

Monthly Report of July 2002

- By Country:

THAILAND

PRC

HONG KONG

MALAYSIA

SINGAPORE

THE PHILIPPINES

INDONESIA

VIETNAM

THAILAND

News in July 2002

1. CD prices set to go down
2. In tune with copyright
3. Million-plus pirate CDs seized in raid
4. Grammy told to face the music
5. Pirates of Thai goods targeted
6. Grammy defends tough stand
7. Microsoft meets Net café reps
8. Electronic dictionary accused of breach
9. Composers assert their rights

1. CD prices set to go down

*(from The Nation Newspaper, Business Section, Page 2B, Thailand, 4 July 2002
Bangkok Post Newspaper, Business Section, Page 1, Thailand, 4 July 2002)*

Music distributor, EMI (Thailand) Ltd, made the decision to reduce its CDs from Bt500 to Bt399 and VCDs from Bt250 to Bt199 to combat rampant piracy and boost sales. EMI (Thailand) claims to be the first foreign music producer to slash CD prices.

Vichart Jirathiyut, managing director of EMI (Thailand) had to convince his UK parent company to agree to the price reduction but if resultant sales do not satisfy the parent company, EMI (Thailand) might have to consider raising the price again.

However, the new price tag would apply only to selected CDs manufactured in Thailand while the price of imported CDs would remain unchanged at Bt500. The company expected to release 10-15 CDs with the new price tag every month to attract listeners keen on foreign artists.

2. In tune with copyright

(from Bangkok Post Newspaper, Business Section, Page 1, Thailand, 6 July 2002)

Pop stars and music industry executive will provide a huge free concert to promote the use of legal music and video products. The two-day event, on Aug 17-18 at Sanam Luang which will be presided over by Prime Minister Thaksin Shinawatra.

Entertainers taking part will come from GMM Grammy Plc, RS Promotion 1992 Co, Music Train Co, Media of Medias, Krabue and Ko, and Bakery Music.

3. Million-plus pirate CDs seized in raid

*(from Bangkok Post Newspaper, Prime News Section, Page 1, Thailand, 10 July 2002
Thai News Service, 12 July 2002)*

Police made a record haul of more than a million bootleg CDs of Hollywood blockbusters, pornographic movies and Western music in a raid on a Bangkok house. A woman was arrested and charged with violating intellectual property rights laws during the raid on the two-storey house being used as a warehouse. The arrested woman was allegedly hired to look after the goods and more investigation was needed to catch the manufacturer. If convicted, she faces up to eight months in prison.

4. Grammy told to face the music

*(from Bangkok Post Newspaper, Business Section, Page 1&3, Thailand, 11 July 2002
The Nation Newspaper, Local News Section, Page 2A, Thailand, 11 July 2002)*

Local karaoke bar operators are keeping up the pressure on GMM Grammy Plc, the country's largest record company, to reduce its music copyright fees and to stop the crackdown that began last month against operators. About 200 operators, mainly from Bangkok and Pattaya, held a noisy demonstration in front of the Grammy head office on Asoke Road. As in the previous rallies, they called on Grammy to reconsider its current music copyright charge of 450 baht per month, saying the fee was too high.

The protest began early in the morning and ended early in the afternoon only after Grammy executives agreed to talk with the operators.

5. Pirates of Thai goods targeted

(from The Nation Newspaper, Business Section, Page 2B, Thailand, 11 July 2002)

The government plans to appoint intellectual property officials overseas to monitor copyright violations of Thai products, the Intellectual Property Department said. The officials will be either local people or Thai officials already stationed overseas.

The department said that Thailand would take legal action against counterfeiters of Thai products. Intellectual Property Department director-general Yanyong Phuangrach said that the department had drawn up a list of 20 countries that had violated patents, trademarks or copyrights on Thai export products, including jasmine rice, 'Cotto' brand sanitary products, shoes, and cigarettes.

The targeted countries are the US, China, Vietnam, Belgium, Poland, Norway, Russia, Japan, Taiwan, South Korea, Pakistan, Malaysia, Indonesia, the Philippines, Singapore, Cambodia, Laos, Burma, the United Arab Emirates and Kuwait.

