

## Monthly Report of July 2003

- By Country:

THAILAND  
PRC  
MALAYSIA  
SINGAPORE  
THE PHILIPPINES  
INDONESIA  
VIETNAM

---

### THAILAND

#### News in July 2003

1. Battling CD/VCD piracy
2. Recording firms not able to cut CD prices
3. IP for FTA
4. Doraemon piracy
5. Collateral Asset is not easy
6. Toy piracy
7. Wattana demands apology from IFPI
8. Amending Copyright Law
9. Raids not music to pirate CD smugglers
10. Bill to protect Thai animals from GM

#### 1. Battling CD/VCD piracy

*(from Bangkok Post Newspaper, Business Section, Page 3, Thailand, 8 & 10 July 2003*  
*The Nation Newspaper, Business Section, Page 3B, Thailand, 8 July 2003*  
*Krung Thep Thurakit Newspaper, Economic Commerce Section, Page 22, Thailand, 8 July 2003*  
*Bangkok Post Newspaper, Business Section, Page 1, Thailand, 12 July 2003*  
*The Nation Newspaper, Local News Section, Page 3A, Thailand, 12 July 2003*  
*Post Today Newspaper, Today's News Section, Page A3, Thailand, 12 July 2003*  
*Krung Thep Thurakit Newspaper, Economic Section, Page 8, Thailand, 15 & 16 July 2003*  
*Post Today Newspaper, Today's News Section, Page A3, Thailand, 16 July 2003)*

Deputy Commerce Minister Wattana Muangsook said that the music and movie producers would propose a final pricing scheme to the ministry. International copyright-holding entertainment companies will also submit price guidelines by month's end. The price war is one component of the government's overall plan to combat copyright violation.

Copyright-holders in the European Union have claimed that Thailand has 60 CD factories, while the United States put the number at 100 and the Thai industry estimates it to be 40.

Sutthisak Prasatkarukarn, manager of the intellectual property law office of RS Promotion Plc – a leading music and movie producer – said the company was satisfied that government policies had significantly reduced the number of illegal products.

#### 2. Recording firms not able to cut CD prices

*(from Bangkok Post Newspaper, Business Section, Page 10, Thailand, 9 July 2003*  
*Krung Thep Thurakit Newspaper, Economic Commerce Section, Page 15, Thailand, 12 July 2003)*

Gmm Grammy Plc and RS Promotion Plc, the country's two largest recording firms, said they may not be able to afford to cut the prices of their music CDs as suggested by Deputy Commerce Minister Wattana Muangsook, as part of his plan to fight piracy.

They said the current prices were "fair" and "affordable" for buyers because the price gap between pirated and copyright products had narrowed.

3. IP for FTA

*(from Krung Thep Thurakit Newspaper, Economic Section, Page3, Thailand, 10 July 2003)*

United States wants Thailand give more move in IP and want infringement of IP to be in Money Laundry Law, also they want Thailand to solve in more two areas. There are the corporation in IP and the Customs system. However Ministry of Commerce is not going to do all US's proposals. MOC will divide in two processes, start with the campaign of anti-piracy then send the statistic to US. After that they will discuss about the Law.

4. Doraemon piracy

*(from Post Today Newspaper, Business Market Section, Page B1, Thailand, 17 July 2003*

*Krung Thep Thurakit Newspaper, Economic Commerce Section, Page 23, Thailand, 17 July 2003)*

Traders of Bobe Market and Partoo-Nam (Watergate) said that the copyright owner of Doraemon character squeezed them to pay 30,000 baht each for not to be accused as an infringer. According to Intellectual Property Department, they said the owner should do the legal action with the factory than the traders who almost do not know about the IP rights. Furthermore, the owner should announce the right to the public before do any legal action.

5. Collateral Assets is not easy

*(from Post Today Newspaper, Business Market Section, Page B4, Thailand, 21 July 2003*

*Krung Thep Thurakit Newspaper, Economic Commerce Section, Page 15, Thailand, 26 July 2003)*

DIP has already managed the system for IP as a collateral assets and will be used by January 2004. DIP also signs an agreement with SMEs Bank and IFCT. Moreover, DIP had set the clearing House for solve the case between the rights owner and the bank so they do not need to go to the court.

