

Monthly Report of September 2003

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THAILAND

News in September 2003

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1. Police in Shiseido copycat swoop

(from Bangkok Post Newspaper, Business Section, Page 2, Thailand, 1 September 2003)

Police conducted a successful sweep of counterfeit Shiseido cosmetic products at the New Airport market, or Talad Mai Don Muang. The raids followed several months of undercover investigation. Twelve retail stores were raided simultaneously.

Officers from the Intellectual Property Suppression Unit of the Central Investigation Bureau cut through the locks, finding workers and counterfeit stocks inside. The infringers were arrested and charged with trademark infringement under the Thai Trademark Act, which carry a minimum penalty of four years' jail and/or a 400,000 baht fine.

2. Anti-piracy start again

(from Post Today Newspaper, Business Market Section, Page B4, Thailand, 3 September 2003)

Deputy Commerce Minister Watana Muangsook said that MoC would start the anti-piracy for counterfeit goods again from 15 September. The police can arrest the traders without notice. However, MoC gives a chance for infringers to report themselves and MoC will provide other products to sell for them.

3. Red Bull wins trademark infringement case

*(from Post Today Newspaper, Today's News Section, Page A2, Thailand
Economist Intelligence Unit, 23 July 2003)*

The regional office of Austrian manufacturer of the Red Bull soft drink has won a trademark infringement case against a UAE firm. The firm had been selling a drink called Bullfighter, which came in packaging similar to that of Red Bull. The courts found that the company had deliberately tried to capitalize on Red Bull's local marketing and its reputation, and fined the UAE firm US\$4,087.

4. Raided fake toner

(from Krung Thep Thurakit Newspaper, IT Section, Page 5, Thailand, 6 September 2003)

News reports from Tilleke & Gibbins Co. said that the police from ECID raided 8 shops which sold counterfeit products of Canon, Kabushiki Kisha, HP, Seiko Epson Corporation. The products worth 1.5 million baht.

5. Police seize VCDs

(from Bangkok Post Newspaper, Home News Section, Page 4, Thailand, 7 September 2003)

Police raided three Bang Na Properties storing pirated VCDs worth about 100 million bath and arrested six people. Police searched three townhouses in a housing estate in soi Lasal1, 13 and 24 and found more than 200,000 bootleg VCD movies and games. The six suspects, one from Hong Kong, confessed to having smuggled the VCDs from Malaysia.

6. Pirated movies

(from Bangkok Post Newspaper, Home News Section, Page 4, Thailand, 10 September 2003)

Police have seized 28,000 pirated VCDs with a street value of three million bath in Nong Kai. Five men were seen carrying boxes from a pick-up truck towards a restaurant near the Tha Sadej border checkpoint. When police tried to stop them the men and their driver fled, leaving behind 28 boxes containing copies of foreign films.

7. MoU for IP

(from Bangkok Post Newspaper, Thailand, 12 September 2003

Bangkok Post Newspaper, Business Section, Page 1, Thailand, 13 September 2003

Post Today Newspaper, Today's News Section, Page A3, Thailand, 13 September 2003

Post Today Newspaper, Business Market Section, Page B1, Thailand, 13 September 2003)

The Intellectual Property Department and Customs Department signed a memorandum of understanding on the prevention and suppression of smuggling pirated goods with 18 private-sector firms involved in entertainment and law.

Chavalit Sethameteekul, the Customs director-general, said the extended detention period of 10 days would give customs officials more time to inspect shipments to ascertain whether the goods are counterfeits or originals.

Deputy Commerce Minister Watana Muangsook said that to facilitate greater co-operation between state agencies and the private sector to combat smuggling in pirated CDs, DVDs and VCDs, the ministry had provided the mechanism to allow longer detainment through the existing Exports and Import Act.

