

Monthly Report of June 2002

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THAILAND

News in June 2002

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1. Bt100m of pirate CDs seized in raid

(from The Nation Newspaper, Local News Section, Page 3A, Thailand, 5 June 2002

Bangkok Post Newspaper, Home News Section, Page2, Thailand, 5 June 2002

Thai Daily Digest, 18 June 2002

Thai News Service, 19 June 2002)

Interior Minister Purachai Piumsoombun and Deputy Commerce Minister Newin Chidchob led a team from the Central Investigation Bureau (CIB) in a raid on a pirate computer-software factory off Buddhamonthon III Road in Nakhon Pathom's Samphran district, confiscating pirate CDs worth more than Bt100 million.

They searched DDT Co on the Factory Land housing estate off Buddhamonthon III Road. Police confiscated 16,700 pirated CDs, two CD-burning machines and a CD-painting machine.

Purachai said DDT was the largest CD-bootlegger ever raided, with the most sophisticated equipment and very high production capacity. It had moved from off Buddhamonthon VI Road in a bid to avoid detection. He added that the company was owned by a foreign investor.

According to the evidence, the foreigners, whose names could not be revealed at the moment, have registered only 20 per cent of shares in the company with the Trade Registration Department despite the fact that they held a hundred per cent of stakes in it, said Director-General Yanyong Puangraj. At present, he said the official concerned knew whereabouts of the foreigners and would issue the arrest warrants soon, to prevent them from fleeing the country.

2. Intellectual property to be better protected by new law

(from Business Day, Thailand, 7 June 2002

Thai News Service, 10 & 11 June 2002)

The Commerce Ministry plans to enforce a “business secrets protection law” for the first time to protect Thai small and medium sized enterprises’ intellectual property from being copied and registered by foreign companies, said Deputy Commerce Minister Newin Chidchob.

The business secrets protection law, to be enforced from July 22, will help protect rights and formulas such as food formulas, accounting systems, and management systems. Business owners will be able to take cases to court if they believe their ideas have been stolen.

Intellectual Property Department director-general Yanyong Phuangrach said the law would benefit small scale manufacturers because their rights would be fully protected. He added that food and soft drink formulas were considered business secrets.

The legislation would protect various trade formulas, including recipes, accounting systems, and administrative systems, and the owners of the trade secret rights would be able to sue anyone found violating, provided they could come up with sufficient evidence.

3. Cut prices or risk controls, maker told

(from Bangkok Post Newspaper, Business Section, Page 1, Thailand, 11 June 2002)

The Commerce Ministry has asked owners of computer software to cut prices or risk having their products added to its price-control list. A ministry official said lower software prices would help to reduce widespread software piracy, about which legitimate producers have complained for years.

Users say piracy exists mainly because big companies have priced their software far beyond the means of people in developing countries such as Thailand.

The minister said violations of computer software copyrights accounted for about 45% of all arrests related to intellectual property in the past two months. Another 45% of arrested were for fake DVDs and the remaining 10% for pirated CDs and VCDs.

Mr Newin said that if manufacturers ignored the request, the ministry could put software on its price-control list of 71 essential daily goods. Aiyaret Ben-Birden, vice-chairman of the Association of the Thai Software Industry, maintained that the price of software was not a key factor behind rising violations of software copyrights.

The high price reflected legitimate research and development costs and the association had no power to cut retail prices as the minister requested, as most software was imported, he said. Prices were already set by software manufacturers abroad such as Microsoft.

Mr Aiyaret said that in order to ease the burden on software users, software companies might offer rental services for regular users or members and collect cheaper monthly fees. This way, owners, particularly of Internet café (AAC)s or other public venues could obtain reasonable prices while the companies would have to update the databases from time to time, he said. He disagreed with price controls, saying they would have a negative impact on the development of the software industry in the country.

