

Apple faces new suit over patent claim

Man says FaceTime infringes on his IPR in latest action against IT giant

By WANG HUAZHONG
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Within weeks of Apple settling a high-profile dispute over its iPad trademark, the US tech giant now faces a lawsuit by a man in Taiwan over FaceTime.

The plaintiff, identified only as Lee, claims technology used in the video-calling application violates his patent.

A spokesman for Zhenjiang Intermediate People's Court in Jiangsu province on Tuesday confirmed it has accepted the case.

The suit calls for Apple to cease the violation but does

not specify compensation, said a publicity official at the court who gave her name only as Shen.

She said the plaintiff discovered the violation after purchasing an iPhone in Zhenjiang, and decided to file the case with a local court.

Apple has been notified of the case, Shen added.

Calls to the Zhenjiang Zhufang Law Firm, which is representing Lee, went unanswered on Tuesday.

According to the indictment, Lee claims authorities on the mainland granted his utility model patent on "voice network personal digital assis-

tant" technology on April 28, 2004, with a valid period of 10 years, Yangtze Evening News reported.

The indictment said his patent includes a wireless communication module, a flash memory that stores codes of network voice service, as well as a personal digital assistant that connects the communication module and memory technologies very similar to those used by FaceTime.

Apple's spokeswoman in Beijing could not be reached for comment on Tuesday.

FaceTime, which was released by Apple in 2010, is available on the company's iPad, iPhone, iPod touch, iMac and MacBook.

Meanwhile, the legal teams that helped Proviv Shen-zhen secure \$60 million from

its iPad dispute with Apple in June are now suing their former employers.

Guanghe and Grandall law firms have both filed suits in Shenzhen, Guangdong province, in an attempt to join the technology company's long list of creditors.

Proviv is about \$400 million in debt and has been teetering on the brink of bankruptcy.

"Both the company and our firm had high expectations for the amount we'd receive (from the transfer of the iPad name to Apple)," said Xiao Caiyuan, senior partner at Guanghe, who conceded that the final sum was "disappointing."

Guanghe claims it signed a contract in exchange for 8 percent of the Apple payout, roughly \$4.8 million, Xiao said. Grandall claims it was

promised 4 percent of the final settlement.

The money from the iPad dispute heard by Guangdong High People's Court has been frozen, while distribution of the money is being handled by Shenzhen's Yantian district court, which is where the law firms have filed their suits.

Li Yi, head of the district court's enforcement office, declined to comment on Tuesday.

However, Yang Rongshan, the founder of Proviv, which makes computer screens and LED lights, responded to the news by saying that the law firms knew about his company's financial situation and the risks when they were hired.

"Everyone knows Proviv does not have the power to direct how to distribute Apple's money," he said, as well as dis-

missing claims by Grandall that the tech company had refused to pay its legal teams.

"Proviv has never refused to pay the lawyers," Yang said, before accusing Grandall of trying "to attract media exposure and public support."

"If Apple's settlement had covered our debts, then paying lawyers would not be a problem. But that's not the situation. We have to strive to protect the interests of our creditors first."

According to Mo Shaolin, a partner at Deheng Law Offices who specializes in bankruptcy law, the law firms' actions are aimed at raising them up the list of creditors in terms of priority. However, he said the money will be distributed on a first-come, first-served basis.

"If the law firms want to get paid, they need to apply to have

the money frozen," Mo said, although he added that other creditors will already be rushing to do whatever they can to guarantee they get their shares first.

Ultimately, he said, the law firms will have measured the risks of a default when signing contracts with Proviv in 2010, so they should bear the responsibilities for this scenario.

In the original dispute, Apple said it acquired the iPad name in the Chinese mainland in 2009 when it bought rights from a Proviv affiliate in Taiwan for about \$55,000. However, a court ruled in December that Proviv Shenzhen, which registered the iPad trademark on the mainland in 2001, was not bound by that sale, even though it was part of the same company.

Crackdown planned on illegal river sand mining

By XU JINGXI in Guangzhou
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The Guangdong provincial government has vowed to crack down on illicit mining of river sand, a senior water official said.

"We have had achievements in regulating river sand mining in the past few years, but illicit mining continues despite harsh punishments," Huang Boqing, director of the provincial water resources department, said at a news conference on Tuesday.

"The demand for river sand in Guangdong's market still far exceeds the supply. Those engaged in illicit river sand mining can make a very good profit," Huang said.

Wang Jiancheng, deputy director of the department, estimated that the market demand this year will be more than 100 million cubic meters while the supply will be only 15 million.

The department limits the total amount of river sand that can be mined in a year and miners in different cities have to get permission from local water resources departments before they can start mining.

They face many restrictions on which part of the river they can go to, how long they can work and how much sand they can get.

"We need strict administration because excessive mining will damage the riverbed and thus threaten the environ-

It's almost impossible to supply the market with enough river sand since we have to limit the amount of river sand that can be mined to ensure waterway security."