6. Toy piracy

*(from The Nation Newspaper, Business Section, Page 3B, Thailand, 23 July 2003*

*Post Today Newspaper, Business Market Section, Page B3, Thailand, 23 July 2003)*

Significant growth in the pirate toy market has forced K Charoen Toys, a local toy distribution firm, to fight back by cutting product prices by up to 10 per cent. However, the company has continued to compete with pirate toy producers by distributing quality products and maintaining product prices almost as low as those of pirate toys.

7. Wattana demands apology from IFPI

*(from Post Today Newspaper, Today's News Section, Page A3, Thailand, 23 July 2003*

*Bangkok Post Newspaper, Business Section, Page 3, Thailand, 24 July 2003*

*Krung Thep Thurakit Newspaper, Economic Section, Page 9, Thailand, 24 July 2003*

*Post Today Newspaper, Business Market Section, Page B3, Thailand, 25 July 2003)*

Representatives of an organization representing the international recording industry will meet Deputy Commerce Minister Wattana Muangsook for talks on its report which puts Thailand on a global top-ten list of countries with rampant piracy. The international Federation of the Phonographic Industry (IFPI) recently published a report saying there were now over 50 operational plants in Thailand.

Mr. Wattana will demand an apology from the group, whose members include Sony Music, EMI, BMG, Warner and Universal, and for it to state publicly that the allegation was groundless. Currently, he said, there were 34 CD manufacturing plants registered with the ministry nationwide. However, the number of illegal CD plants was not given. He maintained that Thailand was not on top of the list of countries with illegal CD manufacturing plants. He said Bangkok was putting a great effort into curbing the number of illegal CD plants and every party was satisfied with the government's action.

As a result, he made an unprecedented move of calling on the IFPI to cooperate with the authorities in cracking down on piracy. The minister also argued that Thailand should have been listed among the world's best countries in clamping down on piracy. However, after the meeting IFPI said that it was the communication breakdown, they never put Thailand in the top list.

#### 8. Amending Copyright Act

*(from Prachacharththurakit Newspaper, Page 10, Thailand, 24 – 27 July 2003)*

Intellectual Property Department has proposed to amend the Copyright Act in three main topics which are copyright infringement cannot make a settlement, setting the copyright committee for collecting karaoke royalty and developing IT law.

#### 9. Raids not music to pirate CD smugglers

*(from Post Today Newspaper, Scoop Section, Page A10, Thailand, 26 July 2003)*

*(Bangkok Post Newspaper, Home News Section, Page 4, Thailand, 28 July 2003)*

A major crackdown on bootleg CDs in Malaysia and Hat Yai district has scared off buyers of pirated goods and led to the closure of many shops along the border. Vendors at Padang Besar, on the border between Sadao district and Malaysia's Perlis state, said Malaysian border authorities were clamping down on factories making bootleg CDs, VCDs, DVDs and cassette tapes. Some of the factories produced pirated products ordered by vendors in Thailand. A source said many of the factories were heavily fined and ordered to temporarily shut down, forcing them to lay off staff.

Sources said some bootleg factories were in Padang Besar market in Perlis, about 2km from the customs check point, and others were in Penang state.

#### 10. Bill to protect Thai animals from GM

*(from Bangkok Post Newspaper, Home News Section, Page 3, Thailand, 29 July 2003)*

*(Post Today Newspaper, Today's News Section, Page A2, Thailand, 29 July 2003)*

The Livestock Development Department will draft a bill to protect Thai animals from genetic modification and prevent patenting of breeds by other countries. Department chief Yukol Limlaemthong said animals to be protected under the bill include Asiatic buffaloes, native bantam cocks, Saimese cats, bang kaew and ridge-backed dogs, crocodiles, hogdeer, mouse deer, sambar deer and Siamese fireback fowls.

Mr Yukol said the animal breed conservation and promotion bill would guarantee Thailand's food security and enable exports of the registered breeds. The bill would also bar cross-breeding with foreign breeds and genetic modification of Thai indigenous animals. It would prohibit other countries taking out patents on Thai native breeds.

He said the department was gathering opinion from livestock and legal experts, farmers and livestock raisers for inclusion in the bill.