4. Copyright fee solution

(from Bangkok Post Newspaper, Business Section, Page 8, Thailand, 8 June 2002

Bangkok Post Newspaper, Business Section, Page 1, Thailand, 12 June 2002

Bangkok Post Newspaper, Business Section, Page 3, Thailand, 13 June 2002)

The cabinet has approved a proposal to put music copyright fee collection under the Trade and Service Act. The move will force copyright owners, composers and fee collectors to report to the Trade and Services Committee.

Deputy Commerce Minister Newin Chidchob said music copyright fees would not be controlled since they were not an essential service. He also called on music firms to suspend prosecutions of karaoke operators for not paying copyright fees until the new system was in place. He said the new collection method should be ready for enforcement on July 11.

Recording firms have 30 days to report their music copyright collection system to the Commerce Ministry before pursuing the collection process. The firms were also told to report their list of songs, composers, fees charged and conditions for entertainment

venues to play music, in addition to production costs, to the Trade and Services Committee.

Mr Newin said that music firms which declined to report costs and conditions would be liable for a penalty of five years' jail for executives held responsible and a fine of up to 100,000 baht. He said the Intellectual Property Department would soon complete the registration of fee collectors who work on behalf of music firms. He warned there would be stringent penalties if firms authorize unregistered collectors to do the job.

5. Shop owners slow to register

(from Bangkok Post Newspaper, Business Section, Page 1, Thailand, 15 June 2002)

Shop owners at Pantip Plaza and Mahboonkrong have been slow to join a registration programme aimed at encouraging the sales of legitimate software and curbing piracy, according to the Commerce Ministry.

A total of 1,100 shop owners in seven major software distribution venues have registered their businesses with the mobile unit of the Commerce Registration Department since the programme began two weeks ago.

Only 116 shops in Pantip Plaza and 105 in Mahboonkrong had participated in the programme to date, said Deputy Commerce Minister Newin Chidchob. He said the amount was low, given the presence of more than a thousand shops and stalls in the two arcades. As a result, he said the registration programme would be extended until June 28.

Under the registration programme, shop owners who do not register and are later found to be selling illegal products will have their operating licences revoked and will be blacklisted from resuming business in the future.

6. Piracy here down 2%

(from Bangkok Post Newspaper, Database Section, Page 2, Thailand, 19 June 2002)

The software piracy rate in Thailand dropped by two per cent in 2001, to 77%, at the same time that several countries in the Asia-Pacific region registered an increase in piracy, according to a survey by the BSA.

The BSA claimed that the lower piracy rate in Thailand showed its collaboration with the private and public sectors here. BSA vice president for Thailand, Huey Tan, said the alliance would continue to reach out to the government, the business and public users in association with local organizations such as the Association of Thai Software Industry and the Association of Thai Computer Industry.

7. Britain expresses commitment to cooperate with Thai on resolving intellectual property issue
(from *Thai Daily Digest*, 20 June 2002
Thai News Service, 21 June 2002)

Deputy Commerce Minister, Newin Chidchob, said after his talks with British Trade Attach to Thailand, Martin Hill, that Britain expressed its commitment to cooperate with Thai officials in resolving intellectual property issue and also problems on retail business which involves the allegation of British Retail Giant Tesco Lotus exercising unfair market practices.

Mr Newin confirmed that he would try to bring about rules and regulations that are fair to everyone competing in the retail business. The Deputy Commerce Minister has a plan to organize a series of seminars for concerned parties including large, medium and small retail businesses as well as consumers to discuss related issues, to come up with acceptable solutions on the issues.

8. Fake cartridges seized in raid
(from *Bangkok Post Newspaper*, Business Section, Page 8, Thailand, 22 June 2002)

More than 4,000 ink and toner cartridges, cardboard packages, stickers and holograms, mostly bearing counterfeit marks of legitimate producers, were seized in a recent police raid of a business in Nong Khaem, Bangkok.

