

CHINA / SOCIETY



Chinese 'copycats' of LEGO sentenced for copyright infringement

By Global Times

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The strangely similar packaging of a Lego set (left) and Lepin set. Photo: Sina Weibo account of Shanghai No.3 Intermediate People's Court

Nine people in Shanghai were sentenced up to six years in prison on Wednesday for infringing on the copyright of Danish toymaker LEGO, as China looks to take strict measures to protect intellectual property. The business' illegal turnover amounted to 330 million yuan (\$48.31 million), Shanghai No.3 Intermediate People's Court said in their verdict.

The toys the group designed, produced and sold were under the brand name LEPIN, similar to LEGO. What's more, LEPIN's packaging, design and color were all similar to that used by LEGO.

"We appreciate the continued focus on intellectual property protection and enforcement by the Chinese courts and authorities. It is important for the continued development of a favourable business environment for all companies operating in China. We will continue to take action against companies that breach our copyrights and seek to mislead our consumers," LEGO Group told the Global Times Wednesday.

The gang started their illegal operation in 2015. They purchased new LEGO sets, dismantled and studied them, and then produced "copycat" versions at a 1:1 scale at their registered factories.

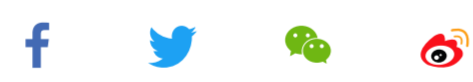
The group members took on different roles in the operation with an end-to-end process; that is, the group members designed the toys and molds, registered factories, rented warehouses, produced the toy sets, applied for trademarks, packaged and stored the sets, and also operated their own shops on e-commerce platforms such as Taobao.

The gang produced and sold nearly 4.25 million boxes of their copycat products worth over 300 million yuan, including 634 different models, from September 11, 2017 to April 23, 2019.

Moreover, Shanghai police seized 603,875 Lepin toy products worth about 31.5 million yuan in a factory leased by the main culprit, surnamed Li, on April 23, 2019. There were also 88 injection molds used to replicate Lego toys, 68 spare parts used to assemble the molds, 289,411 packing boxes, 175,141 manuals for Lepin toys, and over 50,000 sales orders.

"Such crimes are extremely serious and they can really damage society," the verdict said. It added that "most of the counterfeit toys in the case have already made their way into the market, infringing upon intellectual property rights, causing significant losses to other business' reputations and economic interests, and disrupting the market order."

Li was sentenced to 6 years in prison and fined 90 million yuan. All their illegal gains will be recovered, and the goods and properties used in the crime will be confiscated, the verdict said.



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