8. Trade protection law passed

*(from Bangkok Post Newspaper, Home News Section, page 2, Thailand, 14 September 2003
Bangkok Post Newspaper, Prime News Section, Page 1, Thailand, 18 September 2003)*

The Geographical Indication Bill has been passed by parliament, allowing the legitimate registration of unique animal species and goods from specific places. The House voted 329:1 to approve the bill, which makes products such as jasmine rice from Thung Kula Ronghai in the Northeast, Rongrian rambutan, Chaiya salted eggs from Surat Thani and Bang Mod tangerine from Bangkok, eligible for registration. However, it may take months before the law takes effect.

Items from abroad can be registered as geographical indication if there is evidence to prove their origins. Registration details must be submitted to the Intellectual Property Department chief as registrar and secretary of the geographical indication committee.

9. CD-makers targeted

*(from The Nation Newspaper, Local news Section, Page 3A, Thailand, 16 September 2003
Krung Thep Thurakit Newspaper, Politic News Section, Page 12, Thailand, 16 September 2003)*

The House will deliberate a draft bill aimed at regulating the sale of machines and materials used to make the discs and counterfeit CDs. The bill will require manufacturers of such machines to make regular reports to the government on their sales, government whip Sukhumpong Ngonkhams said.

Owners of the machines will also be required to inform the Commerce Ministry about where they keep them, the amount of plastic pellets they have for making CDs, and the location of where they stock the pellets, as well as the number of CDs they have made.

Once approval is given, the Intellectual Property Department will issue a logo for the firm to print on all the CDs made by the factory. The factory will also be required to reports every lot of CDs made and the names of the clients.

The bill also aims to increase penalties against violators of intellectual property rights to a maximum of five years imprisonment and a fine of Bt1 million.

10. Hat Yai market strike

(from Post Today Newspaper, Today's News Section, Page A3, Thailand, 16&17&19&20 September 2003)

Over 2,000 Hat Yai traders closed their shops strike the anti-piracy campaign. They said they do not want to change their jobs (products) as have done over 60 years. However, they are afraid of the police conduction.

Watana Muangsook, Deputy Commerce Minister, said their action would not cause any change from the police. If they sell counterfeit products, the police will do their duty.

11. CD clamps

*(from Krung Thep Thurakit Newspaper, Economic News Section, Page 4, Thailand, 18 September 2003
Bangkok Post Newspaper, Home News Section, Page 5, Thailand, 19 September 2003)*

The House has passed legislation to control manufacturing of pirated CDs by registered factories. The MPs voted 312:43 to approve in principle a bill under which authorities will inspect CD making machines at 37 factories nationwide and find out if excise tax is paid.

Deputy Commerce Minister Watana Muangsook said 27 CD factories were believed to have under-claimed the number of CDs they made under licence in a bid to evade paying tax. The machines' capacity suggested they were producing more than claimed. The law would allow authorities to crack down on such business practices.

12. Limit on patents proposed

(from The Nation Newspaper, Local News Section, Page 6A, Thailand, 20 September 2003)

Lawmakers plan to submit a proposal for a five-year international limit on patent protection for information technology, in a bid to speed up the transfer of expertise to developing countries. MP, Attasit Kanchanasinit said that the proposal would be made during the upcoming meeting of the International Parliamentarian's Association meeting of the Information Technology.

The association's annual meeting is scheduled for October 31 and November 1 in Bangkok. The association, a forum for parliamentarians interested in information technology, has 35 members from around the world.

13. US sets crackdown on illegal CDs as condition for FTA

*(from Krung Thep Thurakit Newspaper, Prime News Section, Page 1&7, Thailand, 20 September 2003
Organization of Asia-Pacific News Agencies, 21 September 2003)*

Commerce Minister Adisai Bodharamik spoke after meeting with Mr. Gary Edson, Deputy Assistant for International Economic Affairs to the US President, and Ms. Karen Brook, Director of US Southeast Asian Security Operations, Mr. Adisai said that the US official had questioned him on Thailand's readiness to establish the joint FTA. In particular, the US official had stressed the importance of legislation to protect intellectual property rights and the amendment of customs protocol.

