

## Monthly Report of October 2003

- By Country:

THAILAND  
PRC  
HONG KONG  
SINGAPORE  
THE PHILIPPINES  
INDONESIA  
VIETNAM

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### THAILAND

#### News in October 2003

1. Customs officers seize 4,000 fake watches
2. Government moves to tackle intellectual property rights violations
3. US firms gung ho
4. Destroy counterfeit goods
5. Crackdown on illegal cable TV
6. Bank in Thailand to accept intellectual property as collateral
7. Calls for greater cohesion
8. Crackdown on pirate CDs produces 90% reduction
9. APEC to fight against disc piracy
10. IP view at APEC
11. Thailand-US FTA

1. Customs officers seize 4,000 fake watches

*(from Bangkok Post Newspaper, Business Section, Page 4, Thailand, 1 October 2003)*

Thai Customs officers stationed at the Laem Chabang deep-sea port seized nearly 4,000 counterfeit wristwatches bearing the trademarks of Casio, Seiko, Gucci and Rado in a shipment from China.

The importer was charged with importing prohibited goods, in violation of Section 27 of the Customs Act and Section 110(1) of the Trademark Act. The maximum penalty under the Customs Act is 10 years' imprisonment and/or a fine of four times the total price of the seized goods. Casio executives in Thailand hailed the operation and said they were encouraged by continued enforcement measures against counterfeiters.

2. Government moves to tackle intellectual property rights violations

*(from Krung Thep Thurakit Newspaper, Prime News Section, Page 1&12, Thailand, 1 October 2003  
Thai News Service, 3 October 2003*

*Krung Thep Thurakit Newspaper, Economic & Finance Section, Page 21&29, Thailand, 13 October 2003)*

Thailand will directly inform the US private sector of its progress in curbing intellectual property rights violations so as to win the latter's support for speedy opening of a Thai-US free trade area.

Prime Minister Thaksin Shinawatra instructed the Ministry of Commerce during the weekly Cabinet meeting to urgently contact parent companies of foreign establishments in Thailand about the Thai government's action on the issue.

The instruction came after the Ministry reported to the Cabinet that some parts of the US private sector, together with the House Ways and Means Committee, still show objections to the planned Thai-US free trade area. They cited that Thai Government's lack of support to intellectual property rights protection as major reason for the objection. The free trade issue has already been agreed upon in principle at the government-to-government level.

### 3. US firms gung ho

*(from Bangkok Post Newspaper, Business Section, Page 6, Thailand, 6 October 2003)*

American companies operating in Thailand are eager to see the two countries enter into a free trade area (FTA) agreement but warn that the Thai government must more seriously tackle intellectual property violations, according to the American Chamber of Commerce.

Judy Benn, executive director of the chamber in Bangkok said IP protection and customs procedures were two major concerns for US firms doing business in Thailand, adding that though steps have been made to alleviate the concerns, more improvement was needed.

Mrs Benn said a paper jointly sponsored by the chamber and the Thailand-US Business Council on the bilateral FTA would be released in the latter half of this month.

### 4. Destroy counterfeit goods

*(from Krung Thep Thurakit Newspaper, Politic News Section, Page 19, Thailand, 8 October 2003)*

Song Kla Customs destroyed more than 20,000 pirated VCDs. This is a cooperation between Thailand, and Malaysia.

### 5. Crackdown on illegal cable TV

*(from The Nation Newspaper, Regional News Section, Page 4A, Thailand, 14 October 2003)*

Electricity authorities have been told remove from power poles the transmitters of unlicensed cable-television operators to show that Thailand is serious about intellectual property rights. The government has been targeting pirate cable-TV operators ahead of the APEC meetings.

Deputy director-general of the Public Relations Department said his department would take legal action against the unlicensed cable services, which have been on the rise pending the establishment of the National Broadcasting Commission that will regulate the broadcasting business including cable-television.

### 6. Bank in Thailand to accept intellectual property as collateral

*(from Bangkok Post Newspaper, Thailand, 14 October 2003)*

The Small and Medium Enterprises Development Bank of Thailand (SME Bank) will begin accepting intellectual property as collateral for loan applications from next month. The Intellectual Property Department was asked to help set the conditions for accepting intangible

assets for loan applications. The IPD will be required to screen the intellectual property before being forwarded to the bank for final approval because the bank lacked experience in this area.