The raid was carried out by Economic Crime Investigation Division police, acting on complaints by Canon Kabushiki Kaisha, Epson and Hewlett Packard Co. The owner of the premises was arrested and charged with trademark infringement. The maximum penalty is four years' imprisonment and/or a fine of 400,000 baht.

PEOPLE'S REPUBLIC OF CHINA

News in June 2002

- China's first opto-electronic IPR information center operational
(from *Xinhua's China Economic Information Service*, 19 June 2002)

Chinese experts and professionals in opto-electronics will be able to check information in the country's first opto-electronic intellectual property rights information center, which opened on June 18 in the capital of central China's Hubei Province, Wuhan.

China Guanggu Intellectual Property Rights Information Center stores 30 million pieces of global patent information, one sixth of which is opto-electronic IPR information. The center, jointly organized by State Intellectual Property Office and Wuhan City Government, is expected to further adopt a patent system for China's opto-electronic industry as well as promote innovation in the field.

HONG KONG

News in June 2002

HK Customs launches new scheme to combat pirated software

(from Xinhua News Agency Bulletin, 11 June 2002

Asiainfo Services, 13 June 2002)

Hong Kong Customs has launched a new reward scheme to combat the use of pirated software in business, a Customs official said. The new scheme which starts Wednesday will last for three months, encouraging members of the public to provide information to the Customs that will assist in enforcement actions, the customs official said.

A total of 40,000 HK dollars rewards will be paid out where information provided on the use of pirated software in business leads to seizure in the company concerned and ultimately results in convictions by court, the official said.

MALAYSIA

News in June 2002

1. Pirated CDs, cassettes seized
2. Cinema bag check
3. Reward for piracy buster
4. Indonesia & Malaysia to increase cooperation in IP rights
5. Malaysia to track CD pirates with microscope
6. VCD pirates flee through secret exit
7. Local publishers urged to lodge reports against copyright piracy
8. Copyright holders need to register their intellectual property

1. Pirated CDs, cassettes seized

(from New Straits Times Newspaper, Malaysia, 1 June 2002)

A total of 7,847 CDs and cassettes, packed in boxes labeled as motor spare parts, were seized from two men on Jalan Baru yesterday. State Domestic Trade and Consumer Affairs enforcement unit chief Fahmi Kasim said the men, aged 33 and 39, were spotted at the Juru toll plaza about 2am.

2. Cinema bag check

*(from Bangkok Post Newspaper, International News Section, Page 6, Thailand, 3 June 2002
The Nation Newspaper, Regional News Section, Page 6A, Thailand, 3 June 2002)*

In an attempt to wipe out rampant piracy in the film industry, Golden Screen Cinemas (GSC), which operates a nationwide chain of cinemas, has resorted to checking the bags of movie patrons for hidden recording devices.

GSC operations manager Steven Kon said the company had put up signboards, informing patrons that the management reserved the right to check their bags at ticket counters and entrances to all its cinemas last month.

Mr Kon said GSC had nabbed a few patrons red-handed making recordings while the show were being screened. They were warned against repeating the offence and their recording devices were confiscated, he said.

3. Reward for piracy buster

(from Malay Mail, Malaysia, 5 June 2002)

A software pirate buster was rewarded with RM20,000 for his tip-off, which landed a Kuala Lumpur-based publishing company in trouble. Acting on Lee's hotline-generated lead, the BSA, together with officers from the enforcement division of the Domestic Trade and Consumer Affairs Ministry, raided the company last September.

The raid yielded 12 personal computers with 38 pieces of alleged unlicensed software. These products belonging to Adobe, Microsoft and Symantec, had an estimated total value of RM100,000.

4. Indonesia & Malaysia to increase cooperation in IPR

(from Asia Pulse, 5 June 2002)

Indonesia and Malaysia are seeking to increase cooperation in the field of intellectual property rights. Malaysian Domestic Trade Minister Tansri Muhayidin Yasin held a meeting with Indonesia Minister of Justice Yusril Ihza Mahendra "to discuss issues relating intellectual property rights."

