

## Monthly Report of July 2006

- By Country:

THAILAND  
MALAYSIA  
SINGAPORE  
PHILIPPINES  
INDONESIA  
VIETNAM  
CAMBODIA  
INDIA  
PAKISTAN  
JORDAN  
KUWAIT  
ISRAEL  
UNITED ARAB EMIRATES  
GENERAL NEWS

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### THAILAND

#### News in July 2006

1. Thai authorities destroy 1.6m counterfeited products
2. Amended Copyright Act
3. New challenges for multinational business operations
4. PSAP reports on termination of copyright contract
5. Intellectual Property: Mangosteen Extract

1. Thai authorities destroy 1.6m counterfeited products  
(from [www.ECOTEC.Police.go.th](http://www.ECOTEC.Police.go.th) )

Deputy Prime Minister and Justice Minister Pol. Gen. Chidchai Vanasatidya and Deputy Commerce Minister Preecha Laohapongchana have joined the ceremony that has a total of 1.6 million counterfeit products have been destroyed in a public demonstration of the government's determination to stamp out intellectual property piracy. There were also the officers from Royal Thai Police, Intellectual Property Department, Thai Customs Department and music companies joined this event.

2. Amended Copyright Act  
(from *Post Today Newspaper, Today's News Section, Page A3, Thailand, 2 July 2006*)

Mr. Banyong Limprayoonwong, deputy director-general of Intellectual Property Department, said the amended copyright act was under consideration of the Judicial Council committee, which would be done in the middle of July 2006. DIP would push on setting the Copyright fee Collection organization under the clear and fair standard.

Previously, the right owner used to collect copyright fee by themselves that made some confusions. Moreover, this copyright piracy is the compoundable offence so it makes many problems for both the owners and users.

The amended Act is also change the rate of penalty to be 3 levels: 1. general person and student if duplicate CDs will have to pay fine and accept compoundable offence, 2. person who do small businesses with unexpected to take as profession will have to pay fine and accept compoundable offence, 3. entrepreneurs such as factories will have to pay fine and imprisonment and cannot make compoundable offence.

There are also protecting digital media, Internet and also actors' rights. Moreover, it will assign right protection standard to rights' creators cannot assign accept assign by will.

### 3. New challenges for multinational business operations (from *Thai News Service*, 12 July 2006)

This legal reform is a welcome change for the Customs Department since burdensome and inconsistent regulations have been adding unnecessary but significant costs for firms with international trade activities for a long time.

The current customs reform is a codification project which will consolidate existing Customs Acts into one Customs Code. Key issues that will be addressed are such as intellectual property rights, risk management approach to cargo inspection and customs audit and paperless customs.

The new changes aim to reward importers/exporters with good records by providing more facilitation during customs procedures and process and punish those with unreliable records by focusing their inspection and audit efforts more on high-risk importers. Moreover, to keep up with global anti-terrorism threats, the new law would empower Customs in dealing with high-risk consignment.

The new law is also drafted to keep the legal structure up to date with changes in technological advance especially to prepare the law for the increasing adoption of paperless-customs and intensive use of electronic methods in the customs process.

Beside the modernization aspect of the customs law, classical issues which have always been great concerns for business, such as penalty and surcharge calculation, offences and liabilities and appeal process might go through some modifications in the code as well.

In parallel with this codification project, Thai Customs also has annually reform project which focuses on the Customs Tariff Decree B.E.2530. This annually reform plans to introduce advanced binding ruling practice on pre-import tariff classification, customs valuation and rules of origin.

The introduction of binding ruling practice is one of the most significant changes that will benefit importers/exporters tremendously by increasing transparency and bringing consistency to Customs' practice on tariff classification, customs valuation and rules of origin.

Although the customs law reform is still in the draft process, but many changes that will be introduced in the future Customs Code will have significant impact on everyone that deals with the Customs Department and Customs laws, especially importers and exporters, customs agents and multinational firms, and to predict and plan for these changes would be a better strategy than to wait and react to changes when they finally occur.

Moreover, as the Customs Department has taken a participatory approach in the drafting process and public hearings were conducted to give opportunities to the public to comment on the draft, learning and discussing about these changes should help smoothen the implementation process when the law becomes effective in the near future.

4. PSAP reports on termination of copyright contract  
(from *Thai News Service*, 13 July 2006)

Due to the current economic situation, it is widely known that the economy of Thailand has somewhat slowed down as a result of the oil prices, a higher interest burden, and the political turmoil causing the consumers to reduce expenses.

Moreover, the problems of intellectual property rights violation have significantly magnified causing impacts to the company's business. In order to minimize the problems affecting the company, it has the necessity to terminate the Permission Contract to Utilize the Copyrighted Works which was engaged with Sahamongkol Film International Company Limited. The said contract termination is to take effect in July, 2006.

The company will re-consider the Permission Contract to Utilize the Copyrighted Works with Sahamongkol Film International Company Limited again when economic situations get improved with the problems of intellectual property rights violation being under control.

5. Intellectual Property: Mangosteen Extract

(from *The Nation Newspaper, Local News Section, Page 2A, Thailand, 27&28 July 2006*  
*Krung Thep Thurakit Newspaper, Prime News Section, Page 1&4, Thailand, 27 July 2006*  
*Krung Thep Thurakit Newspaper, Economic Section, Page 5, Thailand, 28 July 2006*  
*Bangkok Post Newspaper, Business Section, Page B1, Thailand, 28 July 2006*  
*Post Today Newspaper, Business Market Section, Page B3, Thailand, 28 July 2006*)

Thailand needs to do more to protect its intellectual property rights and prevent other countries patenting traditional Thai products and cultural assets, according to officials.

The Kingdom is currently contesting a Japanese trademark for the traditional Thai massage and exercise known as Rusei Dutton (hermit body twists). And it was revealed that a patent on mangosteen extract was recently given to an American firm.