#### 7. Calls for greater cohesion

*(from Bangkok Post Newspaper, Business Section, Page 1, Thailand, 14 October 2003*

*Post Today Newspaper, Today's News Section, Page A3, Thailand, 14 October 2003)*

The Thai government has called for the concerned effort of international trademark owners to help pool resources to tackle intellectual property infringement. Yanyong Phuangrach, director-general of the Intellectual Property Department, said after meeting with Chris Helzer, director of external affairs at Nike Inc, liaison office, that the department had asked Nike to host the meeting of international trademark owners to work out comprehensive strategies to address the problem.

According to Mr Yanyong, intellectual property rights owners were cooperative in combating piracy whereas, trademark owners acted more independently. He said that Nike admitted its apparel, footwear and sports equipment had suffered violations to certain extent in certain areas.

The American Chamber of Commerce recently said it remained a major sticking point of US firms otherwise eager to see the two countries enter into a free trade agreement.

#### 8. Crackdown on pirate CDs produces 90% reduction

*(from Thai Daily Digest, 16 October 2003*

*Bangkok Post Newspaper, Business Section, Page 3, Thailand, 16 October 2003*

*Krung Thep Thurakit Newspaper, Prime News Section, Page 1&4, Thailand, 17 October 2003*

*Thai News Service, 20 October 2003)*

The public and private sectors were celebrating as figures emerged showing that the recent crackdown on pirate CDs had led to a 90 per cent reduction.

Speaking at a seminar on intellectual property protection strategies, Deputy Commerce Minister Watana Muangsook told representatives of companies gathered for the meeting that the government clampdown on pirate CDs in selected zones in Bangkok and the provinces, launched at the beginning of September, had been more successful than anticipated. In all the zones, the problem of intellectual property rights violations had plummeted by over 90 per cent, he said, expressing confidence that the problem would be completely eliminated in the future.

Mr. Watana dismissed suggestions that the government was merely pandering the US interests in its crackdown on intellectual property rights violations, saying that the government was acting to ensure equitable trade.

#### 9. APEC to fight against disc piracy

*(from The Pacific News Agency Service, 20 October 2003)*

APEC senior officials have agreed to strengthen regulatory measures intended to restrict the unauthorized copying of optical discs containing copyrighted material such as movies, music and computer programmes.

The recommendations offer another tool government agencies can use in the APEC region to combat copyright piracy stating that: “a regulatory means for the supervision of optical media production is simpler and more efficient than civil or criminal measures for addressing copyright violations.”

The implementations of the recommendations have been agreed by senior officials on a pathfinder basis to be initiated by individual member economies. The recommendation cover the four areas relating to the licensing of production facilities, enhanced legal enforcement measures, adequate penalties for violations and controls on the cross border movement of inputs to production that could be used by optical disc pirates.

#### 10. IP view at APEC

*(from The Nation Newspaper, Business Section, Page 4B, Thailand, 21 October 2003*

*Post Today Newspaper, Today's News Section, Page A3, Thailand, 21 October 2003*

*Dow Jones International News, 21 October 2003*

*Bangkok Post Newspaper, Database Section, Page 3, Thailand, 29 October 2003)*

Music icon Yuenyong Opakul took center stage at the APEC CEO 2003 summit to voice his support for the battle against music piracy. He thanked the government for its efforts to protect intellectual property and stop the most active of the pirates.

John Tsang, Hong Kong's secretary for commerce, industry and technology, said his government's arduous campaign to reduce the rate of music piracy has made some progress.

Paul-Rene Albertini, president of Warner Music International, said that although the music industry is valued at \$32 billion worldwide, its success rate is just 10 per cent. He said that many people do not realize how much investment and work is involved in the making of artists and their albums.

Craig Mundie, Microsoft's chief technical officer, said that many young people see the Internet as free media just like television and do not understand that its all has to be paid for. He also proposed a four-pronged plan to counteract piracy – providing appropriate products at appropriate prices; public education; development of technology to protect intangible property; and tough enforcement to stop copyright violation.

