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US states get tough on piracy

Legislation targets fake technology imports

Local manufacturers exporting to the US need to be in strict compliance with Unfair Competition Acts (UCAs) that have been passed by two state governments and are being followed in principle by other states.

The laws and related efforts are directed at companies using fake or unlicensed technology in their goods.

Those failing to comply face a wide range of penalties including the seizure or outright ban of their products.

Thailand sells US\$22 billion worth of goods to the US each year, making it the country's biggest export market.

Buntoon Wongseelashote, chairman of the Thai Chamber of Commerce's trade issues committee, said Thailand could turn the UCA challenge into an opportunity.

"We can use the law as a competitive advantage when competing with rivals, especially China, a country with a higher software piracy rate," he said.

Microsoft (Thailand) has sent notices to Thai-based information technology (IT) firms warning them that those using illegal components or software in exports bound for the US may face legal challenges.

A total of 38 US states and three territories have indicated they are committed to using local laws to combat IT piracy, said Wiramrudee Mokkhavesa, an attorney at Tilleke & Gibbins International.

In addition to indicating their willingness to use existing statutes to go after violators, two states have so far passed laws specifically directed at piracy.

Louisiana passed a UCA in 2010, while Washington state did so last year.

Some European countries are considering similar laws.

Ms Wiramrudee said manufacturers need to ask suppliers of both hardware and software to use certified or licensed products.

Mr Buntoon added that UCAs and related measures will likely affect up to 10,000 exporters in a wide range of industries including garment, textile, auto, footwear and leather manufacturing.

The Commerce Ministry should increase awareness about the law to protect the country's exports, he said.

Prawit Pipobpinyo, the business development director at Microsoft (Thailand), said the company is emailing clients to educate them on UCA enforcement.

The company also sent warning notices to 20 companies that use unlicensed IT products.

UCAs allow copyright owners to sue manufacturers using unlicensed components or software.

The manufacturers are given 90 days to prove their products are in compliance.