Adisai said that he had explained that Thailand would sign agreements on both issues during the upcoming summit of Apec leaders, to be held in Bangkok in October. He noted that legislation on illegal CDs had already come in first parliamentary reading, while the Ministry of Finance had already amended customs protocol in line with international standard, with the amendments coming into force at the end of this month.

14. IPR plays big on agenda

(from Bangkok Post Newspaper, Business Section, Page 4, Thailand, 22 September 2003)

Raising awareness about intellectual property rights will be a key topic at the Apec CEO Summit 2003 to be held from Oct 18-21 in Bangkok. New Zealand Prime Minister Helen Clark is likely to deliver a speech calling for the 21 members of the Apec to recognize the importance of intellectual property protection in attracting foreign investors.

More than 10 leaders would give their views on different issues including Thai Prime Minister who will deliver the opening keynote address. The conference is expected to be attended by 500 business leaders, including about 50 from Thailand.

15. Push to register copyright

(from Post Today Newspaper, Business Market Section, Page B1, Thailand, 22 September 2003)

Assistant Commerce Minister Piyabut Chonwijarn said as for supporting Thai traders for FTA, the Commerce Ministry will do in many ways including ask Intellectual Property Department to help any support the private sector in IP issue. Since the traders have not registered trademark or patent before running their business, it may caused the infringement by other countries. Moreover, DIP would reduce the registration fees.

16. Reforms would end out-of-court deals

(from Bangkok Post Newspaper, Business Section, Page 1, Thailand, 24 September 2003)

Violators of copyright laws will no longer be able to negotiate out-of-court settlements if a draft amendment to the 1994 Copyright Act goes through. The draft is currently pending consideration by the Economic Screening Committee before proceeding to the cabinet for approval, according to an official at the Intellectual Property Department.

Copyright owners have been accused of having a preference for reaching out-of-court settlements in order to obtain quick compensation from violators. A Central IP and IT Court official said the new amendments would also protect defendants from several copyright owners who abuse the law.

In the first eight months of this year, the number of cases of copyright violations under the IP & IT Court's consideration totaled 1,484. For all of last year, it handled 1,127 cases.

17. Game over

(from Bangkok Post Newspaper, Business Section, Page 1, Thailand, 26 September 2003

The Nation Newspaper, Business Section, Page 4B, Thailand, 26 September 2003

Post Today Newspaper, Today's News Section, Page A3, Thailand, 26 September 2003

Krung Thep Thurakit Newspaper, Economic Commerce Section, Page 21, Thailand, 26 September 2003)

Customs Department destroyed fake goods worth more than 50 million bath. The goods include CDs, bags, shoes, drugs, movie software, tobacco and entertainment games.

18. Joint panel to tackle piracy

(from The Nation Newspaper, Business Section, Page 2B, Thailand, 27 September 2003

Krung Thep Thurakit Newspaper, Economic Commerce Section, Page 15, Thailand, 27 September 2003)

Thailand and Vietnam have agreed to set up a joint committee to try to counter the problem of copyright violations of Thai consumer products in Vietnam. Deputy Commerce Minister Watana Muangsook met with the country's trade, culture and science ministers to discuss intellectual property rights. He said some Thai exporters had not registered their trademarks in both countries, meaning they did not have the right to file lawsuits against Vietnamese traders over copyright violations.

The biggest problem for Thai exporters with copyrights on consumer products sold in Vietnam is that they do not have the right to market their products there. The problem arose when Vietnamese businesses took advantage of the situation by registering trademarks and patents originally held by Thai manufacturers in Vietnam.

Both agreed to set up a joint committee of high-level officials to consider ways of cracking down on illegal products. Meanwhile, Thailand's DIP reported that Thai exports face rights violations in many countries. The top 20 countries in terms of Thai copyright complaints are the United States, Belgium, Poland, Norway, Russia, Japan, Taiwan, China, South Korea, Pakistan, Malaysia, Indonesia, Vietnam, the Philippines, Singapore, Cambodia, Laos, Burma, United Arab Emirates and Kuwait.