---

## PEOPLE'S REPUBLIC OF CHINA

### News in July 2003

1. No patent charging on domestic digital camera vendors
2. Private lampmaker sues giant Philips
3. LG sues for alleged patent infringement
4. China faces uphill battle against counterfeits
5. GM probes Chery's QQ car design
6. Soaring patent application in China
7. China's first bazaar for patents open in Shanghai
8. Shanghai encourage researchers to seek IPRs

1. No patent charging on domestic digital camera vendors  
(from *SinoCast China IT Watch*, 2 July 2003)

It was said in February that Japanese digital camera makers were going to charge patent fees on Chinese digital camera vendors. But not it is proved that Japanese digital camera makers will not charge temporarily. An official from Sony China's Shanghai branch said that they had never heard of the issue. They are not going to charge any patent fees for the time being.

2. Private lampmaker sues giant Philips  
(from *Shanghai Daily*, 4 July 2003  
*Xinhua Financial Network News*, 4 July 2003  
*SinoCast China Business Daily News*, 4 July 2003)

Royal Philips Electronic NV is being sued for more than 15 million yuan by a Shanghai lampmaker, claiming infringement on its patent for energy-saving lamps. Philips Electronics China Group, a subsidiary of Europe's largest consumer-electronics maker, said it had provided evidence to the State Intellectual Property Office to invalidate the patent and is prepared to fight the claim.

In the suit, Shanghai Dais states that Philips & Yaming Lighting Co Ltd used its utility model patent illegally from 1995 to 2000.

3. LG sues for alleged patent infringement  
(from *China Daily*, 11 July 2003  
*Dow Jones International News*, 11 July 2003)

South Korean electrical appliance company LG has launched legal action against Guangdong-based Galanz for alleged patent infringement in its microwave ovens. No decision was made in its first hearing at the Beijing No 2 Intermediate People's Court.

#### 4. China faces uphill battle against counterfeits

*(from Xinhua News Agency, 22 July 2003)*

The Development Research Center (DRC) under China's State Council released a report on the damage that counterfeiting incurred on China economy. The release of the report coincided with a symposium sponsored by the Quality Brands Protection Committee, an intellectual property watchdog under the China Association of Enterprises with Foreign Investment (CAEFI).

The report said though the total value of counterfeiting grew at an annual rate of 7 per cent during 1999-2001, counterfeiters were losing ground in terms of market share. China retail sales market was expanding at an annual rate of 11 per cent in the period, far exceeding the growth rate of counterfeiting.

More than half of the 213 enterprises surveyed said the severity of counterfeiting were alleviated in China after the Chinese government launched a nationwide market disorder rectification campaign in 2001. This reflected a change of attitude as compared with several years ago, when a similar survey conducted by the DRC in 1999 found nearly three quarters of the enterprises saying things were going from bad to worse.

#### 5. GM probes Chery's QQ car design

*(from The Nation Newspaper, Business Section, Page 5B, Thailand, 24 July 2003)*

*Post Today Newspaper, International Economic Section, Page A11, Thailand, 24 July 2003)*

US auto giant General Motors has launched an official investigation into Chinese carmaker SAIC Chery's suspected violation of its intellectual property rights. GM's subsidiary has been investigating similarities between its sub-compact car, the Chery Daewoo Matiz I, and SAIC Chery's QQ model.

The ongoing dispute has brought to the fore the dangers that foreign auto-makers face when tying up with Chinese auto-makers, many of whom seek to develop stand alone models. SAIC Chery's suspected copying of the GM vehicle based on the Chevrolet Spark is considered particularly sensitive because the US carmaker has a major joint venture with Shanghai Automotive Industry Corp (SAIC), which holds a 20 per cent stake in Chery.

SAIC Chery claims it spent more than a year developing its QQ car and the company has up to 24 design patents on the model. This is not the first time SAIC Chery has been in trouble with a foreign carmaker over alleged intellectual property rights infringement. SAIC's other joint venture partner, Volkswagen, has also had a run-in with chery.

#### 6. Soaring patent application in China

*(from SinoCast China Business Daily News, 28 July 2003)*

The latest statistics from the SIPO suggest that from January to June, three types of patent applications (utility model patent, exterior design patent and invention patent) increased by 24.9% to 141,523. Statistics show that among the applications filed in the first half of 2003, 80.3% were domestic ones and 19.4% were foreign ones. Among invention patent applications, domestic applications accounted for 31.5% and foreign applications accounted for 68.5%, up by 47% and 24% respectively.