WANG JIANCHENG
DEPUTY DIRECTOR OF GUANGDONG
WATER RESOURCES DEPARTMENT

ment," said Qiu Jing, a senior researcher at Guangdong Research Institute of Water Resources and Hydropower.

"Dikes will suffer more serious erosion from the water flow in the lower reaches and may collapse when floods come," Qiu explained.

People who mine river sand without the government's permission used to be fined between 10,000 yuan (\$1,570) and 100,000 yuan. New regulations adopted this year have raised the fine to between 30,000 yuan and 300,000 yuan. Those caught illegally mining twice or more can be fined as much as 1 million yuan.

Dong Zhigang, who owns a sand mining company, said he welcomes the move because he has been forced out of business because of the rampant illicit mining.

The 50-year-old from Hui-zhou, Guangdong province, started bidding for river sand mining permission from the government in 2002 and stopped about four years ago.

"Honestly, I had been losing money. I spent several million yuan to bid for the permission so I needed to sell a cubic meter of river sand at about 30 yuan to make ends meet. However, I was forced to dump my price to less than 10 yuan because the illegal miners were able to sell their sand at such a low price since they did not pay the fees," Dong told China Daily.

To regulate the river sand market, Guangdong government has launched a large-scale crackdown on illicit river sand mining gangs this year. As of June 6, 116 boats engaging in illicit mining have been caught.

The government has also been encouraging construction companies to use substitutes for river sand, according to Wang from the water resources department.

"It's almost impossible to supply the market with enough river sand since we have to limit the amount of river sand that can be mined to ensure waterway security," he said.

"We call on relevant departments to develop substitutes for river sand, for example artificial sand, in order to reduce demand."

Shu Meng contributed to this story.



GOOD ADVICE

PHOTO BY YANG SHIYAO / XINHUA

Liu Xinyue (center), a well-known psychological counselor in Hebei province, instructs officers of the Armed Police Force's Hebei border defense brigade during a counseling event on a patrol vessel on Tuesday.

Online sellers go for gold with names of Olympic champions

By WANG ZHENGHUA
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When Sun Yang grabbed two gold medals in men's swimming in London, he excited not only the big brands that had signed him up but also an army of online entrepreneurs who are borrowing his sudden fame to make money.

Typing the swimmer's name into the search engine of Taobao, a major online shopping platform in China, hundreds of results pop up, hawking the swimmer's "favorite" snacks,

furniture, shoes and even vintage designer bags.

"Sun Yang is one of the hottest names these days and he generated a lot of hits on the Web links of products that contain his name," said a Taobao shop owner who only gave her name as Bao. She claimed the sauced duck tongue and green bean cakes in her virtual store are "favorite snacks of Sun," who also won a silver and a bronze in London.

But the Hangzhou-based seller finally admitted that she made up the swimmer's food preferences.

"I have linked several prod-

ucts that sold well with his name since he won the first gold. It generated a lot of clicks, but the sales didn't pick up as quickly as I thought," she added.

Apart from Sun, Chinese swimmer Ye Shiwen, who also received two gold medals in London, is also popular among online shop owners.

Qi Longfei, who sells girl's jewelry on Taobao, claimed a necklace in his store was the same type as Ye's favorite.

Qi admitted he chose Ye because of her good looks.

Some shop owners said they added Olympic champions' names in product keywords to make it convenient for buyers.

"There is frenzy about the sport stars because of the Olympics. Many swimming fans asked us what kind of goggles and caps Sun and Ye use after the two won in the Games," said You Dongyang, who sells swimming products on Taobao. "They are the pride of China, and I will keep their names linked with the products even after the Olympics end."

But most of the customers kept a cool head about such tricks, and very few products linked with the champions generated hot sales.

"There could be some effects from celebrities but online buyers are becoming increasingly sophisticated," said Zhu Quanlong, a regular online buyer in Zhejiang province. Zhu said the connection with sports stars would not impel him to buy anything rashly.

One of the most popular

products connected with Sun is an authorized T-shirt printed with his cartoon figure and autograph. At the shop that specializes in the 361 Degrees products on Tmall.com, the garment has sold 926 pieces in a month for 69 yuan (\$11) apiece.

Sun and Ye, both Hangzhou natives, also generated a frenzy offline as more signed up this summer to learn how to swim in the Zhejiang provincial capital.

According to Hangzhou Daily, the number of residents signing up for swimming lessons rose 20 percent compared with last year.

The excellent performance of Chinese athletes in other Olympic venues also raised the popularity of training sessions of events including badminton and table tennis.

Yet some sports suffered as China lost events in London.

The number of residents signing up to learn tennis at Hangzhou-based Aibo Sports Training Center slumped by 50 percent year-on-year even though it reduced the training fee by 30 yuan per session.

That is closely related to the setback of China's athletes on tennis courts in London, Aibo's owner, Tang Genguo, said on Monday.

Li Na, 2011 French Open champion, was knocked out in the first round of women's singles tennis matches. Zheng Jie and Peng Shuai lost in women's doubles on Thursday.

Chen Jing contributed to this story.

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