The United States Patent and Trademark Office granted a patent on April 27 to Nature's Sunshine Products Inc for a beverage made from extract of mangosteen pulp and pericarp (fleshly peel), said Witoon Lianchamroon, the director of Biothai, a non-profit group that looks at Thai intellectual property and biodiversity.

Biothai found out about the latest "violation" of Thai property rights just last week, he said.

The mangosteen originated in Thailand and the country grows the largest volume of the fruit, so it is illogical for anyone else to claim property rights, Witoon said.

With the mangosteen patent approved in the US, Thailand may no longer be able to legally export mangosteen in the form of extracted juice, as the patent applies to this. The US patent covers 17 points of property rights for the beverage extracted from mangosteen pulp and peel, including a mangosteen drink mixed with the juice of other fruits such as red grapes and apples.

Witoon said Thailand should submit an objection to the US via the Department of Intellectual Property. And it was crucial to check if mangosteen extract had been patented elsewhere, particularly in European countries, because they were a huge market for Thai mangosteen products, he said.

Dr Pennapa Sabcharoen, deputy director-general of the Department of Traditional and Alternative Medicine Development, said she had learned there were mangosteen products waiting for patents in many countries. Thai traditional cuisine, massage and spa, plus herbal drugs are at high risk of

being patented by other countries. The government needed to take this issue very seriously and establish a body to deal with the problem directly and actively, she said.

According to Biothai, about 70 per cent of violations to Thai intellectual property occur in Japan. Most other violations were committed in the US, which also wants to sign an FTA with Thailand, Witoon said.

The Department of Intellectual Property, meanwhile, said it was gathering evidence to submit to the Japan Patent Office in regard to the Rusei Dutton trademark granted to a Japanese businessman.

"We hope that consideration of our objection to the Rusei Dutton trademark will not take long. It's obvious that no such trademark is in line with the international law of intellectual property," said Wiboonlaksana Ruamraksa, the department's deputy director-general.

To prevent further violations, Thailand needed a database of intellectual property, which could be used as a reference by other countries, she said.

Later, an official from the Intellectual Property Department said Thailand would register its concern over a pending US patent for a mangosteen drink. It will write to the US Patent and Trademark Office (USPTO) to protect Thailand's rights to beverages whose patents have already been registered here.

The department will inform the US agency that Thailand already produces mangosteen drinks that may use a similar formula, Kanissorn Navanugraha, director-general of the department, said at a press conference.

While the department apparently does not have grounds to file a lawsuit against the US firm, it was suggested Thailand should promote overseas registration of its intellectual property, including traditional wisdom, cultural assets and products, to avoid repetition of the problem. Although the American company has not received approval to register its patent, Thailand will try to protect other formulas and products, Kanissorn said.

Kanissorn said this case does not violate the patents of Thai products because it [the US patent] would apply only to the formula the US firm had registered. Thai firms could still sell products with other formulas.

Nonetheless, the department would send the letter to the US agency to inform it of the existence of similar products made by Thai producers.

To ensure the protection of Thai cultural assets, the department would cooperate with other countries to establish a database relating to traditional products, practices and wisdom, he said. The department is also sending a letter to the Japan Patent Office to protest against a Japanese firm using the name of a traditional Thai massage technique as its trademark.

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## MALAYSIA

### News in July 2006

1. Pirated discs thrive in Malaysia  
(from *International Herald Tribune*, 4 July 2006)

Malaysia's booming trade in knockoff discs most of them from legal makers of CDs and DVDs is a hurdle in the country's bid to seal its first free-trade accord with the United States. Companies like Viacom and Microsoft lost an estimated \$340 million of sales to piracy in Malaysia in 2005.

The U.S. trade agreement must provide "ironclad protection for intellectual property," Christopher LaFleur, the U. S. ambassador to Malaysia, wrote in an e-mail message. Investors "are not going to bring their valuable knowledge here if it cannot be protected."

Barbara Weisel, an assistant U.S. trade representative, wrapped up the first round of free-trade talks in Penang State on June 16. A second round is to begin Monday in Washington. The United States is Malaysia's largest overseas investor, government figures show. Trade between the two amounted to \$44 billion last year

Most pirated discs are made at Malaysia's licensed factories, said James Wise, an anti-piracy expert in Hong Kong for the International Recording Media Association in Princeton, New Jersey.

Malaysia's licensed disc makers can produce 42 times more discs than they have legal orders for, according to data from the International Federation of the Phonographic Industry, a trade group in London. Only Taiwan, China and Hong Kong are capable of bigger surpluses, the group said.

Film studios suffer the most. About 90 percent of all movie discs sold in Malaysia last year were illegal copies, according to the Motion Picture Association in Los Angeles. Studios lost \$151 million, it estimates Music trade organizations including the Motion Picture Association told the Office of the U.S. Trade Representative in April that any free-trade agreement with Malaysia should include stronger prosecution of those involved in piracy.

The number of Malaysian shops selling knockoff discs, which usually sell for about 7 Malaysian ringgit each, or nearly \$2, is "uncountable," said Haizal Zakuwan, who leads a 12-member anti-piracy team from the Domestic Trade and Consumer Affairs Ministry. "It's easier for us to tackle the problem at the source."

Malaysia's inspector general of the police, Bakri Omar, declined to comment on Chow's claims about payoffs. Mohamad Daud, chief spokesman for the police, said Bakri has ordered an investigation. "We cannot tolerate this kind of behavior," Mohamad said.

Some progress on piracy is being made. Enforcement inspectors have closed down or canceled the licenses of nine disc makers this year, said Iskandar Halim Sulaiman, the deputy chief of the anti-piracy police force. The country now has 35 licensed factories.