7. China's first bazaar for patents open in Shanghai  
(from Xinhua News Agency, 29 July 2003)

China's first bazaar specially for patent trading opened in an intellectual property service center in China's largest industrial city of Shanghai. More than 370 patent projects and another 78 patents suitable for private enterprises were offered at the bazaar, which offered opportunities for face-to-face talks between the patent holders and potential investors.

8. Shanghai encourage researchers to seek IPRs  
(from Business Daily, 30 July 2003)

The Shanghai Science and Technology Commission will in August issue new measures to encourage local researchers to seek ownership of intellectual property rights. Essentially, it will authorize individual researchers to seek ownership of IPRs while previously such ownership only belonged to the research institute. Additionally, the commission will also require scientific project applicants to clarify their purpose concerning IPR application if they want financial support from the local government.

---

## MALAYSIA

### News in July 2003

1. Easier now to register international patents
2. Recording, software owners given two weeks to lower prices
3. US to cooperate with Malaysia industry to deal with piracy

1. Easier now to register international patents  
(from Bernama Daily Malaysian News, 1 July 2003)

The Patent Cooperation Treaty provides for easy registration of international patents, Deputy Minister of Domestic Trade and Consumer Affairs Datuk S. Subramaniam said. Winding up the debate on the Patent (Amendment) Bill 2003, he said the WIPO had come up with the treaty to facilitate the easy filing of patent rights. The Dewan Negara later approved the Bill.

Under the system, the applicant for international patent rights need only file one petition and list the countries where he wants the patent to be protected.

2. Recording, software owners given two weeks to lower prices  
(from New Straits Times Newspaper, Nation News Section, Page 2, Malaysia, 4 July 2003  
The Malay Mail, Local News Section, Page 8, Malaysia, 7 July 2003  
Far Eastern Economic Review, 24 July 2003)

The Government has given industry players two weeks to agree on a mechanism to lower prices of CDs, VCDs, DVDs and computer software, failing which it regulate these products. Expressing his satisfaction over meeting, Muhyiddin, Domestic Trade and Consumer Affairs Minister, added that the industry was keen to cooperate with the Government and had proposed a price-control mechanism which took into account the cost and profit margins of each component of the industry.

He believed that price controls and its enforcement could be implemented within a month after evaluating recommendations from the industry.

3. US to cooperate with Malaysia industry to deal with piracy  
(from *Bernama Daily Malaysian News*, 7 July 2003)

The United States, which lost US\$242 million to piracy in Malaysia last year, wants to work with Malaysia to protect the intellectual property rights of DVDs, software and CDs of both American and Malaysian artistes. The US Department of Commerce Assistant Secretary, William H. Lash III, said that the US classified piracy as organized crime.

Malaysian government had been vigorous in the past quarter in fighting piracy by extending the number of raids and the consequent confiscation of almost 750,000 discs. However, while wanting to cooperate with the Malaysian authorities in fighting piracy, he expressed concern over price controls on IPR to be imposed by the Malaysian authorities. He said any attempt to put control on prices would create a big gap on consumer expectations in that it would deny them price choices.

---

## SINGAPORE

### News in July 2003

1. Government schools to pay fees for photocopying  
(from *The Straits Times Newspaper, Singapore*, 7 July 2003)

The Ministry of Education will now get its school to pay royalties for photocopying textbooks, journals and other publications. It signed the agreement with the Copyright Licensing and Administration Society of Singapore (Class) after about two years of intense negotiation.

This is the first time a government in South-east Asia has signed such an agreement with a copyright society.

According to a survey, the photocopying of entire textbooks by shops near schools and universities was one of the main contributors to the estimated US\$2 million to US\$3 million in losses to pirates suffered by publishers in Singapore in 1999.

2. FTA with US raises Singapore IT hub status  
(from *The Straits Times Newspaper, Singapore*, 23 July 2003)

The recently-concluded US-Singapore Free Trade Agreement (FTA) is integral to Singapore's push to reinvent itself as it is an important building block for a knowledge-based economy. The FTA will help Singapore's transition to an information technology solutions hub, which is one of the structural changes it wants to make and including many areas also e-commerce and intellectual property. It also raises the standard of Singapore's intellectual property protection to that of the US.

