

Monthly Report of September 2002

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THAILAND

News in September 2002

1. Trouble over patents seen
2. Piracy raid on computer school
3. Producer probed over VCD piracy allegations

1. Trouble over patents seen

*(from Bangkok Post Newspaper, Home News Section, Page 4, Thailand, 4 September 2002
Bangkok Post Newspaper, Business Section, Page 1, Thailand, 16 September 2002)*

Biotechnology and patent laws could lead to a host of conflicts between developed and developing nations, Ammar Siamwalla, senior economist said. Developing countries hold only 6% of biotechnology patents while developed nations hold the rest, according to Michael Blakeney, director of Queen Mary Intellectual Property Research Institute, University of London.

Jakkrit Kuanpote, a lecture on patent law, said opposition to biotechnology in Thailand was mainly due to a lack of laws governing benefit-sharing. Thailand, however, has passed the Plant Variety Act to guard against biopiracy since 1999 but a specific law guiding benefit-sharing is yet to be written.

Moreover, a government biotechnology research institute hopes a one-year study of biopiracy of traditional knowledge will help prevent theft of Thai resources.

2. Piracy raid on computer school

(from Bangkok Post Newspaper, Business Section, Page 8, Thailand, 7 September 2002)

A computers training school with several branches is being investigated for using pirated Autodesk and Macromedia design software worth more than 20 millions bath, according to the

two companies. Economic Crime Investigation Division police raided two Bangkok branches of the school on Aug 22 and were reviewing evidence for possible charges, the companies said.

“These computer training centres offer computer training on all kinds of software including state-of-the-art software such as 3 Studio Max and AutoCAD, which are specialized tools used by multimedia and design firms,” said Ronald Chua, legal counsel for South Asia at Autodesk Asia Ptd Ltd.

Marcus Chu, Macromedia’s Asia-Pacific anti-piracy manager, said his company offered several packages for academic purposes, some costing as little as 30% of the rate charged for normal business packages.

He said Macromedia encouraged training centres to consult software distributors in order to select the most suitable and cost-effective packages for their purposes. He said the next group of targets would be the commercial web designers and developers, many of whom used pirated Macromedia software to develop clients’ web sites and applications.

3. Producer probed over VCD piracy allegations

(from The Straits Times Newspaper, South-East Asian News Section, Page A11, Singapore, 7 September 2002

The Nation Newspaper, Local News Section, Page 2A, Thailand, 11 September 2002

The Nation Newspaper, Local News Section, Page 4A, Thailand, 12 September 2002)

A movie industry group has launched an investigation into the alleged involvement of the producer of the film “Pra-A-Paimanee” in manufacturing pirated VCDs. The move comes after the producer, Software Supply International Co (SSI), complained to the group that the movie’s release was being blocked by theatre operators.

Somsak Techaratanaprasert, president of the Federation of National Film Associations of Thailand (FNFAT), called a special meeting to discuss the case of Software Supply International Co. FNFAT members have lodged complaints that SSI has close links to a suspected manufacturer of illegal VCDs.

Yajai Tri-Ekastit, chairman of Mang Pong Co, showed the press evidence that he said substantiated the suspicions. He said his company had contracted SSI to supply VCDs, but when they were delivered they contained a movie belonging to another distributor that had not even been shown in the country yet. Somsak wanted the case to set a new standard for the film industry as he was trying his best to eliminate piracy, the main deterrent to the growth of locally made films.

PEOPLE’S REPUBLIC OF CHINA

News in September 2002

1. Counterfeit goods burned in Chengdu
2. WTO begins review of China intellectual property reforms

3. Japanese firms in Shanghai form group to address pirating
4. Chinese Crt rejects reinstatement of Honda patent

1. Counterfeit goods burned in Chengdu

(from Reuters News Service, 14 September 2002)

Counterfeit goods burned in Chengdu, the capital of Sichuan province, September 13, 2002. Counterfeit goods worth five million yuan (\$600,000) were incinerated in the operation as part of an effort to stop illegal trade after China joined the WTO. The volume of pirated products has increased significantly in every manufacturing sector since China began to transform its economy into a market-oriented system in the late 1970s.

2. WTO begins review of China intellectual property reforms

(from Dow Jones International News, 18 September 2002

Nikkei Report, 18 September 2002

BBC Monitoring Asia Pacific-Political, 18 September 2002

Xinhua's China Economic Information Service, 19 September 2002)

A WTO commission has begun to review China's progress in improving its protection of intellectual property rights, China's government said. The Ministry of Foreign Trade and Economic Cooperation said China's ambassador to the WTO, Sun Zhenyu, met with representatives of the US, the European Union, Japan, Australia and other WTO members to answer their questions.