The department said that the US may have violated Thai copyright on jasmine rice, Japan the copyright of a novel, China trademarks on sanitary were and instant noodles, and Vietnam a trademark on cigarettes.

6. Grammy defends tough stand

(from Bangkok Post Newspaper, Business Section, Page 10, Thailand, 16 July 2002

The Nation Newspaper, Business Section, Page 2B, Thailand, 16 July 2002

The Nation Newspaper, Local News Section, Page 3A, Thailand, 20 July 2002)

GMM Grammy Plc resumed its get-tough policy, pressing charges against karaoke jukebox operators who refused to pay its music copyright fees. The company said it would not hold any more talks with the protesting operators, and would rely on the police for help if the operators staged any more demonstrations.

The latest talks between the two parties broke down last week and the karaoke operators threatened to stage a bigger protest with 1,000 people yesterday. Karaoke operators led by Vijit Limsombutananan said that about 3,000 protesters would gather at the Commerce Ministry today.

7. Microsoft meets Net café reps

(from Bangkok Post Newspaper, Database Section, Page 1, Thailand, 17 July 2002)

Microsoft (Thailand) last week held its first meeting with Internet café representatives to find out ways to counter software piracy. The attempt was in response to Deputy Commerce Minister Newin Chidchob's request for the company to reduce its software prices for Internet café operators, many of who have been using illegal software for years.

Meanwhile, Internet Entrepreneur Club of Thailand President Chalerm Sak Lerplophatree said that the first meeting was like getting to know each other rather than a talk about price reduction.

8. Electronic dictionary accused of breach

(from Bangkok Post Newspaper, Home News Section, Page 5, Thailand, 19 July 2002

The Nation Newspaper, Business Section, Page 3B, Thailand, 19 July 2002)

The author of an English-Thai dictionary has accused the distributor of an electronic dictionary of breaching copyright. Wit Thiengburanatham, also a special lecturer at Chiang Mai University, says Union Sense Technologies Limited reproduced his work in the form of an electronic handheld device without acknowledgement.

He filed a complaint with the Economic Crime Investigation Division on June 27. he had handed to police as evidence two portable electronic dictionaries, a copyright of his

English-Thai dictionary and three-page document comparing the them. His dictionary was published in 1996 by Ruamsarn Co.

Union Sense denied the claim, saying the content was supplied by the Translation Center of Chulalongkorn University and protected under Thai copyright laws. Pranoonchai Wilasri, Mr Wit's lawyer, said his client was not taking action against the university, just demanded action against the distributor only.

9. Composers assert their rights

*(from Bangkok Post Newspaper, Business Section, Page 8, Thailand, 20 July 2002
Bangkok Post Newspaper, Prime News Section, Page 1, Thailand, 24 July 2002)*

More than 40 local composers asked karaoke bar operators to stop their "uncivilized act" of protesting and start paying music copyright fees in line with the law. They also called on the government to take legal action against those infringing their rights and to deal with protesters who have vowed to continue their pressure to obtain fee reductions.

Otherwise, the music giant, however, insisted on maintaining its rate and threatened legal action against copyright violators. CEO of GMM Grammy said jukebox operators who were unhappy with the company's rate could always choose not to use music copyrighted by Grammy.

PEOPLE'S REPUBLIC OF CHINA

News in July 2002

1. Japan automakers file complaints against pirate China firms
2. China accounts for 30% of counterfeit Japanese goods survey
3. New regulations to be patently obvious
4. China make "Super DVD" with independent intellectual property
5. US specialists talks intellectual property in Shanghai
6. Honda sues China to reclaim patent on Scooter's design

1. Japan automakers file complaints against pirate China firms

(from Jiji Press Newswire, 4 July 2002)

At least five major Japanese automakers, including Toyota Motor Corp., have filed complaints against Chinese companies for copyright infringements following the mass-circulation of copies of their parts products in China. The Japanese government has also asked Beijing to tighten control on piracy, a sign that Japan is beginning to take the problem seriously.

Chinese public security authorities last month raided a glass manufacturer in Guangdong Province, following requests by the five automakers, which also include Nissan Motor Co., Honda Motor Co., Mitsubishi Motors Corp. and Suzuki Motor Corp.

