

LEHMAN, LEE & XU

雷曼律师事务所



## PRESS RELEASE

### “MICROSOFT ACTION ALLOW FOR TWO PRONGED APPROACH TO FIGHTING SOFTWARE PIRACY IN CHINA”

Beijing, China – 26 September, 2008 –

Software piracy has been a major issue in China over the last decade with pirated versions of large software packages a common site in markets throughout China. The government however has spent been getting stricter with controls recently and this, combined with a new initiative announced by Microsoft Corp. announced yesterday will combine to vastly reduce the proliferation of pirated goods.

Executives dropped the price for Office 2007 Home and Student Edition from RMB699 to RMB199 (approximately \$29) in order to make official licensed software more competitive with the widely available pirated copies that sell for as little as RMB10 (\$1.50) on Chinese streets.

“A two pronged approach was always what was needed; both the authorities and the software producers need to work in tandem to deal with the issue on two fronts,” according to Mr. Edward Lehman of Lehman, Lee & Xu, a leading expert on Chinese intellectual property law. As managing director of a firm with extensive experience protecting intellectual property rights in China, Mr. Lehman has seen Chinese law develop from an embryonic state to a fully functioning legal system with a commitment to copyright protection.

Microsoft’s price cut is one of several recent strategies to eliminate pirated software. In 2006 they successfully lobbied for a regulation requiring Chinese computer manufacturers to pre-install licensed software before their machines left factories. Passing the law was a big step toward eliminating piracy, and a major victory for Microsoft, which has over 90% of the market share in China.

Microsoft executives have every reason to be optimistic about their future in China, as the price cut comes a month after police detained the operator of “Tomato Garden”, a website that hosted the source files for pirated versions of their software. “Beijing has shown a serious commitment in fighting IP infringement and now their efforts are really paying dividends,” Lehman said of the

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