He told the reporter that the meeting with Mr Yusril to discuss issues on intellectual property rights was quite significant. Among the issues discussed at the meeting was how to improve cooperation between Indonesia and Malaysia in the field of intellectual property rights such as protection, law enforcement and other matters, he said.

He also said other issues discussed were human resources in the field to be used to help each other and traditional knowledge that need protection. Asked if piracy of intellectual works was also discussed at the meeting, he said it was, adding further discussions would be held to see how to deal with the problem.

5. Malaysia to track CD pirates with microscope

(from The Straits Times Newspaper, Malaysia News Section, Page A16, Singapore, 8 June 2002)

Malaysian anti-piracy authorities will bring in a “super-microscope” capable of tracking down errant manufacturers by tracing a code found on pirated CDs. The RM750,000 microscope, with a 500 times enlargement capability, can trace the International Federation of Phonographic Industry (IFPI) code, copied onto the pirated CDs from the original copies during the duplication process.

The code is usually wiped out by manufacturers of pirated CDs using thinner or acid. The microscope is a major part of a forensic laboratory being set up by the ministry and the Chemistry Department to counter piracy.

Three chemists and an enforcement officer will be sent to London to study a similar laboratory set up by the IFPI, which is the only such laboratory in the world.

6. VCD pirates flee through secret exit

(from Malay Mail, 13 June 2002)

five member of a pirated video compact discs syndicate escaped through a secret exit in a building in Cheras during a raid. The team, led by Mamat Ibrahim, had to break the door to get into the premises used by the syndicate to store pirated VCDs to supply to traders in Ampang and Cheras. More than 60,000 pirated VCDs, including the latest movies and pornographic titles, worth about RM300,000 were seized.

7. Local publishers urged to lodge reports against copyright piracy

(from New Straits Times Newspaper, Malaysia, 15 June 2002)

Local publishers must lodge complaints against errant parties who illegally reproduce published works in order to help the Government fight against the proliferation of copyright piracy.

Domestic Trade and Consumer Affairs Ministry (Enforcement) deputy director-general Mohd Roslan Mahayuddin said there were more complaints lodged by The Association

of American Publishers Inc than local publishers. He said there were 109 cases involving copyright infringement since 1987.

He said the American publishers alone lost an estimated US\$8 million in Malaysia last year to copyright piracy, adding that the figures are increasing. AAP director of International Copyright Enforcement Andrew F. Hoffman said this was a conservative figure, adding the loss probably amounted to about US\$15 million last year.

Mohd Roslan warned photocopy and print shop owners, especially those near universities and colleges, that stern action would be taken against them under the Copyright Act 1987 if they infringed the Act. He urged students and individuals who order these unlawfully photocopied materials to respect the rights of the publishers who own the copyright, and buy original books.

8. Copyright holders need to register their intellectual property
(from New Straits Times Newspaper, Malaysia, 27 June 2002)

All copyright holders, including foreign companies, will soon have to register their intellectual property with the Government. This is to minimize the illegal manufacturing and distribution of their property.

Domestic Trade and Consumer Affairs Minister Tan Sri Muhyiddin Yassin the move was necessary since on numerous occasions the ministry could not take action against pirates due to unidentified principle owners of the material.

The holders of copyright, he said, must come forward to certify their ownership with the ministry and notify the ministry who their local distributors were. He added that the ministry would hold a dialogue with principle copyright holders soon to discuss the implementation of the new ruling.

SINGAPORE

News in June 2002

1. Singapore regulation – refine patents rules 2001
2. Software piracy on the decline here
3. \$77,000worth of illegal VCDs seized
4. Resource center for intellectual property set up
5. NTU students to patent copyright fees
6. Resource center for intellectual property set up

1. Singapore regulation – refine patents rules 2001
(from Economist Intelligence Unit, 6 June 2002)

The recent Patents (Patents Agents) Rules 2001, which came into effect on January 2nd 2002, aim to regulate the patent-agent profession in a way that ensures a high standard of patent agents and encourages their role in patent-registration process.

