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The Cry Is 'Ripoffs Ahoy' at Thailand Pirate Museum

By MARK MAGNIER

Journal of Commerce Staff

BANGKOK, Thailand — At the Tilleke and Gibbins pirate museum here, there's no sign of eye patches, treasure chests, pieces of eight or talking parrots.

Rather, the museum houses objects that lawyer David Lyman finds far more insidious — baking powder, packaged medicines, electrical switches and automotive brake parts.

These days, most Thai pirates find it far more lucrative to operate from factories around Bangkok than from ships in the Gulf of Thailand.

The Thai law firm Tilleke and Gibbins started its museum three years ago to provide examples of counterfeit or pirated goods made and sold in Thailand.

In glass cases along two walls are hundreds of products the firm has collected over the years, most of them indistinguishable from genuine goods, even when both are laid side by side.

"Which one is real?" challenges Mr. Lyman, handing a visitor two identical door knobs. Mr. Lyman is senior partner with the 100-year-old firm, which specializes in intellectual property rights issues.

"Two guys in here yesterday from the industry didn't get it right."

Overseas companies say Thailand's rip-off industries are costing them tens if not hundreds of millions of dollars in lost sales annually.

Thailand was cited for special trade action Friday under Section 301 of the 1988 U.S. Trade Act for violations of intellectual property rights.

Executives here add that most other countries in Asia have made significant progress in meeting internationally acceptable standards for the protection of intellectual property

rights. To the extent Thailand has lagged, it has also been free to bag much of the dubious business of pirating, they add.

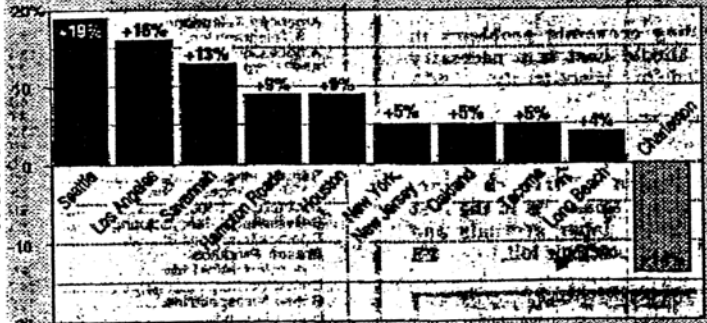
A Bangkok-based shipping executive said his company now turns away containers of Thai-manufactured fake designer clothing headed for Poland to be distributed in Eastern Europe.

The company, the executive said, does not want to be an accessory to that trade, even if it means turning away several hundred 20-foot shipping containers annually.

These (Eastern European) countries are SEE THAI, PAGE 5A

Container Cargo: Feb. 1991 vs. Feb. 1990

Intermodal Cargo in 20-Foot Container Units



SOURCE: PERI, New York

DOUG PREERON/Journal of Commerce

Box Traffic Surged 9%

US Cites 3 Nations On Patents, Copyrights

By JOHN MAGGS

Journal of Commerce Staff

WASHINGTON — Last-minute negotiations by Thailand failed to keep it off a U.S. list of nations that fail to protect patents, copyrights and trademarks, but Indonesian businessmen cut a deal with Hollywood to avoid the list.

U.S. Trade Representative Carla Hills announced Friday that she would begin a special investigation of China, India and Thailand for their failure to protect so-called intellectual property rights, a probe

US Announces Trade Sanctions Against Japan

By JOHN MAGGS

Journal of Commerce Staff

WASHINGTON — In announcing trade sanctions against Japan Friday, the United States heeded one deadline from Congress and established another for Japan to broaden an agreement on construction services or face retaliation.

U.S. Trade Representative Carla Hills announced that Washington would bar Japan from \$21 billion a year in federal public works projects in the United States, a sector

1988, close to 1% of the total value of the 17 projects covered by the pacts. Mrs. Hills said the agreement should be expanded considerably to include more projects and strengthened to improve protection of U.S. companies against discriminatory treatment.

She made the announcement in advance of a May 1 deadline imposed by Congress that required her to certify whether the Japanese public works market was open to U.S.

Japan Vehicle Exports Fell 8.5% in March

TOKYO — Japan's exports of cars, trucks and buses in March fell 8.5% from a year earlier and 0.5% from the month before to 505,340 units, the Japan Automobile Manufacturers Association said Friday.

Cars accounted for 389,065 of the total, down 9.6% from a year before. Exports of trucks came to 112,862 units, down 5.1%, while buses totaled 4,613 units, up 10.8%, the association said.