Japanese automakers have pointed out that Chinese-made pirate products are being exported to the Middle East and South America, raising the possibility that Japanese companies are suffering damage not just in China but also in many other parts of the world. According to a JETRO survey last November, more than half of Japanese firms conducting business in China complained of damaged from piracy.

2. China accounts for 30% of counterfeit Japanese goods survey
(from Nikkei Report, 5 July 2002)

Roughly 30% of the imitations of Japanese goods in 2000 were made in China, according to a survey released by the Patent Office. China topped the list, accounting for 33% of the imitation goods. Next came South Korea at 18.1% and then Taiwan at 17.6%.

3. New regulations to be patently obvious
(from CIEC Economic Brief, 8 July 2002)

The government has issued a regulation to help clarify the ownership of intellectual property rights for significant research projects. IPR ownership of major scientific projects-except those related to national security and important social benefits-will be granted to those who actually carry out the research work.

The regulation has been approved by the State Council and aims to enhance the awareness of IPR protection and stimulate technology invention and commercialization. IPR ownership of research programs for national security and public benefits should be defined by relevant scientific planning administrations either at the start or at the end of research work.

4. China makes “Super DVD” with independent intellectual property
(from Asiainfo Service, 18 July 2002)

Chinese DVD manufacturers have been long suffered from the patent issue. For they have not the DVD patent, they have to pay about 1 billion Yuan patent fee to the foreign companies. Now Chinese company had made a “super DVD” with independent intellectual property.

The “super DVD” is named as “evaluated high compact digital laservideo disk system (EVD)”. Directed by the State Economy and Trade Commission and Ministry of Information Industry (MII) of China, Beijing Fuguo Digital Technologies Co., Ltd undertook the development of EVD. Comparing with super VCD and DVD, EVD has evident technical advantages. The definition of EVD is four times higher than DVD.

5. US specialists talks intellectual property in Shanghai
(from *Asiainfo Services*, 18 July 2002)

The training center of Shanghai Municipal Party Committee cooperated with Shanghai Municipal Intellectual Property Bureau to held a seminar on “Intellectual Property: International Disputes and Resolution” recently. Mr Robert J. Gaybrick and Ms Hu Kangping from US Konge Louis Law office presented at the seminar and gave two lectures on “How to win international patent disputes” and “How to make use of patent laws for your company”.

Both lecturers had made clear on the importance of patent laws to companies and how a company could protect its interests with patent laws. They had given many case studies during the lectures, especially in the aspect of solving disputes between enterprises of different countries, and discussed origin of international intellectual property disputes and the appropriate approaches to solve the disputes.

6. Honda sues China to reclaim patent on Scooter’s design
(from *Asian Wall Street Journal*, 26 July 2002
China Daily, 26 July 2002
Saigon Times Daily, 26 July 2002)

Honda Motor Co. sued the Chinese government to reclaim a motor-scooter patent it contends was stolen by three Chinese companies, saying it wants to “protect what’s ours” in the country’s chaotic business landscape. Thursday’s lawsuit comes amid promises by the government to increase protection for patents, copyrights and other intellectual property after it joined the WTO.

The lawsuit says Honda obtained a 1994 patent for the design but that three Chinese companies were approved after applying with similar designs in 1998 and 1999. It asks for the later patents to be revoked.

Mr Iwamoto declined to comment on whether Honda will also sue the companies – Shanghai Feiling Motorcycle Manufacturing Co., Zhejiang Huangyan Huari Group and its subsidiary, Henan Huangyan Huari Xinxiang Motorcycle Manufacturing Co. Nor would he say whether the lawsuit would affect Honda’s manufacturing plans in China. The company has seven joint ventures in China and employs about 9,000 people.

HONG KONG

News in July 2002

1. Anti-piracy reward program launched in HK
2. Hong Kong arrests 149 in criminal gang crackdown

1. Anti-piracy reward program launched in HK
(from Xinhua News Agency Bulletin, 9 July 2002
Reuters News Service, 9 July 2002
Kyodo News, 9 July 2002)

A reward program was launched to fight DVD piracy in Asia by the Motion Picture Association, which represents major US motion picture companies in the international market place. The individuals who provide credible information leading to a successful raid against pirate DVD manufacturing facilities in Asia will receive a prize under the program, with 150,000 US dollars in place. However, the organization refused to disclose the amount of the prize for a successful report.