The department has ordered its Commerce Counsellors in the countries where Thai goods have been the subject of rights-violation complaints to closely monitor the situation.

19. Anti-piracy result

(from Post Today Newspaper, Business Market Section, Page B4, Thailand, 29 September 2003)

Deputy Commerce Minister Watana Muangsook said that on 15 October Commerce Ministry would held the meeting with the main entertainment owners both Thais and foreigners. There will evaluate the result of anti-piracy campaign which started in September. If the owners satisfied with the result (especially the US), the FTA (between Thai and US) could not put this subject to be a justification.

PEOPLE'S REPUBLIC OF CHINA

News in September 2003

1. Teamwork takes on fake drugs
2. Protection for patents
3. Shenzhen held symposium of IPR
4. US urges Beijing to toughen piracy penalties
5. Five held in pirate push
6. China's TV maker wins trademark case
7. Trademark meeting
8. IPR for GMAT upheld in China court ruling

1. Teamwork takes on fake drugs

(from Business Daily, 3 September 2003)

Multinational pharmaceutical companies in China are calling on the government to take tougher measures to protect drug intellectual property rights while pushing forward the domestic innovation of new drugs and attracting more foreign direct investment.

According to a recent report from the International Federation of Pharmaceutical Manufacturers' Associations, China is the most suitable country to take part in global drug innovation among all developing countries due to the support from its government, its IPR protection and its industry's infrastructure.

The association also said, in the future, it will discuss with the government about prolonging the drugs patent-term as many new drugs get approvals in China two or three years later than in other countries. Despite the government's arduous efforts to fight counterfeit drugs, China still has quite a long way to go to protect drug IPR. The association estimates that about 8 per cent of over the counter drugs sold in China are counterfeit.

2. Protection for patents

(from Business Daily, 4 September 2003

China Daily, 4 September 2003

South China Morning Post, 5 September 2003)

Government officials are drawing up an “early warning system” for the abuse of intellectual property rights, which they say will improve the protection of patents. Zhang Qin, vice-director of the Intellectual Property Office, said his department would form a team of experts to examine the commercial activities of companies on the mainland.

The system would raise awareness of intellectual property rights on the mainland and help companies prepare for litigation, Mr. Zhang said.

3. Shenzhen held symposium of IPR

(from SinoCast China Business Daily, 8 & 12 September 2003)

The symposium on intellectual property rights and development of medium-and small-sized companies was in Shenzhen. The meeting discussed protection of intellectual property rights in mainland China and Hong Kong and other related issues.

The symposium aimed to make medium-and small sized companies understand the protection mechanism and systems of intellectual property rights and strengthen their awareness in the importance of intellectual property rights.

4. US urges Beijing to toughen piracy penalties

(from Dow Jones International News, 12 September 2003

The Jakarta Post Newspaper, Business Section, Page 14, Indonesia, 13 September 2003

The Asian Wall Street Journal, 15 September 2003)

China has to give out more prison sentences and heavy fines to deter copyright cheats and meet its WTO obligation, US Assistant Secretary of Commerce William H. Lash said. Fake products made in China ranging from car parts and playing cards to pharmaceuticals and pirated DVDs are costing US companies \$20 billion to \$25 billion each year, he said.

China needs to increase criminal prosecutions by lowering the threshold at which intellectual property crime is considered merely an administrative matter, he said. Chinese officials said such a move was being considered, but have not provided much information about the actual sentencing of violators.

5. Five held in pirate push

(from The Standard, 20 September 2003)

Customs officers have arrested five incoming passengers in a two-day joint operation conducted with Guangdong counterparts at four control points. The operation was aimed at cracking down on the smuggling of pirate optical discs by cross-border couriers.

