

Encouraging signs for improved enforceability of intellectual property in China

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As international trade barriers have fallen, China has come under increasing pressure from the US and EU to provide stronger, more enforceable IP protection to ensure all countries are competing on a more level playing field. Recent decisions show that progress has been made across various forms of IP.

At the beginning of the year, a German bus maker was awarded US\$3million after a Chinese company was found to have copied the design of their Starliner bus. Images of the Starliner and the strikingly similar Zonda copy are provided [here](#).

This was followed by a successful action by Microsoft against a software piracy syndicate which ran on the tomatolei.com website. The website offered free downloads of illegal software, a problem which is rife since the majority of operating systems in China are illegal copies. While the decision has made some impact, there were still bootlegged copies of Windows 7 available ahead of the official release.

Not all decisions have been in favour of non-Chinese companies and it is clear that Chinese companies are adapting to operating in a more openly commercial environment. Recently, Microsoft was found to have breached a licensing agreement with a Chinese company, Zhongyi Electronic, covering Chinese character fonts. Zhongyi Electronic successfully argued that the licence was limited to use of the add-on with Windows 95 and that inclusion of the fonts in later versions of Windows was not covered by the agreement.

China still has a way to go, but the signals are positive that IP is being taken seriously. This is only likely to continue as China moves from being a technology importer to a more innovation-based economy.