

## U.S. Software Makers Win First Copyright Ruling in China

*By a Staff Reporter*

BEIJING — In a major victory for the U.S. software industry, a Beijing court has ruled that a Chinese company infringed on intellectual property rights when it sold pirated software.

Beijing Juren Computer Co. illegally distributed software that is copyrighted by Autodesk Inc., Microsoft Corp. and Novell Inc., according to a ruling by the Intellectual Property Chamber of the No. 1 Beijing Intermediate People's Court. The court hasn't yet decided on damages to be awarded to the plaintiffs.

Dong Yongsan, the lawyer representing Beijing Juren, said the company accepts responsibility for its employee selling pirated software.

"The worker broke the rules by selling the software, and Juren is willing to take responsibility for that according to Chinese law," Mr. Dong said.

But he added that Beijing Juren disagreed with several aspects of the case. For one, the prosecution's way of gathering evidence "wasn't very appropriate," he said.

He said a company hired by Microsoft to gather evidence against Beijing Juren lured the company employee into selling the pirated software by saying that it wouldn't buy Beijing Juren's computers unless it also provided such software. The prosecution also asked the court to seize all of Beijing Juren's software made by the three prosecuting companies — even those which it had obtained legally and weren't involved in the case.

And the prosecution has demanded compensation of \$150,000, much higher than the actual damages it sustained, he said.

The Business Software Alliance, a Washington-based industry group, said this is the first case it has won in China. In June, it settled a similar case with Gaoli Computer Co. in Beijing.

In February, the U.S. and China signed a broad agreement on mutual recognition of intellectual property rights. BSA estimates that last year, the industry lost \$527 million in potential profits due to software piracy in China.