Overall, customs officers from the Intellectual Property Investigation Bureau and Control Points Command arrested four men and a woman. They also seized 1,048 pirated DVDs and 8,075 pirated musical CDs, worth about HK\$187,700.

6. China's TV maker wins trademark case
(from Xinhua Financial News, 24 September 2003)

Sichuan Changhong Electric Co.,Ltd., China's largest television maker, said it won the trademark infringement lawsuit filed by ST Xiamen Overseas Chinese Electronic Co.,Ltd., which claimed that Sichuan Changhong had used its registered "CHDTV" trade mark.

Sichuan Changhong said China's state trademark office reached a verdict saying Sichuan Changhong did not infringe upon the ST company's trademark by using the "CHDTV" trademark. It said it will take legal action against the ST company for the negative impact on its reputation and brand image.

7. Trademark meeting
(from Shanghai Daily, 24 September 2003)

To improve local awareness of trademark protection and cultivation, an international symposium on the relationship between trademarks and metropolis economy development will be held locally on October 23. It will be co-hosted by the State General Administration of Industry and Commerce, the International Trademark Association and the Shanghai Industrial and Commerce Administrative Bureau. Representatives from Coca-Cola, Nokia and General Electric (GE) will attend the conference.

8. IPR for GMAT upheld in China court ruling
(from Asia Pulse, 30 September 2003)

In a precedent-setting ruling on copyright and trademark infringement, the First Intermediate People's Court in Beijing, China has decided in favour of the Graduate Management Admission Council in the Council's suit against the Beijing New Oriental School, or "BNOS"

The Graduate Management Admission Council is a not-for-profit educational association composed of leading business schools from around the world committed to creating access to graduate business education. For more information visit www.gmac.com.

HONG KONG

News in September 2003

1. Fake Panadol pills are seized
2. \$4.5m haul of fake goods
3. Drugs crackdown

1. Fake Panadol pills are seized
(from South China Morning Post, 5 September 2003)

130,000 counterfeit Panadol pills are seized. It is not known if the tablets, found in 38 pharmacies, are toxic. Keith Wong Wing-fai, chief of the customs department's trade descriptions investigation unit, said 28 people were arrested.

Most of the counterfeit medicine was labeled as Panadol. Officers also seized fake Golden Throat herbal candies, Pak Fah Yeow herbal oil, Tai Wo Tung cough pills and Curcyrin medicated power. The counterfeit medicine was found when more than 80 officers raided premises in Western and 38 pharmacies across Hong Kong.

2. \$4.5m haul of fake goods

(from The Standard, 24 September 2003)

Customs officers of the Marine Investigation Unit from the Ports and Marine Command seized HK\$4.5 million worth of counterfeit and falsely marked goods from a transshipment container brought to Hong Kong by a river trade vessel from Huangpu, China. Investigations are continuing and no arrests had been made.

Under the Trade Description Ordinance, any person who imports goods bearing a false description or forged trademark is liable to fine of HK\$500,000 and five years' imprisonment.

3. Drugs crackdown

(from The Standard, 29 September 2003)

The Hong Kong Association of the Pharmaceutical Industry and the Customs and Excise Department are to jointly launch a scheme next month to reward people who report fake medicines. Under the proposed scheme, a person could receive a cash reward of HK\$5,000 for reporting medicine that is fake or is falsely using a known brand name, and if the authorities can gather sufficient surface evidence to pursue the case. The same informant would get a further HK\$5,000 if the case was successfully prosecuted. The scheme would be funded by the association's 52 member companies who are manufacturers of pharmaceutical products with offices in Hong Kong.

MALAYSIA

News in September 2003

1. Malaysian still unconcerned with need to apply for patents
2. Malaysia buys IP rights to world's smallest chip
3. Shortage of staff, cause of delay in registering patents
4. Price cut order upsets distributors of VCDs

1. Malaysian still unconcerned with need to apply for patents

(from Business Times, 3 September 2003)

Malaysian entrepreneurs, inventors and researchers are still unconcerned with the importance of filing for patents, Domestic Trade and Consumer Affairs Minister Tan Sri Muhyiddin Modh Yassin says.