Over the past few years, China has changed many of its laws and regulations to increase protection of copyrights, trademarks and other intellectual property, but piracy of all sorts remains rampant.

The WTO is required to complete a review of China's implementation of its WTO commitments, including those on intellectual property, by December 2002, one year after the country's formal entry into the WTO. Several committees within the WTO began working on the review this month.

3. Japanese firms in Shanghai form group to address pirating

(from Nikkei Report, 21 September 2002

Asia Pulse, 24 September 2002)

Japanese companies operating in the greater shanghai area formed a research group to consider problems of intellectual property rights infringement in China, where the illegal copying of Japanese products is rampant. Roughly 50 companies took part in the inaugural general meeting of the group. Member firms will exchange information amongst themselves about illegal copying and as a group ask Chinese authorities to control the problem.

"Even since China's entrance into the WTO, intellectual property rights infringement has been on the rise," says a representative of the Shanghai post of the Japan External Trade Organization

(JETRO), which also called for the establishment of the new group. A similar group was founded in Beijing two years ago.

4. Chinese Crt rejects reinstatement of Honda patent
(from Dow Jones International News, 26 September 2002)

A Chinese court rejected Honda Motor Co.'s bid to have the government's patent office reinstate a motor scooter design patent it revoked in 2001. The lawsuit was filed against the State Intellectual Property last July to protect the design of the "Stream," a popular scooter manufactured by Honda in China.

The design patent, obtained in 1994, was revoked in September 2001 by the SIPO at the request of several Chinese scooter manufacturers. In China, widespread knockoff versions of Japanese motorcycles have been a major concern for Japanese motorcycle makers.

HONG KONG

News in September 2002

China batter maker BYD denies Sanyo patent infringement
(from Reuters News Service, 26 September 2002)

Chinese battery maker BYD Co Ltd said that it has not infringed on a patent held by a unit of Japan's Sanyo Electric. Shares of BYD in Hong Kong took a beating following news that Sanyo Energy (USA) Corp had filed a patent infringement suit against the company in the United States.

The company also said it placed heavy emphasis on its intellectual property rights and respected those of its competitors. Sanyo Energy is seeking an injunction prohibiting BYD from selling and importing lithium ion batteries which is says infringe on Sanyo's patent. BYD said it had not yet received any notice from Sanyo or a writ from the US District Court in southern California, so it was impossible to determine the potential impact on the company or its operations.

MALAYSIA

News in September 2002

1. Pirated software-reward still valid
2. Pirated software seized from mould manufacturer
3. 7,000 VCDs, CDs removed from factory
4. 6,000 pirated VCDs, DVDs seized at KLIA cargo bay
5. Suspected pirated software worth RM110,000 seized from factory
6. Audio equipment manufacturer raided for using pirated software

7. Amendment to Copyright Act hailed
8. Support for power of arrest in VCD raids
9. Man held for making illegal copies of songs
10. KL wants to fingerprint all workers at VCD plants

1. Pirated software-reward still valid

(from New Straits Times Newspaper, Malaysia, 3 September 2002)

A reward of RM100,000 awaits those with information leading to the prosecution of companies using pirated and unlicensed software. BSA Asia Pacific regional enforcement manager Tarun Sawney said the reward was being extended for the next two weeks until Sept 15.

The reward was first offered starting Aug 9, when the Government's enforcement campaign against use of pirated software Ops Tulen, was launched.

2. Pirated software seized from mould manufacturer

(from Bernama Daily Malaysian News, 4 September 2002

The Straits Times Newspaper, Malaysia News Section, Page A7, Singapore, 4 September 2002

Malay Mail, 5 September 2002

New Straits Times Newspaper, Malaysia, 5 September 2002

The Straits Times Newspaper, Malaysia News Section, Page A16, Singapore, 7 September 2002)

The authorities seized pirated software and computer peripherals worth RM150,000 from a mould manufacturer in Klang. Zainal Abidin Mohd Noordin, the Selangor enforcement chief of Domestic Trade and Consumer Affairs Ministry, said the company would be charged in court for copyright violations.

He said this was the first case in Selangor since Ops Tulen, an operation to curb computer software piracy, was launched on Aug 9.

3. 7,000 VCDs, CDs removed from factory

(from New Straits Times Newspaper, Malaysia, 5 September 2002)

The enforcement division of the Domestic Trade and Consumer Affairs Ministry seized 7,000 VCDs and CDs from a factory in Jalan Madu Batu 2, Batu Caves. The team of 14 officers also seized a CD stamper and a silk screen, used to print titles onto CDs. The factory is a licensed distributor, but the officers found that the copies had no code which distributors have to display.

