracy issue may be scheduled this month in Manila.

2. Manila to stay on US piracy watchlist-envoy
(from *Reuters News Service*, 10 & 11 January 2003
Manila Bulletin, 12 January 2003
Channel News Asia, 12 January 2003
Business World, Philippines, 13 January 2003)

The Philippines is unlikely to get off a US piracy watch list soon after it ended last year without a single conviction in about 280 cases filed in the courts, a senior US official said.

William Lash, US assistant secretary of commerce for market access and compliance, said the Philippines has to step up enforcement of its intellectual property rights laws and speed up passage of a proposed optical disc law before it can be taken off the watch list.

The US based International Intellectual Property Alliance has estimated that up to 15 underground pirate plants operate in the Philippines, with finance, management and technical assistant provided by Malaysian, Singapore, Hong Kong and Taiwan-based organized crime groups. These groups are moving to the Philippines because of the crackdown in their home countries.

The United States considers a country's record in protecting intellectual property rights when granting trade benefits, and the Philippines is one of 15 countries on a "priority watch list" of nations with IPR problems.

3. Philippine authorities strike CD, VCD piracy
(from *Xinhua News Agency Bulletin*, 15 January 2003)

Philippine authorities seized 6 million-peso worth of pirated CDs, VCDs and producing equipment. A combined force of the Video Regulatory Board and police raided eight houses in Taguig in the northern Philippines which were lairs of electronic pirates, seizing 146 CD and VCD writers as well as a number of pirated CDs and VCDs.

4. NBI raids firm for pirated software
(from *Business World, Philippines*, 20 January 2003)

Stepping up their effort against software piracy, agents of the National Bureau of Investigation (NBI) raided a local company for reproducing and using pirated software within its premises. The firm was identified as Steel Systems Engineering Philippines (SSEP).

The raid resulted in the seizure of 148 personal computers loaded with counterfeit AutoCAD R version 14 and 2000 software. The raid was initiated by Autodesk, Inc., through its local counsel Bengzon & Negre Law office.

INDONESIA

News in January 2003

1. RI to set up property rights task force
2. Jakarta to host copyright seminar

1. RI to set up property rights task force
(from *The Jakarta Post Newspaper, Indonesia*, 18 January 2003)

In a bid to curb rampant intellectual property piracy in the country, the government is planning to establish a task force that would strengthen coordination among law enforces.

Abdul Bari Azed, director general of intellectual property rights at Ministry of Justice and Human Rights, said that the task force would comprise officials from the ministry of justice and human rights, the National Police, the Customs Office, the Prosecutor's Office, and the Court Office. The task force should report to the ministry of justice and human rights.

The establishment of a task force to fight against piracy was significant since the country also ranked third on the list of countries that pirated software.

2. Jakarta to host copyright seminar
(from *The Jakarta Post Newspaper, Indonesia*, 18 January 2003)

Delegates from 23 Asia and Pacific countries are to attend a seminar later this month to discuss strategies and policies for the protection of intellectual property rights. The director general of intellectual property rights at the Ministry of Justice and Human Rights, said the seminar

would focus on exchanging information, experiences, and comparative studies of the various countries' effort to curb copyright piracy.

VIETNAM

News in January 2003

1. Vietnam, EC sign intellectual property rights program
2. Pirate CDs seized

1. Vietnam, EC sign intellectual property rights program

(from Vietnam News Brief Service, 2 January 2003)

Vietnam's Ministry of Science and Technology and the European Commission have signed an Addendum to a Financing Agreement on the Intellectual Property Rights Regional Program. Vietnam has been a party to this program since 1999 but has not had its own "National Component."

The newly signed Addendum enables Vietnam to continue its participation in the regional component of the EC-ASEAN Intellectual Property Rights Program. The program is aimed at supporting national agencies and organizations to be responsible for Intellectual Property Rights activities by providing technical assistance in such areas as patents and industrial designs, trade marks, copyrights and related rights, geographical indications, layout designs of integrated circuits, and protection of information.

2. Pirate CDs seized

(from Bangkok Post Newspaper, International News Section, Page 4, Thailand, 4 January 2003)

Police confiscated a record number of 70,000 pirated CDs in a sweep of Ho Chi Minh City's thriving illegal copy market. A series of raids over 12 days in the southern commercial centre recovered the biggest illegal supply in the popular Nhat Tao market. Those caught in the sweep had been fined and faced prosecution.