## 2. CD pirates turn to CD burners

*(from The Nation Newspaper, Regional News Section, Page 7A, Thailand, 6 July 2006)*

Manufacturers of pirated VCDs and CDs are now opting for CD burners instead of bulky machines. The CD burners enable them to operate in smaller premises to avoid detection.

The Domestic trade and Consumer Affairs Ministry's enforcement division has already stumbled upon six cases so far this year. The ministry's enforcement director-general Roslan Mahayudin, in their latest raid, found a factory in central Selangor state, being used as a storage place for pirated VCDs and CDs while the manufacturing was carried out in a house in a residential estate.

## 3. US investors adequately protected

*(from Business Times, 21 July 2006)*

Malaysia's commitment to intellectual property (IP) protection will help its negotiation on free trade agreement (FTA) with the US, International Trade and Industry Minister Datuk Seri Rafidah Aziz said.

He said Malaysia's existing regulations on IP protection provide adequate protection for US investors and would encourage them to come to Malaysia.

She said the World Economic Forum 2005-2006 ranked Malaysia 20th among 117 countries in IP protection, ahead of China (61), India (41), Taiwan (26), Thailand (37) and South Korea (27).

"IP is going to be part and parcel of any bilateral arrangement for the future between any countries because people invest not to make a simple product but to produce products that have a very high element of innovation, creativity and design in it," she told reporters after officiating a seminar on "Maximizing Intellectual Property as Business Asset" in Petaling Jaya.

The one-day seminar was organized by International Chamber of Commerce (ICC) Malaysia.

The US, which is now in the second round of FTA negotiation with Malaysia, places great emphasis on IP rights. It has been estimated that US businesses suffer about US\$250 billion (RM920 billion) losses annually due to piracy and theft.

Legislation in Malaysia that seeks to protect IP interest includes Intellectual Property Corporation of Malaysia Act 2002, Trade Marks Act 1976, Patents Act 1983, Copyright Act 1987, Industrial Design Act 1996, Layout Designs and Integrated Circuit Act 2000, Geographical Indications Act 2000, and Optical Disc Act 2000.

Earlier in her address, Rafidah said Malaysia is also committed to its multilateral obligations under the World Trade Organization, World Intellectual Property Organization and related IP international conventions, where Malaysia is a party to the Paris and Berne Conventions.

As a member of WTO, she said, Malaysia is signatory to the Trade-Related Aspects of Intellectual Property Rights Agreement (TRIPs), the most comprehensive multilateral agreement on IP.

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## PHILIPPINES

### News in July 2006

1. Citigroups sues Philippines brokerage for trademark infringement
2. Southeast Asian patent system in the works
3. New IPR Code compliant with TRIPs
4. Regular set to crack down on cable piracy

1. Citigroups sues Philippines brokerage for trademark infringement  
(from AFX Asia, 4 July 2006)

Online broker Citiseconline.com Inc, which is planning to list its shares here next week, said it has been sued by Citigroup Inc and Citibank NA for alleged trademark infringement.

The complainants alleged in its petition before a local regional trial court that Citiseconline.com's use of the trademark bearing the mark "citi" constitutes infringement of Citigroup and Citibank's registered trademarks, Citiseconline said in a statement filed with the Philippine Stock Exchange.

Citigroup and Citibank want the court to stop the local brokerage from further using the trademark and to order Citiseconline to pay 13.0 mln pesos in damages and 3.97 mln pesos in attorney's fees, the statement said.

Meanwhile, Citiseconline said its use of the term is "not identical nor confusingly/deceptively similar" with Citigroup's registered trademarks, adding its corporate name has been approved by Manila's Securities and Exchange Commission.

"In fact, there are more than 350 duly registered corporation with the SEC bearing corporate names beginning with the mark 'citi'," the brokerage added. "The corporation will be responding to plaintiffs' complaint accordingly."

## 2. Southeast Asian patent system in the works

*(from Business World, 14 July 2006)*

The 10 members of the Association of Southeast Asian Nations (ASEAN) are inching towards harmonizing trademarks and patent regimes in the region, Intellectual Property Office director-general Adrian Cristobal, Jr. said in a statement.

"The Philippines has been requested to submit a proposal on the ASEAN Design Filing System as the first step towards integration in the area of industrial design," Mr. Cristobal said. They are also working on a regional database that would facilitate trademark registration, he added.

It took the European Union itself 30 years to establish regional trademark and patent standards, he noted.

## 3. New IPR Code compliant with TRIPs

*(from Manila Bulletin, 17 July 2006)*

Intellectual Property Philippines Director-General Adrian S. Cristobal Jr. contends that Senate Bill No. 2139, which seeks to amend the Intellectual Property Code of the Philippines, is compliant to the Agreement on Trade Related Aspects of IPR (TRIPs) of the World Trade Organization.

"Our effort to make medicines affordable to all Filipinos would not be done at the expense of the patent system," Cristobal assured multinational firms doing business in the country. But Cristobal said the TRIPs agreement allows WTO-member countries certain flexibilities in managing their IP regime to meet national policy on public health concerns.

Compulsory licensing of a drug occurs during public health crisis and national emergencies.

Cristobal further said that the patent system needs some reforms although the patent life is good for 20 years.

European Chamber of Commerce of the Philippines executive vice-president Henry Schumacher said its opposition to a provision on "compulsory licensing" in Roxas' bill is non-negotiable.

"It is not necessary," he stressed because they have no problems with medicines with expiring patents or with expired patents. A patent normally lasts up to 25 years, during which time other drug firms cannot produce that medicine.

He noted that compulsory licensing might open a floodgate of IPR problems that undermine the main essence of any pharmaceutical company which conducts thorough research and spent billions to come up the drug only to be copied by other companies.