The requirements for registration are comparable to those in other jurisdictions. The rules include provisions relating to:

- the establishment of the Patent Agents Register;
- the making of rules to regulate the conduct and practice of registered patent agents;
- who may carry on a business, practice or act as a patent agent; and
- who may describe, be described or held out as a patent agent.

2. Software piracy on the decline here
(from The Straits Times Newspaper, Home News Section, Page H3, Singapore, 12 June 2002)

Software pirates are on the retreat in Singapore. They were able to make off with only US\$41 million last year compared to US\$61 million three years ago. In fact, this penetration rate is better than that in Hong Kong and Malaysia.

In Singapore, however, stiff policing and widespread education have helped to reduce piracy, the Intellectual Property Office of Singapore said. The office, which is in charge of intellectual property regulations here, said intensive efforts were also made to get the public realize software piracy is wrong.

3. \$77,000 worth of illegal VCDs seized
(from Channel News Asia, 13 June 2002
The Straits Times Newspaper, Home News Section, Page H2, Singapore, 14 June 2002
Reuters News Service, 14 June 2002)

Thousands of pornographic movies were among a huge haul of illegal VCDs which were seized in a police raid. Police also arrested nine members of a crime syndicate believed to have been peddling illegal VCDs here since the beginning of this year. All were foreigners.

The 7,800 VCDs seized were worth about \$77,000 on the open market. Police believe they were brought in from Malaysia for sale in industrial estates here. Police found seven boxes containing about 2,100 VCDs in the Malaysian-registered vehicles – a Nissan van and a Mitsubishi jeep.

4. Resource center for intellectual property set up
(from Channel News Asia, 25 June 2002)

Singapore's Intellectual Property Office (IPOS) has set up an education and resource center for the public to get information related to IP. The center aims to serve inventors, businessmen, as well as IP professionals.

The center is also a training facility which will run regular workshops, clinics, and roundtable discussions with IP professionals. On the international front, IPOS is also collaborating with other IP officers to exchange information and expertise. The first such project is the Europe-Asia Patent Information Conference to be held in September.

5. NTU students to pay copyright fees
(from The Straits Times Newspaper, Education Section, Page H7, Singapore, 24 June 2002)

Nanyang Technological University (NTU) students will have to pay extra fees when school reopens next month – for copyright fees for the piles of photocopied notes they use in their studies.

They will pay \$5 a year for the copyright licence fee. It is a matter of time before students in other tertiary institutions, junior colleges and secondary schools will have to cough up copyright fees too, to compensate the authors whose works they are duplicating. The fees are being collected by non-profit organization Copyright Licensing and Administration Society of Singapore (Class).

Last month, NTU signed an agreement with the society whereby the university was given a licence to make copies of up to 10 per cent of members' works in return for payment. Singapore's copyright law states that up to 10 per cent of a publication; a chapter of a book or a full article of a journal can be duplicated for educational purposes, provided that records are kept so that authors and publishers can make claims for compensation.

6. Resource center for intellectual property set up
(from The Straits Times Newspaper, Home Section, Page H3, Singapore, 26 June 2002
Channel News Asia, 26 June 2002)

Singapore's Intellectual Property Office has set up an education and resource center for the public to get information related to IP. The center aims to serve inventors, businessmen, as well as IP professionals.

The center is also a training facility which will run regular workshops, clinic, roundtable discussions with IP professionals. On the international front, IPOS is also collaborating with other IP officers to exchange information and expertise.