The association also said exports of motorcycles in March rose 20.7% from a year earlier and 18.1% from a month before to 149,472 units.

EC Slaps 25.8% Levy On Chinese Videos

BRUSSELS, Belgium — The European Commission Friday announced a 25.8% anti-dumping levy on imports of Chinese videocassettes.

The measure followed a 1989 investigation into Chinese cassette exports, which found the cassettes were being sold on export markets at much lower prices than those calculated by the EC for China's internal market, an EC spokesman said.

Between 1988 and 1989, Chinese videocassette exports to the EC rose from 740,000 to 38.87 million, while their share of the EC market rose to 13.73% from 0.44%.

The EC investigation followed a complaint filed by Germany's Agfa Gevaert, BASF Aktiengesellschaft, Magna Tontrager Produktions GmbH and the Netherlands' PD Magnetics BV.

Ivory Coast to Cut Firms' Tax Burden

ABIDJAN, Côte d'Ivoire — Côte d'Ivoire plans to slash the tax burden of commercial companies by 30 billion CFA francs to help create jobs and reverse chronic economic decline caused by falling export earnings.

Prime Minister Alassane Ouattara, presenting the 1991 budget, said the country's economic situation "remains difficult" because of low coffee and cocoa prices and uncompetitive local industries.

From Wire and Staff Reports

China has been on a watch list for two years for failure to improve protection of intellectual property.

Designation on the priority review list provides for a six-month period of investigations and negotia-

might defuse congressional moves to strip China of most-favored-nation trade status, one analyst suggested.

Mr. Wu said a decision to rescind MFN status "would result in a great setback in Sino-U.S. relations and would affect trade relations."

Agency Finds Dumping of UK Goods

Journal of Commerce Staff

WASHINGTON — British-made gene amplification thermal cyclers are being sold at dumping prices in the U.S. market, the Commerce Department said last week in a preliminary ruling.

The department found an average weighted dumping margin for the imports equal to 9.87% of import value.

As a result of the finding, U.S. Customs will require a cash deposit

or bond on the imports equal to that margin.

The cyclers are microprocessor-based reaction controllers that regulate temperatures of biologic reagents and are used in AIDS, diabetes, leukemia and other medical tests.

Imports of the British product totaled \$9.5 million last year. The dumping complaint against the imports was filed by M.J. Research Inc., a U.S. manufacturer.

Thai Museum Showcases Array of Pirated Goods

CONTINUED FROM PAGE 1A

using (multilateral) loans to buy fake goods from Thailand," he said.

At the pirate museum, one display case shows some of the products most commonly associated with product piracy. These include fake Lacoste clothing, Gucci bags, Pierre Cardin wallets, Chanel perfumes, Coca-Cola and Pepsi shirts and pants, Rolex watches and Louis Vuitton bags.

One shelf has bottles of Johnnie Walker red and black whisky. The bottles are authentic — acquired empty from local bars — but the tops are fake and the contents have definitely not been "aged under bond in Scotland for at least 12 years."

The museum "makes the point," Mr. Lyman said. "Most times you think about counterfeiting you think about the luxury goods, but this goes way beyond that."

Another section of the museum is devoted to industrial products.

Mr. Lyman offers a visitor two small electrical switches. One is made by a well-known Italian manufacturer, the other by a different manufacturer, but both bear identical company markings and say "Made in Italy."

"What happens when you get a fake switch?" Mr. Lyman asks. "Is

the quality up to standards? Do you want to trust your life with it?"

The museum also showcases oil filters, cutting torches, pressure regulators, hacksaw blades, automobile clutches, fuel filters, brake parts and circuit breakers.

"Will the fake one trip?" he asks, pointing to the circuit breakers. "Will it trip at the right time, or will the parts burn out and fuse?"

A breaker operates like a fuse to protect an overloaded circuit. Unlike a fuse, which must be discarded once it burns out, the breaker can be reset numerous times.

The auto brake parts are so well imitated that only the smell when they are burning gives them away, Mr. Lyman says. "You can't feel the difference, you can't taste it," he says.

The museum also contains a whole group of items one would not expect pirates to copy.

These include paper cups with the 7-Eleven logo, a rip-off of Mrs. Fields' cookies, soap dishes, shampoo attributed to Revlon, fake liquid paper correction fluid, staples, ink, soy sauce, baking powder and a Gerber fluid for cleaning baby bottles.

Mr. Lyman says that lost sales aren't the only damage to the genuine manufacturer. Consumers may lose faith in the real brand if they unwittingly use counterfeits that don't meet the maker's advertised claims.