4. Regular set to crack down on cable piracy  
(from *Business World*, 21 July 2006)

The National Telecommunications Commission (NTC) will draft a memorandum circular that will regulate foreign satellite television channels amid increasing cable piracy complaints, NTC commissioner Ronald O. Solis said during the commission's annual CEO Breakfast Forum.

Mr. Solis said his office has been receiving complaints of violations of intellectual property rights from foreign satellite TV program providers.

The Philippine Cable TV Association estimated that foregone revenues from piracy average P7 billion annually. About 1.5 million cable subscribers are illegally connected. The industry has about 1,400 authorized operators.

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## INDONESIA

### News in July 2006

1. Change in priority watch list status depends on Gov't's response  
(from *Bisnis Indonesia*, 7 July 2006)

The Business Software Alliance (Indonesia) views that the change in the priority watch list status of Indonesia depends on the government's response in showing that it has strong commitment to enforce copyright law.

Farouk Cader, Head Representative of Indonesia to Indonesia, revealed that the United State Trade Representative (Indonesia) had a policy called out-of-cycle review/OCR (review taken outside regular schedule).

In the OCR scheme, the Indonesia designed an action plan that the Indonesian government should implement. "If the government runs the action plan, Indonesia's status can change from priority watch list to watch list," informed Farouk.

The Indonesia this year again gives priority watch list status to Indonesia since the US government views that the country's copyright law enforcement is still weak. Farouk continued that he felt that the Indonesian government had showed strong commitment to enforce copyright law. One example of the positive response, he added, was the creation of the National Team for the Management of the Violation of Intellectual Property Rights.

In the meantime, Benhard P. Sibarani, legal representative of Indonesia, viewed that Indonesia's copyright law enforcement started to show some improvements. He mentioned for an example the case of pirated software sales in one of kiosks in Mal Ambassador recently.

Separately, Achmad Hossan, Director of Industrial Design and Copyright at the Department of Justice and Human Rights Affairs stated that the government had enforced copyright and Intellectual Property Rights Law.

2. Gov't rejects 42 requests for industrial design rights  
(from *Bisnis Indonesia*, 17 July 2006)

The government this year (January-April) so far has rejected 442 requests for industrial design rights from local businesses or foreign ones since there was nothing new in the proposed designs.

According to Achmad Hossan, Director of Copyright, Industrial Design and Trade Secret, one design was said as offering nothing new if the design had been widely circulated amongst the people during the time the request for the design right was made.

Most of the industrial designs rejected, he informed, were local ones. "Usually the designs they propose are those that have long been circulating amongst the people," he said.

Therefore, he appealed creators to make the requests for industrial design rights before they wanted to market the products. He explained that the Directorate could reject a request if there was party raising objection to the registration.

The objection, he added, should be made within three months to the Directorate General of the Intellectual Property Rights at the Department of Justice and Human Rights Affairs after the design right was announced.

Hossan disclosed that the small and medium enterprises had been increasingly aware of registering their designs in order to protect their creations and innovations.

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## VIETNAM

### News in July 2006

1. Vietnam truck driver caught with 1,400 fake "Da Vinci Code" novels
2. Vietnam to benefit from new trademark protocol
3. Workshop discusses intellectual property issues
4. French agency assists in intellectual property rights

1. Vietnam truck driver caught with 1,400 fake "Da Vinci Code" novels  
(from *Agence France Presse*, 4 July 2006)

Vietnamese police have arrested a truck driver carrying more than 1,400 pirated copies of the controversial international best seller "The Da Vinci Code," an official said.

"The books were illegally printed in Vietnam," a Culture and Information Ministry official told AFP. "Authorities have confiscated the books and opened an investigation into the case."

The driver, Vu Khiem Toan, was arrested in Hanoi while carrying 1,470 Vietnamese-language copies of Dan Brown's religious thriller, said Pham Tuyet Nga of the ministry's publishing department.

Copyright and trademark infringement is rife in Vietnam, where the communist government censors all media but pirated novels, computer software and movie DVDs are sold widely along with fake fashion items.

The book and blockbuster film of "The Da Vinci Code" have angered Christian leaders with their premise that Jesus married and fathered a child, and the depiction of the conservative Catholic movement Opus Dei as a murderous cult.

2. Vietnam to benefit from new trademark protocol  
(from *Asia Pulse*, 13 July 2006)

Trademark owners in Vietnam will have an easier time registering their brands abroad after the Madrid Protocol - an agreement on international trademarks - came into effect.

To register trademarks in member countries of the Madrid Protocol, owners will now just need to file a single application to the World Intellectual Property Organisation through the Department of Intellectual Property at the Ministry of Science and Technology.

Accession to the Madrid Protocol will help businesses reduce registration costs, which can range from US\$1,500 to \$2000 in the US and up to \$2,500 in Japan.

Under the Madrid Agreement, a single \$1,500 registration will protect a trademark in 46 participating countries, including the European Union (EU), the UK, the US, Japan, Singapore and the South Korea, all of which are important markets for Vietnamese companies. The waiting period for registration is 1-2 years, half the typical wait for single nation registrations.

The Director of the EC-ASEAN Intellectual Property Rights Co-operation Programme, Nicolas Morey, said Vietnam had identified the need to offer better intellectual property protection, and that signing the protocol would make it easier for trademark owners in the country to seek protection and mitigate the risk of losing their trademarks.

Improving intellectual property protection would promote investment and trade for both local and international businesses operating in Vietnam, he said, adding a 1.5 million euro project to apply the ECAP II programme would soon be underway.

The Department of Intellectual Property reported Vietnam now has about 115,000 trademarks registered in the country, while 1,000 were also registered abroad.

Many Vietnamese businesses in recent years have lost their trademarks and had to spend a lot of time and money to re-establish their brands. The Vinataba tobacco trademark, for example, has been arrogated in 12 countries, while the Sa Giang prawn cracker label was stolen in France, as was the Trung Nguyen coffee brand in the US.