4. 6,000 pirated VCDs, DVDs seized at KLIA cargo bay

(from New Straits Times Newspaper, Malaysia, 5 September 2002)

Twenty-one boxes of pirated VCDs and digital video discs were seized by the State Domestic Trade and Consumer Affairs Department at the KL International Airport cargo area. Department director Zainal Abidin Mohd Noordin said about 6,000 pirated VCDs and DVDs worth about RM40,000 found these boxes were scheduled to be sent to some companies in England, Brunei and the Philippines.

On other similar cases detected by the department, he said, it had seized some illicit materials hidden inside washing machines which were meant to be exported to India previously.

5. Suspected pirated software worth RM110,000 seized from factory
(from *Bernama Daily Malaysian News*, 10 September 2002
New Straits Times Newspaper, Malaysia, 12 September 2002)

The Domestic Trade and Consumer Affairs Ministry's Enforcement Division seized 94 copies of suspected pirated software estimated at RM110,000 in a raid at the premises of a precision tool manufacturer in the Prai Industrial Zone. Its deputy branch head, Mohamed Yusoff Saga Ambalam, said that the manufacturer allegedly used the suspected pirated 'Autodesk', 'Macromedia', 'Microsoft' and 'Symantec' software in the course of conducting its business.

6. Audio equipment manufacturer raided for using pirated software
(from *Bernama Daily Malaysian News*, 12 September 2002)

Computers and pirated software worth RM211,000 were seized from an audio equipment manufacturer in Sungai Petani, Kedah in the on-going "Ops Tulen" campaign. Enforcement officers from the Domestic Trade and Consumer Affairs Ministry seized 10 computers estimated to be worth RM30,000 including various pirated software, said the BSA in a statement.

7. Amendment to Copyright Act hailed
(from *Malay Mail*, 17 September 2002)

The proposal to amend the Copyright Act 1987, empowering the Domestic Trade and Consumer Affairs Ministry enforcement officers to make arrests was lauded by the Recording Industry Association of Malaysia (RIM). RIM general manager Lam Tuck Seng hopes that all offenders of the Copyright Act would be arrested, be they peddlers or manufacturers.

RIM-COP (Copyright Owners Property Sdn Bhd) director of operations Abdul Rahman Ghazali said that all equipment should be seized for forensic examination by the authorities.

Domestic Trade and Consumer Affairs Minister Tan Sri Muhyiddin Yassin had said that the inability to detain offenders during enforcement rounds had hampered investigations into links with manufacturers and syndicates. He had said that presently only the police have the power to detain but most operations are carried out by the domestic trade enforcement officers.

The amendment to the Copyright Act is expected to be tabled in Parliament, next year.

8. Support for power of arrest in VCD raids
(from *New Straits Times Newspaper, Malaysia*, 5 September 2002
The Straits Times Newspaper, Malaysia News Section, Page A6, Singapore, 17 September 2002
Malay Mail, 18 September 2002)

The proposal to give the power of arrest to Domestic Trade and Consumer Affairs Ministry's enforcement officers will help local authorities to get rid of VCD and CD pirates in the country.

Selangor Menteri Besar Datuk Dr Mohd Khir Toyo said the local authorities will work with the Ministry on the problem.

The Ampang Jaya Municipal Council and Selayang Municipal Council welcomed the power of arrest proposal. MPS public relation officer Mohd Zin Masoad said the local authorities always give full support in combating pirated VCDs and CDs.

9. Man held for making illegal copies of songs
(from Malay Mail, 19 September 2002)

A manager of a home electrical appliance shop in Taman Maluri, Cheras, was nabbed for downloading and making illegal copies of karaoke songs. The 30-year-old man was detained at his shop by the special copyright task force comprising police and Public Performance Malaysia Sdn Bhd officials.

They seized audio-visual equipment and two computer servers (which are video on demand computerized systems) containing more than 2,000 karaoke songs valued at RM100,000. Among the songs found in the computer servers are top hits produced by BMG, EMI, Universal Music, Rock Records, Sony Music, Warner Music and SRC.

The maximum penalty under Section 41(1) of the Copyright Act 1987 is RM10,000 fine per song or five years imprisonment, or both.

10. KL wants to fingerprint all workers at VCD plants
(from The Straits Times Newspaper, Malaysia News Section, Page A6, Singapore, 23 September 2002)

Malaysia is stepping up the fight against VCD pirates by examining fingerprints and arresting on the spot those caught shelling the products. The Domestic Trade and Consumer Affairs Ministry plans to bring forensic investigation into the tough war against rampant piracy of the latest movies and song albums sold on VCDs and CDs.