Currently, total applications for patents filed by Malaysians stood at 5 per cent, while foreigners made up the remaining 95 per cent. On average, 6,000 applications for patents are received every years.

Muhyiddin said Malaysia boasts a growling number of entrepreneurs, researchers and inventors, but they generally disregard the value of registering their patents. While number of Malaysian marks have gone international, Muhyiddin said many small-scale entrepreneurs still neglect the need to create branding as they feel their products will not reach overseas market. He urged Malaysians to not only register their patent rights but also aggressively develop their products to compete in the global market.

2. Malaysia buys IP rights to world's smallest chip

(from Business Times, Singapore, 5 September 2003)

Malaysia has bought the intellectual property rights to the world's smallest chip, and is working on developing applications within the next year, Prime Minister Mahathir Mohamad announced. "This project is indispensable to Malaysia in order to achieve Vision 2020," he said, referring to the country's plan to be a developed nation by the year 2020. The project is seen as pivotal to the national strategy of building Malaysia's expertise in the technological age.

3. Shortage of staff, cause of delay in registering patents

(from Bernama Daily Malaysian News, 9 September 2003)

Shortage of commissioned and qualified staff in the property field has delayed the registering of patents and copyrights. The Parliamentary Secretary to the Ministry of Domestic Trade and Consumer Affairs said to overcome this problem the ministry through the Malaysian Intellectual Property Corporation (PHIM) would recruit 153 new officers.

Going through PHIM meant the officers would be appointed speedily without referring to the central authority, when winding up the debate on the allocations for his ministry in the Supplementary Supply Bill 2003.

4. Price cut order upsets distributors of VCDs

(from Bangkok Post Newspaper, Business Section, Page 4, Thailand, 19 September 2003)

In an effort to stamp out piracy, Domestic Trade and Consumer Affairs Minister Muhyiddin Yassin announced that stores can sell locally manufactured VCDs of foreign films for a maximum of 14 ringgit (\$3.7) apiece starting January 1.

Distribution companies held an emergency meeting with ministry officials to appeal the decision, which the government hopes will make original motion picture discs more affordable for consumers who often purchase only cheap counterfeit discs.

Piracy of films and music is rampant throughout Asia, and Malaysia has been known to be a major production and distribution center.

SINGAPORE

News in September 2003

Singapore firms can soon exploit intellectual property from govt contracts

(from Channel News Asia, 17 September 2003)

Business Times, Singapore, 18 September 2003)

Singapore companies will soon be able to exploit the intellectual property developed through government projects. This will start in January 2004 for IT firms working on government contracts. It will then be extended to other areas later as more details are worked out.

Over the next few months, the government will be putting in place the necessary framework. This is to give greater support to businesses trying to exploit the intellectual property spin-offs from government contracts.

THE PHILIPPINES

News in September 2003

Firm gets patent for tuna “hotdog”

(from Business World, Philippines, 5 September 2003)

Alex Lindayag, CEO of Amco Foods Co., said the Intellectual Property Office under the Trade department had approved Amco’s patent application filed in April. He added that Amco Foods applied for the patent also to force foreign tuna processors in the market for new products to venture with his company. Amco Foods has also started to identify dealers or distributors that could promote and sell its product in Metro Manila.

VIETNAM

News in September 2003

Vietnam steps up crackdown on piracy

(from Reuters News Service, 30 September 2003)

Authorities in Vietnam’s commercial hub Ho Chi Minh City said pirated music and video records would be wiped out from the city’s streets before a regional sports event in December. Do Khanh Quang, the city’s chief cultural inspector directed the largest ever crackdown on piracy, seizing 100,000 fake audio and VCDs at one of the city’s biggest wholesale distributors.