Mundie said he hoped that leader attending the APEC summit would agree to establish uniform patent laws. Most countries around the globe have adopted similar copyright laws. If the same can be done for patents, creators and inventors will be better protected and motivated to continue in their efforts. This will contribute to further economic development, he said.

#### 11. Thailand-US FTA

*(from Post Today Newspaper, Economic News Section, Page A7, Thailand, 24 October 2003)*

Mr. Jakkrit Kuanpoj said people has to watch for FTA between Thailand – US. One point is about intellectual property rights protection which involve in every kind of intellectual property especially biodiversity.

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## PEOPLE'S REPUBLIC OF CHINA

### News in October 2003

1. China's nanotechnology patent applications rank third in world
2. China to hold invention exhibition in October
3. Chinese cracking down on copyright infringement
4. Arco patent office launches legal ops in China
5. China association for patent protection launched in Beijing
6. Anti-piracy concert
7. China, EU discuss intellectual property cooperation
8. One in five trademarks comes from abroad
9. IT sector leads patent applications
10. China strengthens IPR law and administrative enforcement
11. Guangzhou fair organizers get 78 piracy complaints

#### 1. China's nanotechnology patent applications rank third in world

*(from Xinhua's China Economic Information Service, 9 October 2003)*

Patent application cases concerning nanotechnology have grown rapidly in China over recent years, with the number following the United States and Japan to take the world's third place. According to the Chinese Ministry of Science and Technology, during the decade before 2001, China's total applications for nanotechnology patents numbered less than 1,000. The figure soared in the past two years and amounted to 12 per cent of the world's total. China now has more than 2,400 such patents.

#### 2. China to hold invention exhibition in October

*(from Xinhua's China Economic Information Service, 9 October 2003)*

The 14<sup>th</sup> National Invention Exhibition will take place between October 24 and 28 in coastal Xiamen City, east China's Fujian province, and the WIPO will grant awards during the event. Besides domestic participants from other provinces and cities, delegations from Hong Kong, Taiwan and the Republic of Korea are also going to attend. And a forum on "invention and intellectual property protection" will be held during the exhibition.

The event is jointly sponsored by the State Intellectual Property Office, the Ministry of Science and Technology, the All-China Federation of Trade Unions, the Xiamen City government and the China Invention Society.

#### 3. Chinese cracking down on copyright infringement

*(from The Globe and Mail, 10 October 2003)*

A government publishing house has been fined for using the image of Peter Rabbit without permission in the Chinese edition of the children's classic. The Beijing Eastern City District Commercial Office fined the publisher US\$42,7000 and seized 23,000 copies of the Tale of Peter Rabbit.

#### 4. Arco patent office launches legal ops in China

*(from Nikkei Report, 10 October 2003)*

Arco Patent Office has started offering legal services covering intellectual property in China, primarily for Japanese corporations, in a tie-up with Shanghai-based Zhongda Law Office. Arco will handle applications for patents, utility models, designs and trademarks as well as lawsuits related to them from mainly Japanese and US companies.

To prevent the problems such as a little knowledge of patent technologies and legal affairs concerning intellectual property carry out the application procedures, Arco will prepare patent specifications in Japanese and English, which will be translated into Chinese by patent attorneys at Zhongda Law Office.

5. China association for patent protection launched in Beijing

*(from Business Daily, 13 October 2003*

*BBC Monitoring Service, 19 October 2003)*

The China Association for patent protection was launched on October 10 in Beijing. The association is supported by the State Intellectual Property Office and Ministry of Civil Affairs. A new organization under the administrative control of the State Intellectual Property Rights Bureau. From now on, when its members are involved in major patent disputes, the association will provide them with a legal assistance service that is different from what they can get from the judicial department or law-enforcing administrative department.

6. Anti-piracy concert

*(from Shanghai Daily, 13 October 2003)*

The 2003 Anti-Piracy Concert, a highlight of the Shanghai Asian Music Festival, will be staged at Shanghai Stadium on November 15. Aiming to protect intellectual property rights and arouse public awareness of anti-piracy, top Asian singers such as Faye Wong, Karen Mok, Jay Chou and Nakashima Mika will showcase their talent without pay.