The government wants to record the fingerprints of all workers at VCD-making plants after buying forensic equipment. Pirated VCDs and CDs confiscated on the streets would be compared with those from the plants to identify the culprits, said Domestic Trade Minister Muhyiddin Yassin.

SINGAPORE

News in September 2002

1. Singapore to set up IP academy
2. Special court to settle intellectual property disputes

1. Singapore to set up IP academy

*(from Business Times, Singapore, 12 September 2002
Channel News Asia, 14 September 2002)*

Singapore is preparing to meet the demands of an innovation-driven economy by setting up an intellectual property academy that will groom a new generation of intellectual property practitioners. The move was announced by Senior Minister of State for Law and Home Affairs Ho Peng Kee at the opening of the Europe Asia Patent Information Conference.

The academy will focus on these areas: executive education and training for the IP, business and technical communities and provision of 'though leadership' in IP matters for industry, academia and government.

The first programmes offered by the IP academy will be rolled out early next year. An immediate priority is to provide training programmes for IP engineers – research professionals with a grounding in IP who can identify potentially valuable IP and help colleagues be more focused in their research.

2. Special court to settle intellectual property disputes

(from The Straits Times Newspaper, Home News Section, Page H5, Singapore, 20 September 2002)

In a move that will further encourage innovation, a special court was set up to settle disputes over such ownerships as an invention, a musical composition or a company's trademark. This Intellectual Property Court, initiated by Chief Justice Yong Pung How, will also advance Singapore's ambition to be a premier world centre for resolving commercial disputes.

An Economic Review Committee panel identified such a centre as one of the main ways to boost the legal services industry. To reinforce the centre, the Government will also set up an IP Academy to provide training for the business, research and legal communities, with a multi-disciplinary approach that combines technical depth with business acumen and legal knowledge.

The IP court will be located in the Supreme Court complex, one building away from the Admiralty Court, also a specialist court, which was set up in February.

THE PHILIPPINES

News in September 2002

P700m in fake perfume seized

(from Philippine Daily Inquirer, 18 September 2002)

The National Bureau of Investigation confiscated P700 million worth of fake Chanel perfumes in a raid in Taguig, Metro Manila. Agents of the NBI's Intellectual Property Rights Division raided a warehouse near Maharlika Village, Taguig, which yielded what they claimed to be 225,000

bottles of imitation perfume. Some 175,000 of these were fake Chanel perfumes, NBI agents said.

INDONESIA

News in September 2002

Indonesian software sales seen growing 20% despite piracy
(from *Asia Pulse*, 20 September, 2002)

Software sales would increase by 20 per cent this year despite rampant cases of piracy discouraging investment, the Indonesian Software Association said. Indonesian Software Association executive Richard Kartawaijaya said the opportunity for investment in software industry in the country is encouraging, but investors hesitated to do business in the country because of weak law enforcement on piracy of intellectual property.

The seminar discussed amended law on copyright calling for tougher penalty for illegal commercial reduplication of software products to be effective in July next year.

VIETNAM

News in September 2002

1. Recording Association planned to combat piracy
2. Vietnam's Ho Chi Minh City still faced with piracy
3. Photographers seek establishment of anti-piracy centre

1. Recording Association planned to combat piracy
(from *Vietnam News Brief Service*, 3 September 2002)

The Vietnam Recording Association will be set up late this year in an effort to cope with widespread copyright violations and nurture healthy development within the industry. "The establishment of the association will help spur the development of audio-video companies and put a brake on production by copycats," Deputy Minister Tran Chien Thang said at a meeting with audio-video companies in Ho Chi Minh City.

2. Vietnam's Ho Chi Minh City still faced with piracy
(from *Xinhua News Agency Bulletin*, 6 September 2002)

Ho Chi Minh City's regular clamp-downs on piracy have done little to stem the production and sale of bootlegged products. Inspectors said they closed down 86 stores for serious violations,

confiscated more than 200,000 videos and discs, and imposed fines worth 2.3 billion Vietnamese dong (US\$150,000), following official inspections of 11,354 music and video stores. In the first six months of this year alone, a total of 2,500 cases were uncovered by inspectors.

3. Photographers seek establishment of anti-piracy centre
(from Vietnam News Brief, 26 September 2002)

Photographers in Vietnam are proposing the Ministry of Culture and Information, in cooperation with the Copyright Department, set up a centre for copyright protection in the field. The proposal was made at a conference on Copyright in Photography, the first of its kind, held by the Vietnam Photographer Association (VPA) in Hanoi.

According to Ngo Quang Nam, Head of the Fine Arts Department, the VPA should also cooperate with the Copyright Department to compile regulations on using photos in newspapers and mass media, and at the same time study model copyright laws from elsewhere to determine what is appropriate for domestic application.
