



US companies seek tougher enforcement of IP laws

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By Joseph Boris in Washington (China Daily)

China, according to many experts who monitor its economy, has made big progress in recent years to protect the rights of patent-holders and other innovators. Enacting strong intellectual-property laws doesn't necessarily mean they're strictly enforced, however.

"China has some of the strongest intellectual-property laws on the books anywhere in the world. It's the implementation that's the problem," Usha C.V. Haley, director of West Virginia University's Robbins Center for Global Business and Strategy, told a Washington think-tank audience in June.

The main advocacy group for American companies that do business in or with China has recommendations it says would strengthen its members' ability to control their patents, trademarks, copyrights and trade secrets. A report from the US-China Business Council identifies enforcement of laws and regulations on intellectual-property rights as a major concern among its 220 member companies. The best remedy, it says, is to ensure that penalties imposed by Chinese authorities in enforcing IP laws are stiff enough to deter violators and that more cases are handled by the criminal-justice system.

Citing China's "considerable progress" toward increased innovation including creation of intellectual property, the business group said stronger enforcement of IP rights "could have a significant positive impact on the Chinese economy, and would boost domestic industry development, spur innovation, strengthen Chinese companies and promote the interests of Chinese consumers".

The USCBC also recommends increased resources and jurisdiction for the arm of China's State Council that deals with IP rights. This would enable the Leading Group on Combating IPR Infringement and Sales of Counterfeit Goods to ensure equal treatment for foreign and Chinese companies, address uneven IP-rights enforcement, step up enforcement of Internet-related IP violations and strengthen protection of companies' trade secrets.

Recommendations from the six-page report were shared with officials from both countries during the Strategic and Economic Dialogue in Washington last week, said Marc Ross, the business council's spokesman. They have also been presented to "China-based stakeholders, including senior government officials and key influencers who oversee IPR", he said.

At the conclusion of the two-day S&ED, US and Chinese officials said China affirmed that the State Council group would "take effective measures" to push for improved legislation, cross-regional and interagency enforcement cooperation, and actions to fight counterfeiting and piracy. Both countries also agreed to combat Internet piracy by cracking down on "all kinds of illegal activities" in infringement and counterfeiting; foster conditions that encourage sales of "legitimate IP-intensive products and services"; and jointly study and exchange information about achieving these goals.

josephboris@chinadailyusa.com

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