---

## THE PHILIPPINES

### News in July 2003

### Pirated VCDs anger GMA in police station

*(from Manila Bulletin, 5 July 2003)*

President Gloria M Arroyo berated the acting station commander of the Central Police District Office (CPDO) Station 7 in Cubao, Quezon city, after she discovered hundreds of pirated VCDs kept inside his office in a surprise inspection.

Arroyo grabbed one of the pirated pornographic VCDs and lectured the police official on his moral responsibilities as well as duty to enforce the intellectual property rights law. The President then directed CPDO director chief Supt. Nap Castro to impose “disciplinary action” against sta. Inez, who failed to explain the existence of the VCDs. Supt. Carlito Feliciano tried to explain that the VCDs were part of confiscated materials in a recent operation in Cubao.

---

## **INDONESIA**

### **News in July 2003**

1. Government, businesses join hands to fight piracy
2. Batam police seize pirated VCDs
3. Vendors ready for enactment of Copyright Law

1. Government, businesses join hands to fight piracy

*(from The Jakarta Post Newspaper, Indonesia, 11 July 2003)*

In a bid to curb the rampant piracy that has cost the government and the private sector trillions of rupiah, the Ministry of Justice and Human Rights and a number of private firms joined hands to establish an anti-counterfeiting society.

The establishment of the Indonesian Anti-Counterfeiting Society (MIAP) is primarily aimed at protecting consumers from the harmful effects of the counterfeit products that have penetrated the market, MIAP chairman Ian Barty said.

The group also will act as a pressure group on law enforcers to work to uphold regulations against counterfeiting.

2. Batam police seize pirated VCDs

*(from The Jakarta Post Newspaper, Indonesia, 19 July 2003)*

Police seized more than 7,100 pirated VCDs from two major shopping centers during a raid on the industrial island of Batam, Raiu. Most of the VCDs contained Indonesian and Western songs. Under the law, those found guilty of violating intellectual property rights could be fined Rp50 million or be jailed for five years.

3. Vendors ready for enactment of Copyright Law

*(from The Jakarta Post Newspaper, Indonesia, 29 July 2003)*

With Law No. 19/2002 on the protection of copyrights going into effect on July 29, Jakartans will likely have a more difficult time purchasing counterfeit goods over the next month as vendors

close up shop to avoid raids. Street vendors along Jl. Sabang in Central Jakarta are also bracing themselves for the new law.

The new law on copyright protection comes into effect on Tuesday, after more than a year of preparing the public for the law. The law provides for more severe punishments for copyright violators. A user of pirated computer software, for example, can be punished with up to five years in prison or a Rp 500 million fine.

The director of copyrights, industrial design, integrated circuit layout design and trade secrets at the Ministry of Justice and Human Rights, Emawati Junus, said the government was continuing to focus its efforts its efforts on raising public awareness of the law.

The director general for intellectual property rights at the Ministry of Justice and Human Rights, Abdul Bari Azed, said that to enforce the new law the government would establish a team to draw up policies on intellectual property rights violations.

---

## VIETNAM

### News in July 2003

1. Vietnam to register Cashew trademark in 2003  
(from *Vietnam News Brief Service*, 1 July 2003)

The Vietnam Cashew Association (VCA) is seeking to register a trademark for Vietnamese cashew nuts and hopes to persuade its members to register their own trademarks this year to better compete in the domestic and foreign markets.

The association expects Vietnamese cashew nuts will have a trademark registered fro both the local market and major outbound markets including Australia, China, Europe and North America by the year-end.

2. Largest pirated disk production center in Hanoi  
(from *Vietnam News Brief Service*, 4 July 2003  
*Associated Press Newswires*, 4 July 2003)

Police in Vietnam's capital of Hanoi raided four bases of the largest production and trading center of fake CDs in Hanoi. In the first quarter of this year, Hanoi police seized more than 27,000 illegal video tapes, CDs and VCDs. A report presented at a high-level seminar on intellectual property protection held in last may said that up to 90% of CDs and VCDs sold in Vietnam are pirated.

---