2. Hong Kong arrests 149 in criminal gang crackdown
(from Reuters News Service, 28 July 2002)

Hong Kong police said they arrested 149 people in the past six days in a major crackdown against "triad" crime gangs, which have been actively recruiting youths. They were arrested for suspected triad-related offences including drug trafficking, selling of pirated music and VCDs, robbery and theft and managing a triad society. Together with the Customs and Excise Department, police also smashed a number of triad-controlled syndicates that sold pirated discs and other illegal goods.

MALAYSIA

News in July 2002

1. Officers to be given list of pirated VCD sellers
2. DVD pirates go cyber-to avoid-detection
3. Police detain customers for buying pirated VCDs during raid
4. "You can help in VCD piracy battle"
5. 285 more officers to help curb VCD, CD piracy
6. Pirated VCD sellers using 'B' label to deceive officers
7. RM600,000 worth of pirated VCD's seized in Puchong
8. Malaysia ponders pirated software for schools-paper
9. Muhyiddin denies schools may be allowed to use pirated software
10. Police willing to play role in fighting copyright piracy
11. 500,000 CDs worth RM5m confiscated in raid
12. KL to seek Aussie help on music piracy

1. Officers to be given list of pirated VCD sellers
(from New Straits Times Newspaper, Malaysia, 1 July 2002)

Local council enforcement personnel will be provided with a list of those caught selling pirated VCDs and CDs, as well as pornographic material. Dr Mohd Khir said he was still

waiting for the report on an incident where a car belonging to the Subang Jaya Municipal Council enforcement chief was set ablaze at his home in Putra Heights last week.

He advised State Government subsidiaries to be prudent in their expenditure so that they would not be saddled with debts. On tackling social issues involving youths, Dr Mohd Khir urged non-governmental organizations to work with youth association in organizing sports programmes for youngsters.

2. DVD pirates go cyber – to avoid – detection
(from The Sun Newspaper, Malaysia, 10 July 2002)

Manufacturers of pirated DVDs have turned to e-commerce to market their products, following more frequent raids by the Domestic Trade and Consumer Affairs enforcement unit. State enforcement unit director Fahmi Kassim said the new strategy was uncovered when a team of three personnel who, acting on a tip-off, intercepted 418 parcels bound for destinations in the United States and Britain among others.

The items were seized from a renowned courier company in Bayan Lepas during a raid. The team discovered 10,000 pirated copies of DVDs of various latest movie releases worth RM100,000, ready-packed in parcels for export.

3. Police detain customers for buying pirated VCDs during raid
(from New Straits Times Newspaper, Malaysia, 13 July 2002)

Seven customers of a VCD outlet in Bandar Kinrara, Puchong, were arrested on suspicion of buying pirated goods during a raid by the Federal police commercial crimes division officers today.

Police also arrested the 33-year old shop owner and his Bangladeshi worker, and seized 52,000 copies of VCDs of various titles worth about RM520,000. A police said the seven customers would be released unconditionally after their statements were recorded.

4. “You can help in VCD piracy battle”
(from Malay Mail, Malaysia, 15 July 2002)

“You can make the difference in the battle against pirated VCDs.” This is the message from the Domestic Trade and Consumer Affairs Ministry’s enforcement division as it continues to face a tough battle cracking down on illegal VCD makers and distributors.

Its assistant director, Othman Nawang, said it was estimated that 45 per cent of VCDs in the market today were pirated, and the division was striving to cut that number down to 20 per cent by the end of the year.

5. 285 more officers to help curb VCD, CD piracy
(from *New Straits Times Newspaper, Malaysia, 15 July 2002*
Bernama Daily Malaysian News, 18 July 2002)

The noose will be tightened for pirated VCDs and CD peddlers as 285 more enforcement officers will be deployed to curb copyright piracy. Currently undergoing training, they will join the 722 officers nationwide and be based in several hotspots, including the Klang Valley, Johor Baru, Penang and Ipoh. They will be conducting regular checks with the senior officers who have over 20 years' experience.