7. China, EU discuss intellectual property cooperation

*(from Xinhua News Agency, 23 October 2003*

*China Daily, 24 October 2003)*

China and the European Union (EU) discussed their cooperation in intellectual property rights protection at a jointly-organized symposium in Beijing. The two-day symposium, "Partnership in Protection of Intellectual Property: China and Europe, Past, Present and Future", is actually a summary of the EU-China IPR Cooperation Program, which has been in place for five years and cost 45 million euros.

The program helped China to better its IPR legal system and trained many Chinese experts in the field. The program is all about cooperating, in a spirit of partnership, for the economic benefit of the citizens of China and Europe.

8. One in five trademarks comes from abroad

*(from Xinhua News Agency, 23 October 2003)*

Every fifth trademark registered in China comes from overseas. 192 countries and regions had registered 353,587 trademarks in China by the end of September. Figures from the bureau

show that since 1993, there were at least 20,000 applications for registering foreign trademarks in China each year.

9. IT sector leads patent applications

*(from China Daily, 24 October 2003)*

More than a million patent applications have now been lodged in China, with the Information Technology sector leading the charge. The number of patent applications in the sector in China has also grown rapidly in the last five years due to the IT boom. A total of 1,030,032 patent applications for inventions have been lodged with the State Intellectual Property Office since it began collecting statistics.

10. China strengthens IPR law and administrative enforcement

*(from Xinhua News Agency, 24 October 2003)*

*Dow Jones International News, 24 October 2003)*

Since its entry into the WTO nearly two years ago, China has stepped up law enforcement in a bid to more effectively protect intellectual property rights. Wang Jingchuan, commissioner of the SIPO, said that in 2002, Chinese court at various levels accepted and heard more than 6,200 civil cases on IPR, with a yearly increase of 17.78 per cent, of which 1,824 concerned copyrights, 2,080 concerned patents and 707 dealt with trademarks.

Meanwhile, nationwide IPR administrative organs, including patent offices, industrial and commercial administrative bureaus and copyright watchdogs, accepted 1,442 patent disputes, investigated 39,105 trademark violations with total fines of 214 million yuan (US\$25.78 million), and confiscated 67.9 million pirated publication products.

11. Guangzhou fair organizers get 78 piracy complaints

*(from South China Morning Post, 30 October 2003)*

There were 78 complaints about intellectual property rights violations at the first session of the China export Commodities Fair in Guangzhou. But the organizer expected there would fewer cases during the second session. The complaints came from exhibitors or from organizers about violations by some participants. More than 85 per cent of the complaints were against mainland companies.

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## HONG KONG

### News in October 2003

1. Customs blitz nets \$4m Filipino CDs
2. Fake cosmetics seized as tourist scams targeted
3. 'Crocodile' case concluded
4. Yakult maker sues rival firm over claims of copycat branding

1. Customs blitz nets \$4m Filipino CDs

*(from The Standard, 1 October 2003)*

Customs officers have arrested 22 people and seized 210,000 pirated CDs containing films and music aimed at the Filipino community in Hong Kong. Eight of those arrested were Filipinos, all of whom had Hong Kong identity cards.

Officers who took part in the operation described it as the largest Filipino pirated film and music products seizure in several years. It was said to be worth around HK\$4.2 million.

## 2. Fake cosmetics seized as tourist scams targeted

*(from The Standard, 9 October 2003)*

More than HK\$600,000 worth of counterfeit cosmetic have been seized from a shop in Hung Hom. Head of the Intellectual Property Investigation (Operations) Group Liu Cheung-shing said the Customs and Excise Department and the Travel Industry Council of Hong Kong would continue to co-operate to deter counterfeiting activities.

These initiatives led to the seizure of HK\$765,000 worth of suspected counterfeit cosmetics in a raid on an outlet targeting tourists in Hung Hom. The raid was in response to a complaint received earlier through the customs hotline.

## 3. 'Crocodile' case concluded

*(from Xinhua's China Economic Information Service, 24 October 2003)*

The Beijing High People's Court gave approval to the conciliation reached by two "crocodiles" – the clothing firms French Lacoste and Hong Kong-based Crocodile on trademark disputes.

The conciliation decision marks the first ever ending of the year-long lawsuit put forward by the French firm La Chemise Lacoste against the accused trademark infringing act by companies with similar trademarks in the Hong Kong Special Administrative Region, Singapore and East China's Zhejiang Province.

