

Company Sues Apple Over iPad Name

Elaine Kurtenbach, AP Business Writer

SHANGHAI (AP) — Apple defended its right to use the iPad trademark in China in a heated court hearing Wednesday that pitted the electronics giant against a struggling company that denies it sold the mainland China rights to the tablet's name.

Shenzhen Proview Technology's lawyer Xie Xianghui argued that the sale of the iPad trademark to Apple Inc. by Proview's Taiwan affiliate in 2009 was invalid.

"Apple has no right to sell iPads under that name," Xie said. Apple countered that Proview violated the sales contract by failing to transfer the trademark rights in mainland China.

It also contends that the Chinese LCD maker has not marketed or sold its own "IPAD," or Internet Personal Access Device for years, thus possibly invalidating its claim to the trademark.

The hearing adjourned after a fractious four-hour session which saw the judge repeatedly admonishing both sides to observe proper court protocol as they argued across the courtroom. No date was announced for a judgment or further hearings.

Proview is suing to stop Apple selling the iPad in China under that name. It has also asked commercial authorities in many cities to stop sales of the device. So far, iPads have been pulled from shelves in some Chinese cities but there has been no sign of action at the national level.

Ma Dongxiao, another Proview lawyer, said after the hearing that the company plans to file lawsuits against Apple in more cities.

As evidence in court, Proview presented a flat, thin computer packed in a cardboard box that it said is its "IPAD."

The company's lawyers argued the success of the iPad had prevented Proview's product from succeeding in China. Apple's side noted that the iPad only began selling in 2010, long after Proview launched its product in 2000.

Apple's attorneys said that stopping iPad sales in China would cause the company huge losses. The tablet's popularity has benefited China through tax revenues and jobs created in its manufacturing, they said.

"They have no market, no sales, no customers. They have nothing," Apple lawyer Qu Miao said of Proview. "The iPad is so popular that it is in short supply. We have to consider the public good."

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That, Xie said, is irrelevant.

"Whether people will go hungry because you can't sell iPads in China is not the issue," he said. "The court must rule according to the law. Do you absolutely have to sell the product? Can't you sell it using a different name?"

The trademark case is highlighting mixed attitudes toward Apple in China. Chinese are just as crazy about iPads and iPhones as consumers anywhere else and the devices are manufactured in China, employing hundreds of thousands of people.

But public awareness has been growing of criticism over the labor and environmental practices of huge factories that assemble the devices. Taiwan's Foxconn Technology Group, which makes iPads in China, has been under intense scrutiny after a spate of worker suicides. It recently raised wages by up to 25 percent in the second major salary hike in less than two years.

Apple has appealed an earlier ruling in favor of Proview in a court in Shenzhen, a city in southern China's Guangdong province. The Guangdong High Court is due to hear that case on Feb. 29.

Xie on Tuesday said that since no final decisions have been reached in various legal disputes over the issue, both sides were "still able to sit together and reach an out-of-court settlement." Apple has shown no indication of willingness to settle.

The current trademark battle is unlikely to have much effect on sales of the iPad 2 but could affect future iterations of the device, said Xu Jia, chief editor of the Chinese magazine PC Home.

"It could affect a future iPad 3," Xu said. "If the official products are banned from being sold in China, we will see how the products in the black market start to have very good sales."

Apple, based in Cupertino, California, insists it holds the trademark rights to the iPad in China, having purchased them from Proview for 35,000 British pounds (\$55,000) through a company set up for that purpose.

A court in Hong Kong, which has a separate legal system from mainland China, ruled in July that Proview had acted with the intention of "injuring Apple." Proview's lawyers argued Wednesday that any rulings in Hong Kong were not admissible in Chinese courts.

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