### 3. Workshop discusses intellectual property issues (from *Thai News Service*, 27 July 2006)

Japanese experts have shared their experiences of managing, protecting and developing intellectual property with Vietnamese businesses.

During a workshop in Hanoi on July 26, Professor Shin-Ichiro Suzuki - Executive Advisor to the Japan Institute of Invention and Innovation (JIII) spoke of his institute's recent successes in implementing intellectual property rights.

Representatives from global giants such as Honda and Sannam also took the floor to exchange their experiences in protecting intellectual property rights.

Speaking at the workshop, Hoang Van Tan, deputy head of the National Intellectual Property Agency said the number of Vietnamese businesses registering for industrial intellectual property rights remains low. By the end of 2005, only 9.24 percent of the businesses had registered for patents, 60.13 percent for useful solutions, 84.32 percent for industrial patents, and 58.12 percent for labeling.

He called for a change in their attitude towards this issue as Vietnam is going to join the World Trade Organization soon.

The workshop was organized by the National Intellectual Property Agency, the Japan Patent Organization (JPO) and the Japan Institute of Invention and Innovation (JIII).

4. French agency assists in intellectual property rights  
(from Vietnam News Agency Bulletin, 30 July 2006)

The French Development Agency (AFD) will provide the Trade Ministry's Department of Market Management with 350,000 euros to implement a project to train marketing managers to enforce intellectual property rights.

According to the department, the fund will be used to run training courses in areas such as intellectual property related legal documents, other countries' experiences in enforcing intellectual property rights, skills to detect counterfeit goods and methods to effectively enforce intellectual property rights.

The AFD will send internationally experienced experts to provide practical knowledge on the enforcement of intellectual property rights for Vietnamese officials. The project is part of a project titled "Using funds to strengthen Vietnam's commercial capacity" recently approved by the Prime Minister.

It is the first such project in Vietnam, supported by an international organization and will help the market management sector train officials and improve its capacities to enforce intellectual property rights.

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## CAMBODIA

Cambodia,US sign trade and investment pact  
(from Vietnam News agency Bulletin, 15 July 2006)

Cambodian Minister of Trade, Cham Prasidh, and US Deputy Trade Representative, Karan Bahtia, signed a trade and investment framework agreement (TIFA) in Phnom Penh on July 14.

Accordingly, the two sides will discuss intellectual property rights, trade facilitation, and customs and implementation of Cambodia's World Trade Organisation commitments, the US Embassy in Phnom Penh said in a statement.

The Cambodia-US agreement is similar to ones that Washington has with Brunei, the Philippines, and Indonesia. The US exports automobiles, textiles, machinery, and fats and oils to Cambodia while importing clothes, meat, and fish.

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## INDIA

### News in July 2006

- |  |   |
|--|---|
| 1. India and France to sign agreement on IPR   | 4. National level seminar on IPR slated for October |
| 2. Bollywood to battle piracy in the US        | 5. Britain offers to protect Indian 'knowledge'     |
| 3. Bill to help professors en-cash IPRs coming | 6. IPRs pact aims French luxury goods               |
|  | 7. Digitised database on bio-resource               |

1. India and France to sign agreement on IPR  
(from Asia Pulse, 14 July 2006)

India and France will sign an agreement to promote bilateral cooperation in Intellectual Property Rights (IPR). India's Minister of State for Industry Ashwani Kumar, who met his French counterpart Francois Loos, also made a pitch for investments by French small and medium enterprises in India.

"The two ministers also agreed to strengthen the cooperation between the two countries in regard to various aspects of intellectual property and both will sign an agreement to promote bilateral cooperation in the same area," an official release said.

The Indian minister also briefed his French counterpart on the recent policy measures to facilitate foreign investment including changes in intellectual property laws, which are now WTO compliant.

Kumar also met a group of CEOs of French small and medium enterprises who are exploring investment opportunities in India.

2. Bollywood to battle piracy in the US  
(from *Financial Express*, 15 July 2006)

The Indian entertainment industry is now lobbying with Congressmen to check piracy of Indian films and cultural products in the United States. The country - along with the United Kingdom and the Gulf countries - is the largest export market for Indian entertainment products. The Film and Television Producers Guild of India, a body representing the interests of the Indian film industry, has signed a memorandum of understanding with the US India Political Action Committee (USINPAC).

The committee is lobbying with Congressmen who are part of the caucus on intellectual property and the FBI, according to Robinder Sachdev, director, India affairs of USINPAC.

The guild estimates that losses due to piracy in the US are at least as high as the revenues earned. Says guild secretary-general Supran Sen, "We estimate piracy of Indian entertainment products in the US to be around 52%- 60%." Adds guild president Amit Khanna, "The potential market for Indian entertainment in the US is \$200 million.

So far we have not tapped even \$100 million and are losing another \$50 million due to piracy." The market for Indian entertainment in the US has grown over the last three years but the piracy rate has remained unchanged at 50%, he points out. The volumes are likely to increase, considering that the filmed entertainment market in the US is estimated to expand at a compound annual growth rate of 6.6% to \$48.1 billion in 2009, according to a FICCI-PriceWaterhouseCoopers report.

3. Bill to help professors en-cash IPRs coming  
(from *The Economic Times*, 17 July 2006)

The government is planning to table a bill in the Parliament to give ownership in the form of royalties to individual professors who contribute to the creation of intellectual property (IP).

Union Minister for Science & Technology and Ocean Development Kapil Sibal said the Bill, which is in its later stages, would be tabled in the winter session. The minister was talking on the sidelines of the inauguration of the 4th international Conference on Information Science Technology and Management (CISTM) held in Chandigarh in association with CII.

A lot of professors abroad have become entrepreneurs we should give the opportunity to professors to become entrepreneurs here." Mr Sibal said. Though IP rights have been a hot topic of discussion at various forums, the minister stressed on the need for giving scientists their due credit.