THE PHILIPPINES

News in June 2002

1. Anti-piracy raids
2. Cebu steps up campaign vs pirated goods
3. Fake garments seized in stores
4. Game centers target of NBI crackdown
5. Disseminating IPR information
6. New bill filed to check CD piracy

1. Anti-piracy raids

(from Philippine Daily Inquirer, 3 June 2002)

In a fight against piracy, a team from the intelligence and investigation section and mobile group of the Olongapo City police has been conducting raids on shops suspected of selling pirated VCDs here. This was in line with the implementation of an agreement between the Videogram Regulatory Board and the Criminal Investigation and Detection Group. Earlier, police seized 6,800 pieces of pirated VCDs, CDs, DVDs and pornographic VCDs from various stores here.

2. Cebu steps up campaign vs pirated goods

(from Business World, Philippines, 14 June 2002)

A new private sector-government alliance is expected to step up efforts to combat video, audio and software piracy in Cebu. The Department of Trade and Industry (DTI) Cebu provincial office is holding initial meetings with the Philippine Association of Recording Industry (PARI) Cebu chapter, BSA and the city governments of Cebu and Mandaue for the creation of an anti-piracy alliance next month.

“The creation of this (alliance) is in line with our campaign for a piracy-free Cebu. We would like to launch it in October, in time for the IPR Week,” said DTI Cebu provincial director Nelia F. Navarro.

3. Fake garments seized in stores

(from Philippine Daily Inquirer, 21 June 2002)

Retail giant Shoemart and two other stores are facing charges of violating the intellectual property law after National Bureau of Investigation agents confiscated more than P1 million worth of fake Ambercrombie and Fitch garments from their shops.

NBI Director Reynaldo Wycoco said in a statement that his men confiscated P1,131,600 worth of fake Ambercrombie and Fitch apparel from these stores during separate raids early this week.

He said the NBI Intellectual Property Rights Division under Rafael Z. Ragos began investigating the business establishments after getting a complaint from Pinkerton Consulting Services. NBI-IPRD agents conducted test buys and surveillance operations in the stores and confirmed that they were selling fake Ambercrombie and Fitch garments.

NBI agents raided the stores early this week. The bureau statement said the owners of these stores would be charged with violating the Intellectual Property Rights Law.

4. Game centers target of NBI crackdown
(from *Business World, Philippines*, 25 June 2002)

The crackdown against software pirates continues and now includes network gaming centers that allegedly use counterfeit software. Recently, the BSA made its presence felt at a recent raid in one network gaming center in Greenhills, San Juan.

Acting on a complaint by Microsoft Corp., the National Bureau of Investigation raided Cybersphere Network Gaming (CNG) at Virra Mall Shopping Center, Greenhills. Armed with a search warrant from the Pasig City Regional Trial Court, the raiding team found inside Cybersphere, a total of 21 sets of computers, all allegedly loaded with Windows'98, and one computer installed with Microsoft Office '97, without proper licenses. The operators of Cybershere will face further investigations and possible prosecution.

5. Disseminating IPR information
(from *Business World, Philippines*, 28 June 2002)

The IPO is now trying a different tact in its efforts to resolve piracy and copyright violations by focusing on different trade organizations in disseminating information on intellectual property rights, said IPO director-general Emma C. Francisco, as these groups are deemed more effective in spreading information to member firms. The local IPO office is pressed for results after a US trade envoy retained RP under its priority watchlist.

6. New bill filed to check CD piracy
(from *Philippine Daily Inquirer*, 30 June 2002)

The House of Representatives is currently studying a bill that seeks to clamp down on software piracy, which has cost the entertainment industry some P8 billion in losses.

Records of the House committee on trade and industry show that the proposed law, dubbed as the “Optical Media Bill”, specifically addresses one of the root causes of the piracy problem: the manufacturers of fake CDs.

If approved, the bill will dissolve the Videogram Regulatory Board and create in its place the “Optical Media Board”, which will be placed under the Office of the President. The proposed law requires companies or individuals engaged in the reproduction of CDs and other “optic media” to secure licenses. It also institutionalizes a “source identification code system.”