According to the agreement, Hong Kong-based Crocodile Garments Ltd should stop using the current picture trademark after March 31, 2006, while Lacoste approved that the Hong Kong company could have the monopoly over a new symbol from that date. But the symbol is forbidden to use the green color which was used in the Lacoste symbol.

The declaration also vowed that the two companies will launch joint efforts to fight against pirated products and seek full support from the Chinese Government and judicial organizations.

## 4. Yakult maker sues rival firm over claims of copycat branding

*(from South China Morning Post, 28 October 2003)*

The maker of Yakult yoghurt drinks began a legal battle to stop a rival company from selling similar products in Hong Kong. The competing product, called "Yakudo", went on sale recently in Shanghai, and its manufacturer is alleged to have plans to sell it in Hong Kong.

The suit was brought by the Japanese dairy-product giant Kabushiki Kaisha Yakult Honsha, Yakult in Taiwan and Hong Kong Yakult, who claim they are the rightful manufacturers and

distributors of the Yakult yoghurt drink. The defendant is Hong Kong-based Yakudo Group Holdings and its managing director and general manager, Lee Tao-kuang.

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## SINGAPORE

### News in October 2003

#### The Amazing (intellectual property) Race

*(from The Straits Times Newspaper, Singapore, 22 October 2003)*

The Intellectual Property Office of Singapore (Ipos) is launching Singapore's first reality television show on IP. To be screened on Channel i next month, the show called brainWAVE – The Essence of Invention, pitches 26 polytechnic students against each other encourage creativity among the young entrepreneurs. The four-part series will be aired from Nov 1 to 22.

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## THE PHILIPPINES

### News in October 2003

#### RP copyright violations still serious

*(from Manila Standard, 28 October 2003)*

Emma Francisco, director-general of the Intellectual Property Office, said the country would not know until April next year if it would be taken off the Special 301 report of the US Trade Representative Office, or not.

She said the decision whether or not to remove the Philippines from the watch list would depend on reports to be submitted by American companies with business interests in the country. These firms will submit their IPR reports on the Philippines by February.

IPR piracy in the Philippines is estimated to cost legitimate businesses some \$116 million in lost income each year.

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## INDONESIA

### News in October 2003

#### Govt destroys 19,000 pirated VCDs

*(from The Jakarta Post Newspaper, Indonesia, 21 October 2003)*

The Directorate General of Intellectual Property Rights (HAKI) destroyed pirated VCDs, CDs and DVDs at its office on Jl. Daan Mogot, Tangerang in Banten as part of the implementation of the new law on intellectual property rights.

The HAKI director general, Abdul Bari Azed, said that there were currently 50 factories with 200 machines illegally producing four million copies of pirate VCDs, CDs and DVDs per day within Indonesia.

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## VIETNAM

### News in October 2003

1. Vietnamese Govt moves trademark registration back to NOIP  
(from *Asia Pulse*, 14 October 2003)

The standstill over trademark registration appears to be over after the Vietnamese government decided to move the brand-approval function back to the National Office of Intellectual Property (NOIP), under the Ministry of Science and Technology (MoST).

The Ministry of Trade (MoT) was selected to take on this duty. However, it hesitated, waiting for another government decree allowing it to take on the new duty and establish a brand approval unit. As a result, domestic businesses for a while did not know where to go to register new trademarks.

After that, the government sent an official dispatch requiring the NOIP to keep receiving trademark applications until a new brand approval unit under the MoT was set up. But the work remained at a standstill because the NOIP could do nothing but receive the files.

2. EU to invest US\$1.78 mln in Vietnamese IP protection  
(from *Asia Pulse*, 10&14 October 2003  
*Vietnam Investment Review*, 13 October 2003)

The EU will provide Vietnam with 1.5 million euros to uphold intellectual property rights, Director of the EC-ASEAN Intellectual Property Rights Cooperation Programme (ECAP 2), Johan Armand, said. Imitation is the biggest threat to economic development in the South-East Asian region, he added.

The programme deals with all kinds of intellectual property rights, including patents and industrial designs, trademarks, copyrights and related rights, geographical indications, layout-designs of integrated circuits and protection of undisclosed information, he said.

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