6. Pirated VCD sellers using 'B' label to deceive officers
(from *New Straits Times Newspaper, Malaysia, 18 July 2002*)

Traders selling pirated and pornographic VCDs are using plastic sheets with pockets to display their merchandise which can be easily removed during raids. The VCDs are placed in plastic sheets bearing the Film Censorship Board's approval or the "B" label.

Home Ministry Perak enforcement unit head Md Jani Jantan said the tactic had been widely used by VCD operators including night market traders. He said the plastic sheets had dozens of pockets which were used to display the VCDs. He added that the tactic managed to deceive many enforcement officers who made routine checks at VCD outlets in the city.

7. RM600,000 worth of pirated VCD's seized in Puchong
(from *Bernama Daily Malaysian News, 22 July 2002*
New Straits Times Newspaper, Malaysia, 23 July 2002)

Trade Enforcement officers seized 174,800 pieces of pirated VCDs and CDs worth RM600,000 during a raid at the Puchong Industrial Complex, near here this afternoon. Assistant Enforcement Officer of the Ministry of Domestic Trade and Consumer Affairs, Norazmi Yakub said the seizure, which was the second largest this year, was carried out at about 5.15pm in one of the premises on the fourth floor of the complex. He said 102,800 VCDs and 72,000 CDs were confiscated during the raid involving 20 officers from the ministry's Enforcement Division.

8. Malaysia ponders pirated software for schools-paper
(from *Reuters News Service, 28 July 2002*
The Straits Times Newspaper, Prime News Section, Page 4, Singapore, 29 July 2002
Bangkok Post Newspaper, Database Section, Page 1, Thailand, 31 July 2002)

Malaysia may allow the use of pirated computer software for schools and social organizations, Domestic Trade and Consumer Affairs Minister Muhyiddin Yassin was quoted on Sunday as saying. "We are concerned over the rampant sale and use of pirated computer software in the country and will continue to conduct raids to curb it," he said. "But for educational purposes and to encourage computer usage, we may consider allowing schools and social organizations to use pirated software," he said.

The International Intellectual Property Alliance estimates that US trade losses due to the piracy of movies, music, software and publishing materials in Malaysia last year rose to \$316.5 million from \$140 million in 2000.

9. Muhyiddin denies schools may allowed to use pirated software

(from Bernama Daily Malaysian News, 29 July 2002

New Straits Times Newspaper, Malaysia, 30 July 2002)

Domestic Trade and Consumer Affairs Minister Tan Sri Muhyiddin Yassin has denied a newsreport that said the government will consider allowing schools and social organizations to use pirated computer software.

He said what he said was that his ministry's enforcement division would focus on business premises rather than schools and social bodies when carrying out operations to check the illegal use of pirated software.

10. Police willing to play role in fighting copyright piracy

(from New Straits Times Newspaper, Malaysia, 29 July 2002)

Police are willing to play a bigger role in the fight against copyright piracy compared with the present back-up support for the Domestic Trade and Consumer Affairs Ministry. But to do so, they want the Ministry to seek written permission from Inspector-General of Police Tan Sri Norian Mai on possible areas of co-operation.

Police sources said the Federal Police Commercial Crimes Department was currently responsible for raiding and confiscating pirated VCDs. Senior Federal police officer are willing to co-operation with the Ministry in the war against copyright piracy as it is affecting innovation in the film and music industry.

11. 500,000 CDs worth RM5m confiscated in raid

(from New Straits Times Newspaper, Malaysia, 30 July 2002)

The packing center and store belonging to one of the largest piracy syndicates in the country were raided today, netting 500,000 CDs worth RM5 million. It is the Domestic Trade and Consumer Affairs Ministry's largest haul this year. The syndicate is believed to have supplied the CDs to distributors nationwide and exported their pirated CDs to countries in Southeast Asia and Europe.