4. National level seminar on IPR slated for October  
(from *Hindustan Times*, 17 July 2006)

Renowned Scholars, economists and academicians from across the country will assemble at Allahabad Degree College (ADC) to hold discussions over burning issue of Intellectual Property Rights (IPRs) in October this year.

The University Grants Commission (UGC) in association with ADC will organize a two-day national seminar on " Baudhik Sampada Adhikar aur Bhartiya Manisha" in October 2006.

The seminar will hold discussion targeted on the Act passed in December 2005 and pool ideas regarding patent, copyright, geographical indications and many related issues. The specialists will interpret the ancient Indian knowledge and work out solutions of the increasing patent and copyright problems faced by the scholars of the country.

It will be discussed during the seminar to ensure that the original creator of any idea gets the royalty or benefits if his idea was used by some other person. This will help the country to claim the original ideas of the scholars of the country. Several organizations have come forward against increasing dominance of Western countries in the claim over ideas which, in fact, were developed by others.

5. Britain offers to protect Indian 'knowledge'  
(from *The Economic Times*, 18 July 2006)

Britain's patent office has offered to reject any patent application that tries to pass off India's centuries old knowledge in medicine as an innovation. It is the second patent office after the EU patent office to offer protection to India's traditional knowledge against misappropriation.

After the Cabinet approved a proposal last month to share India's knowledge with other countries on condition that it would be used only for this regulatory purpose, the government is close to signing the first non-disclosure deals with these two patent offices.

And the government's next target would be the US patent office, which has granted hundreds of patents involving India's traditional knowledge and biological resources.

The government is aggressively pursuing such deals with national patent offices since progress is too slow in the collective demand of Asia-Pacific countries for an internationally binding legal instrument to prevent misappropriation of traditional knowledge, genetic resources and cultural expressions. The WIPO meeting in April this year had decided to take forward the discussion at the next session of an inter-government committee.

The present move of 'defensive protection' of traditional knowledge would be continued till the time. There is an international consensus on linking the Convention on Biodiversity with national patent laws.

6. IPRs pact aims French luxury goods  
(from *Financial Express*, 19 July 2006)

Building a major platform for massive investments in India by the multi-billion dollar French luxury goods and fashion industry was one of the main reasons behind the Centre inking the MoU with France last week in the field of intellectual property (IP).

By signing the MoU, we wanted to give a clear signal to them that not only are we TRIPS compliant, but have the ability to effectively protect their IP rights as they expand their operations in India," minister of state for industry Ashwani Kumar said.

The government has also asked France to encourage the participation by French SMEs in the December 2006 SME Forum in India.

The MoU regarding IP was for bilateral co-operation in IP, through training of personnel as well as exchange of information and experts between IP institutes. Besides having a regular dialogue on international questions regarding IP rights, the two countries would also develop IP database, computerised facilities dealing with IP, sensitize target audiences and conduct joint studies in specific cases, the minister said.

7. Digitised database on bio-resource  
(from *The Hindu*, 27 July 2006)

The Department of Biotechnology under the Union Ministry of Science and Technology produced a set of nine CD called 'Jeeva Sampada,' the first-ever digitised inventory of India's vast bio-resource, provides data on 39,000 species and offers images, distribution maps and an interactive data retrieval system.

It offers information in 10 modules on taxonomy distribution, uses, chemical composition, economic potential and other literature on 2,700 medicinal and economically important plants, 9,000 species of animals, 17,000 microbes and 7,000 marine organisms.

Web-based portal Mr. Sibal also launched a web-based portal called Indian Bioresource Information Network, which seeks to network the otherwise independent databases and information on the country's biodiversity as one window system for the benefit of research scientists, bio-resource managers, policy makers, entrepreneurs and the common man.

The portal is in the form of a distributed database infrastructure and provide access to both spatial and non-spatial databases available with various scientific agencies in the country.

The University of Agricultural Sciences, Bangalore, will host the non-spatial node for the network and Indian Institute of Remote Sensing, Dehradun, its spatial node. The web address of the network is: [www.ibin.co](http://www.ibin.co) in Biodiversity maps.

The Union Minister also released an atlas of maps of the biodiversity of East Coast, Eastern Ghats and Central India prepared using the geospatial data generated under a joint project of the Department of Biotechnology and the Department of Space using the techniques of satellite remote sensing and the geographical information system.

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## PAKISTAN

### News in July 2006

1. Chairman PARC for inclusion of MINFAL in IPO policy board  
(from *The Baluchistan Times*, 3 July 2006)

The Intellectual Property Organization of Pakistan (IPO) in collaboration with the Ministry of Food, Agriculture and Livestock (MINFAL) World Intellectual Property Organization (WIPO) and the European Union (EU) had organized "WIPO national Workshop on Geographical Indications".

Dr. M. E. Tasneem, chairman, Pakistan Agricultural Research Council (PARC), said that with the advent of biotechnology and genetic engineering the structure of agriculture research has changed significantly leading to the assignment of intellectual property rights and increase in private sector investment in agriculture sector.

“Many of the new high-yielding technologies, hitherto public good, are increasingly falling under the purview of Intellectual Property Rights (IPR) such as Bt cotton, soybean, maize and canola,” he added.

He said MINFAL had direct stake in the development and protection of new plant varieties and preservation of Pakistan’s vast genetic resources. In addition, he said, Pakistan had a number of agriculture products with significant potential for exports and which could be protected as Geographical Indications (GIs).

2. Pakistan weighs options in Basmati row with India  
*(from Reuters News, 6 July 2006)*

Pakistan is examining legal options to challenge a move by India to register a variety of Basmati rice as a national trademark, a senior government official said.

A dispute between the South Asian rivals arose after India registered aromatic super Basmati variety under its Geographical Indication (GI) laws earlier this year.

