Chinese Company To Seek iPad Import, Export Ban

Joe McDonald, AP Business Writer

BEIJING (AP) — A Chinese company said Tuesday it will ask customs officials to ban imports and exports of Apple's iPads due to a dispute over ownership of the trademark.

All of Apple's iPads are manufactured in China, meaning global sales of the popular tablet computers might be affected if authorities agreed to enforce such a request by Shenzhen Proview Technology.

The dispute with Proview, which won a court ruling that it owns the iPad name in China, has resulted in authorities seizing iPads from retailers in one city. Proview said it has asked for enforcement in 30 other cities.

"We are now working on a request to China Customs to ban and seize all the import and export of the iPad products that have violated the trademark," said Xie Xianghui, a Proview lawyer. He gave no indication when the request might be filed.

Apple, based in Cupertino, California, defended its ownership of the iPad name.

"We bought Proview's worldwide rights to the iPad trademark in 10 different countries several years ago. Proview refuses to honor their agreement with Apple in China," said an Apple Inc. spokeswoman in Beijing, Carolyn Wu.

Wu declined to comment on the possibility of Proview requesting a ban on iPad imports and exports.

China is Apple's fastest-growing market. Its iPads and iPhones are manufactured by a contractor, Taiwan-based Foxconn Technologies Group, at factories in southern China.

Shenzhen Proview Technology registered the iPad trademark in China in 2001. Apple bought rights to the name from a Taiwan company affiliated with Proview but the mainland company says it still owns the name in China. A Chinese court rejected Apple's claim to the name in China last year. Apple has appealed.

"Our case is still pending in mainland China," Wu said.

Chinese rules allow trademark owners to request seizure of goods that violate their rights, according to Stan Abrams, an American lawyer who teaches intellectual property law at Beijing's Central University of Finance and Economics.

The rules were enacted partly in response to foreign pressure for Beijing to stamp

out rampant unlicensed copying of foreign movies, music and designer clothes. Abrams said exports can be seized under rules meant to prevent manufacturers in China from sending unlicensed copies to other markets.

"All of these things that Proview can do, whether it's going to court or Customs, these are the things that we want to see," Abrams said. "So it's definitely ironic."

Chinese news reports say Proview, which makes computer displays, is deep in debt and needs a big settlement from Apple.

Proview has yet to make an offer to settle, said Xie, the company's lawyer.

"We are now focusing our work on upholding rights and haven't made negotiation proposals to Apple yet," he said. "As for the reasons, you should ask Apple."

Shenzhen Proview Technology is a subsidiary of LCD screen maker Proview International Holdings Ltd., headquartered in Hong Kong.

Apple bought rights to the iPad name in 2009 from a Taiwan affiliate, Proview Taipei, that registered it in various countries as early as 2000.

A Chinese court ruled in December that Proview is not bound by that agreement. It rejected Apple's complaint that Proview was violating its rights.

Apple might be able to sue the Taiwan company on contract grounds for selling name rights it didn't own, Abrams said. But he said a victory in such a suit would not give Apple rights to the name on the mainland.

"This kind of thing happens, but it's a mistake and it's a really bad one in this case," Abrams said. "They're paying for it now."

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