12. KL to seek Aussie help on music piracy

(from The Sun Newspaper, Malaysia, 31 July 2002)

Malaysia will seek the cooperation of the Australian authorities on the case of two Malaysians caught with 35,000 pirated DVDs featuring more than 100 major motion picture titles. Domestic Trade and Consumer Affairs Minister Tan Sri Muhyiddin Yassin said that when information is received, the government will use it to trace their source here.

He said the case is still new and the government will wait for further information from the Australian authorities. He said the government is concerned as it has been proven that Malaysians are daring enough to be involved in such a case.

SINGAPORE

News in July 2002

1. Police target night market in pirated goods raid
2. Licensing and intellectual property

1. Police target night market in pirated goods raid

(from The Straits Times Newspaper, Home News Section, Page H5, Singapore, 8 July 2002)

The police are closing in on stalls at nighttime bazaars that sell pirated goods. In its seventh raid this year, they seized about \$200,000 worth of pirated CD-ROMs, music CDs and fake Nokia accessories from pasar malam stalls in Jurong West. Also 19 people were arrested this time for distributing and selling pirated goods, compared with a total of six from the other raids.

2. Licensing and intellectual property

(from Economist Intelligence Unit, 24 July 2002)

Because of the country's small domestic market and the ease of access for foreign direct investment, licensing is not as common among companies in Singapore as in other countries, except for franchising operations, such as McDonald's restaurants. With increasing focus on knowledge-based enterprises, however, the use of licensing in the commercialization of intellectual property and business growth is gathering speed. Where they exist, licensing arrangements and approvals for payments are usually straightforward.

THE PHILIPPINES

News in July 2002

1. Appliance maker raided for software piracy
2. IP asset audit in schools
3. Philippines authorities destroy 2m copies of pirated CDs

1. Appliance maker raided for software piracy
(from *Manila Standard*, 15 July 2002)

The office of appliance manufacturer Kolin Philippines International Inc. was raided by the National Bureau of Investigation for allegedly using unlicensed software in its operations. Confiscated from the office were 51 computers, a laptop and two servers containing pirated copies of Microsoft programs.

The raid was conducted after Microsoft Philippines lodged a complaint against Kolin, a manufacturer and distributor of home appliances and air-conditioning equipment, for alleged violation of Republic Act 8293 or the Intellectual Property Code.

2. IP asset audit in schools
(from *Business World, Philippines*, 18 July 2002)

The government is conducting an inventory of intellectual property assets found in universities and small and medium enterprises. The inventory forms part of government's national focus action plan which the IPO is implementing over the next two years. IPO director-general Emma Francisco said the government has secured assistance from the WIPO to conduct a survey geared toward building the country's IP asset base. The inventory initially will target SMEs and the University of the Philippines.

3. Philippines authorities destroy 2m copies of pirated CDs
(from *Reuters News Service*, 24 July 2002

Channel News Asia, 25 July 2002

Business World, Philippines, 25 July 2002

Saigon Times Daily, 25 July 2002

MX, 25 July 2002

Bangkok Post Newspaper, Business Section, Page 2, Thailand, 25 July 2002)

A total of 2 million illegal copies of music and VCDs in the Philippines have been destroyed in a public demonstration of the government's determination to stamp out intellectual piracy. Pirated VCDs, DVDs and cassettes of local and foreign films and music, as well as pornographic films, were destroyed in the event attended by President Gloria Macapagal Arroyo, who has made anti-crime efforts a top priority in the coming year.

INDONESIA

News in July 2002

BSA opens Indonesian office

(from *The Jakarta Post Newspaper, Indonesia*, 31 July 2002)

Software industry watchdog BSA launched its Indonesian operation, saying that its main aim was to help stamp out the problem of computer program piracy in the country. BSA Indonesia will be focusing on providing education for computer users regarding copyrights and what impact illegal practices might have on the economy.

VIETNAM

News in July 2002

Experts call on TV broadcasters to obey copyright regulations

(from Vietnam News Brief Service, 22 July 2002)

Copyright experts in Vietnam have urged local TV broadcasting stations to strictly implement regulations on copyright if they want to avoid trouble during integration. Vietnam has signed copyright agreement with the US that took effect on December 23, 1998, and the agreement on TRIPs with Switzerland that became effective from June 8, 2000.