Pakistan says it registered the same variety as a national trademark in 1995, and that it has been producing and exporting the rice for more than 20 years.

"Super Basmati is globally recognized as being of Pakistani origin and our legal view on the issue is quite clear," said a senior government official, who asked not to be named. "But we are discussing this issue with the Foreign Office before taking a legal course, as any dispute with India is always very sensitive."

Many government and trade officials said Pakistan did not have any GI laws, and that the government must frame laws before starting a legal battle with India.

"We don't have any legislation such as GI laws in the country that protect our natural resources,' said Abdul Majid, chairman of private Pakistan Rice Exporter Association. "We have asked the government for the formation of one, otherwise our chances to win a legal fight with India on the Super Basmati issue are very slim ."

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## JORDAN

### News in July 2006

AGIP granted Internet service provider license  
*(from Middle East Company News, 5 July 2006)*

The Jordanian Telecommunications Regulatory Commission (TRC) has granted Abu-Ghazaleh Intellectual Property (AGIP)- the leading regional firm for global IPR services- an Internet Service Provider (ISP) license.

This significant step is expected to enhance the electronic services which Talal Abu-Ghazaleh Organization (TAGorg) provides to its clients worldwide.

TAGorg Executive Director /Internet and Computer Services, Mr. Bilal Kisswani, stated that all the e-systems and services in the Organization's offices all over the world will be connected via a 'Virtual Private Network' (VPN).

'This will contribute to the process of providing our clients with the best e-solutions and also offer the necessarily protection for their data and information in addition to confidentiality,' Kisswani pointed out.

He added that TAGorg's technical team has already accomplished Phase I of the so-called 'Disaster Recovery and Business Continuity' scheme expressing hopes that the whole project will be completely finalized by the end of next year.

This ISP license, Kisswani pointed out, will also help the Organization in carrying out advanced future plans and offer new e-services such as video-conferencing and Voice over Internet Protocol (VoIP). Becoming an ISP provider will also enable AGIP's TAGI Domains to safeguard the security and data transfer during the registration of domain names.

The technical teams at Talal Abu-Ghazaleh Organization (TAGorg) / Internet and Computer Service Departments are currently finalizing the required technical programs and arrangements to make the license operational during this month.

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## KUWAIT

### News in July 2006

Five computer companies raided  
(from *Kuwait Times*, 18 July 2006)

The Kuwait Ministry of Information working in association with the Arabian Anti-Piracy Association (AAA) has raided five computer companies in Kuwait City. The series of raids underlined the Ministry's commitment to protecting intellectual property rights (IPRs). The Ministry of Information confiscated five computers loaded with pirated software during the raids.

The campaign forms part of the Ministry's efforts to encourage the use of original software and raise public awareness about the laws and regulations regarding IPR, which categories the use and trade of pirated software as an illegal act.

Tarek Al-Ajmi, assistant under secretary for press and journalism affairs at the Ministry of Information Kuwait, commented: "The Ministry is committed to support the issue of IPRs protection and will step up its efforts to limit the use and trade of illegal products, as we are fully aware of the negative impact of this practice on the national economy." "Software piracy leads to an unbalanced economy and hampers the country's progress and growth. We are currently working on specific strategies to increase awareness about the detrimental effects of piracy on the nation," he added.

Scott Butler, CEO at AAA, added: "We commend the efforts of the Kuwait Ministry of Information to protect IPRs. The authorities have been effectively implementing the IPRs laws and the latest raid was carried out after the companies concerned were monitored closely. The raid sends a strong message to the public about the importance of respecting the IPRs laws."

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## ISRAEL

### News in July 2006

Importers call for stricter IP enforcement  
(from *Israel Business Arena*, 9 July 2006)

The Federation of Israeli Chambers of Commerce has called on Minister of Justice Haim Ramon to take tough action against fraudsters, and has asked that the dangerous drugs ordinance be extended to cover offenders convicted of forging pharmaceutical products. Forgeries and intellectual property violations are a cancer eating away at the fabric of the economy, said Federation president Uriel Lynn in his letter to Ramon.

Lynn also addressed the issue during a conference on forgeries and public health organized by the umbrella association for the war against forgeries, which has been operating under the auspices of the Federation since 1999.

The authorities have yet to appreciate the importance of the fight against the entire counterfeiting industry, he said. They're apparently waiting for a crisis to happen. If they don't put a stop to this, it will cause grave damage to the economy. The conference, which was also attended by representatives from the Ministries of Health and Industry, Trade and Labor, Israel Police and customs officials, was discussing the potential dangers of counterfeit pharmaceuticals and alcoholic beverages.

The conference heard that the counterfeiting industry was not only harming the economy but also consumers in the business sector, state revenue, and Israel's reputation, while causing loss of revenue from customs tariffs, VAT and income tax, amounting to sums that, according to the importers would solve all the country's poverty problems.

An international report by TSI was presented at the conference. According to the report, Israel is ranked eighth in pharmaceutical product counterfeiting, and the US Food and Drug Administration (FDA) has classed Israel along with China, India and Mexico as countries suspected of exporting counterfeit pharmaceutical drugs.

The US, which has downgraded Israel in its rating of countries that protect intellectual property rights, has also called for stricter enforcement, and the exposure of counterfeit activity and damage to property protection in Israel. Lynn noted that while the police and customs officials were doing all they could to fight the scourge, they lack systemic vision.

The Ministry of Health does not have a national task force for dealing with counterfeit pharmaceuticals. The Ministry of Industry, Trade and Labor has not confiscated counterfeit merchandise. The most obvious failures relate to exchange of information between the tax authorities, filing of criminal charges and sentencing.

Lynn added that he hoped Ramon would appreciate the severity of the situation, and that he would help introduce legislation that will enable free exchange of information between all authorities on intellectual property violations.

