

Foreign firms prowl for pirates at Guangzhou fair

Trade show draws inspectors from companies battling illegal copying of their products

PIRACY

Peter Nowak in Guangzhou

It is business as usual at Guangzhou's China Export Commodities Fair, the first in two years to be completely free of the spectre of Sars, and for some foreign firms that means the revival of an old concern – protecting intellectual property.

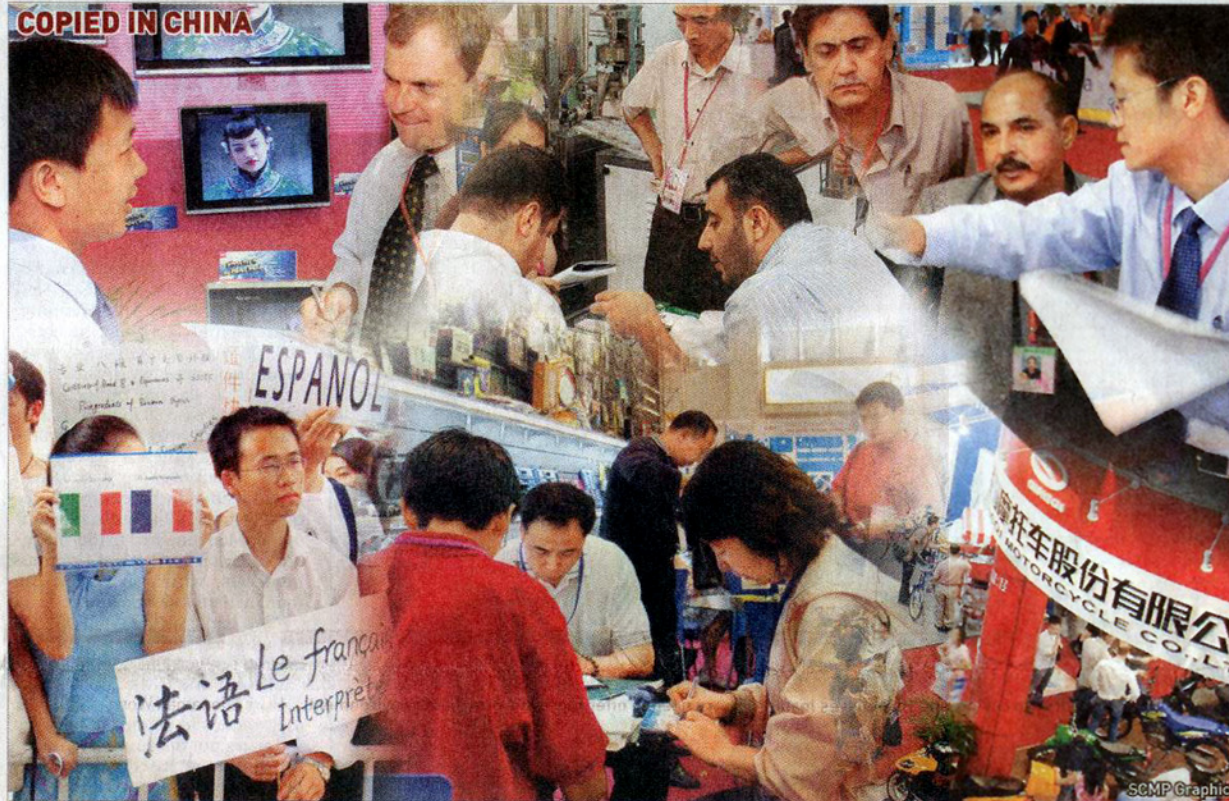
Prowling the exhibition halls at the Canton Trade Fair, as it is better known, are people such as Ric Czarniecki, a representative of Milwaukee engine-maker Briggs & Stratton.

Mr Czarniecki is here to prosecute Chinese firms that are copying his company's products.

"A lot of people are here to buy the copies, and I'm here to stop them," he said. "There's one company here that's supposed to have a copy of ours, but they don't have the engine on display – they've got it in a brochure. We're working with a legal team to confiscate all their brochures."

"We've done it in the United States, we've filed lawsuits and confiscated their engines in Germany," he adds, declining to identify the object of Briggs & Stratton's ire. "Here, it's a little bit tough. It's difficult to prosecute in China, but there are ways to do it."

After weathering several disas-



ters over the past few years, including Sars and the war in Iraq, this year's spring fair attracted about 12,000 Chinese enterprises and 160,000 buyers from 203 countries, according to its organiser, the China Foreign Trade Centre. About US\$24.5 billion worth of deals were

conducted at the spring fair, the centre said.

It expects the current autumn session, which continues until Saturday, to match or exceed the spring session.

With the event back on track, it's also back on the agenda of foreign

firms looking to protect their goods.

Mr Czarniecki estimated that Chinese copies were undercutting his firm's prices by about 25 per cent. While their quality is still "terrible", they are improving all the time.

"It's not the biggest issue right now – but if they do get better, we want to know," Mr Czarniecki said. "We don't want them to steal from us what does work."

Indeed, the low-quality stigma that still attaches itself to many China-made products is forcing

some foreign buyers to source and supply on the sly.

"If I go to a show in Germany, or if I go to a show in Britain, the manufacturer will pretend that ... [its product is] made in Britain, when for all intents and purposes it's made here [in China]," said one Toronto-based hardware goods buyer who asked not to be identified.

Some firms would manipulate packaging rules to change their products' official place of origin, he added.

That said, however, the buyer – like the representative of Briggs & Stratton – sees the quality of China-made goods improving all the time.

"China is producing some of the very best quality products – far better than it used to," he said.

"A lot of foreign proprietary technology is coming over to China, and they're learning from that and producing very good quality products."

Exhibitors such as Shenzhen Calibur Industries shrug off quality concerns.

Product manager Whiskey Lee said companies could not place enough orders with Shenzhen Calibur, whose products range from digital tyre pressure gauges to blood-alcohol testers.

The fair represents a hefty chunk of exhibitors' annual revenue, and its resurgence could not be more welcome.

"This is a very important event for us," said Jary Chuang, a salesman for Chaozhou-based television manufacturer Canca.

Mr Chuang said about 80 per cent of the company's business could be linked to the event, either through sales or through contacts made.

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