He also hoped that Ramon would allow the dangerous drugs ordinance to be extended to cover offenders convicted of forging pharmaceutical products.

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## UNITED ARAB EMIRATES

### News in July 2006

Counterfeit goods worth over AED 14 million seized by Dubai Customs in 2006  
(from *Middle East Company News*, 19 July 2006)

Dubai Customs has seized counterfeit goods worth over AED 14 million during the period from February 2006 to June 2006, according to statistics compiled by the Intellectual Property Rights (IPRs) Department and Intervention Department of Dubai Customs.

The counterfeit goods seized in the month of June 2006 alone were worth in excess of AED 7 million.

Between February 2006 and June 2006, eight major centers of Dubai Customs together seized a total of 2,212,147 boxes containing counterfeit goods, the bulk of which were intercepted at the customs centers at the Jebel Ali Port and the Dubai International Airport.

CDs and automobile spare parts comprised the bulk of the counterfeit goods seized, followed by electronics, watches, clothing and footwear, eye glasses, cosmetics, cigarettes, brand stickers, and medicine. The bulk of the counterfeit imports came from the Far East, followed by Central Asia and Africa.

Dubai Customs is committed to protect Intellectual Property Rights and its inspectors are on constant vigil against any attempt to smuggle counterfeit goods into the country. Recognizing the negative impact of fake goods on various industries and on the national economy, the Dubai Customs management has been providing specialized training to its inspectors on how to distinguish between bona fide and counterfeit goods.

Between February 2006 and June 2006, Dubai Customs issued a total of 176 fines for various IPRs violations. The Jebel Ali Port issued 65 of these fines while the Dubai International Airport issued 62 fines. The Cargo Village issued 28 fines, followed by the Rashid Port, Dubai Airport Free Zone, Dubai Creek and the Post at 11, 8, 6 and 1 fines respectively.

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## GENERAL NEWS

### News in July 2006

1. [Asean, US sign five-year pact to boost trade, political ties](#)  
(from *Bernama Daily Malaysian News*, 27 July 2006)

Asean and the United States took their relationship a notch higher with the signing of a landmark plan of action to boost trade, investment and political ties.

The agreement -- the Framework Document for the Plan of Action to Implement the Asean-US Enhanced Partnership -- was a follow-up to what Asean and the US had agreed to work on when both the sides met at the Asia-Pacific Economic Cooperation (Apec) meeting last November in Busan, South Korea.

The pact was signed by all the 10 Asean foreign ministers and the US Secretary of State Condoleezza Rice.

The action plan covers a broad framework comprising cooperation in the political, security and socio-economic development aspects.

On political and security aspects, Asean and the US agreed to explore the possibility of convening an Asean-US summit, enhancing cooperation at the United Nations on issues of mutual interest such as UN reforms, matters affecting international peace and security as well as the terrorism issue. Asean and the US also agreed to strengthen confidence-building measures through dialogue and enhanced communication between the government agencies of Asean and the US.

On economic cooperation, both sides pledged to "continue to implement the Enterprise for Asean Initiative" and endeavour to conclude the Asean-US Trade and Investment Framework Agreement (TIFA).

Asean and the US are also exploring financial cooperation, taking into account the development needs and special requirements of developing market economies to avert problems similar to the Asian financial crisis of 1997.

Both sides will also undertake measures to strengthen intellectual property rights (IPRs) regimes to encourage IP industries and promote greater public awareness of IP and IPRs issues.

On social and economic development, Asean and the US agreed to foster closer cooperation on disaster risk management at the global and regional levels. Also included was a plan to establish a regional and global standby arrangement for disaster relief and emergency response, and increase Asean capacity in those areas.

Both sides will also conduct projects to advance the objective of the plan, explore ways of establishing and developing a funding modality, and regularly review the plan through existing mechanisms, including the Asean-US Informal Coordinating Mechanism and the Asean-US Dialogue.

## 2. Bio-piracy case rising in recent year (from *Asahi Shimbun*, 27 July 2006)

In accordance with the Doha Ministerial Declaration and the mandate received from Ministers in Hong Kong (December, 2005), Brazil, China, Cuba, India, Pakistan, Peru, Thailand and Tanzania presented last May a draft amendment to the Trade-Related Aspects of Intellectual Property Rights Agreement.

The objective, which is supported by many developing countries, is to introduce a mandatory requirement for the disclosure of the origin of biological resources and/or associated traditional knowledge used in inventions for which intellectual property rights are sought.

According to the amendment, whenever the use of a patent involves biological resources and/or associated traditional knowledge, patent offices all over the world should require applicants to disclose the country providing those resources and/or traditional knowledge, from whom they were obtained, and their country of origin.

Patent applicants should also provide evidence of compliance with the legal requirements in the providing country for prior consent for access and fair and equitable benefit-sharing arising from the commercial or other utilization of such resources and/or associated traditional knowledge.

That amendment, known as the "disclosure amendment," which is in keeping with the Convention on Biological Diversity, intends to avoid environmental damage and the financial exploitation of traditional communities.

It also highlights the political and economic importance developing countries attribute to this issue. Their governments are now demanding that the multilateral intellectual property system provide protection to countries that are recognized by the convention as sovereign owners of biological resources and of associated traditional knowledge.

Unethical conduct should not be rewarded by a patent system that grants patents to inventions obtained by dishonest practices. The right to protect biological resources and associated traditional

knowledge must be viewed as the same right already guaranteed to patent holders and copyright owners of CDs and DVDs.

In fact, through the introduction of a disclosure requirement, the scope of protection of the multilateral system would be broadened and monitoring of dishonest practices would be viable and enforceable internationally. The spirit of "Fair Play" so strongly promoted by FIFA, especially in the World Cup, should also be an inspiration for the advancement of new practices and fair treatment of biological resources in the intellectual property system.

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