

Pirates rewrite script for Apple's China iPad launch

(Reuters) - Just three weeks after the global launch, bootleg versions of Apple Inc's hot-selling iPad tablet PCs have begun showing up on the shelves of online and real-world shops in piracy-prone China.

Apple recently delayed the iPad's international launch after huge demand in the United States caught the maker of trendy iPhones and MacBooks off guard. But Chinese consumers looking for knock-offs of the company's latest must-have product need look no further than this teeming electronics mall in Shenzhen, the southern Chinese boomtown near the border with Hong Kong.

Here, tiny shops are stuffed with pirated versions of everything: from Microsoft's newest Windows 7 operating system, a steal at \$2 each, to a range of Apple products, from iPhones to MacBooks and the lightweight MacBook Air.

After extensive queries with multiple shopkeepers, one surnamed Lin offered the sought-after item in a dark backroom on the market's fifth floor away from the hustle and bustle.

Hefty and thickset with three USB ports and a more rectangular shape than the original, this knock-off with iPad aspirations, which runs a Windows operating system, looks more like a giant iPhone. It costs 2,800 yuan (\$410), making it slightly cheaper than the iPad's \$499-\$699 price tag.

"This is just the first rough version," says Lin a crew-cut agent speaking in bursts of quick-fire Cantonese, the native language of the area.

"While the shape isn't quite the same, the external appearance is very similar to the iPad, so we don't think it will affect our sales that much," he added, explaining the difference was due to the difficulty sourcing matching parts because of the quick two-month turnaround time for the first version's development.

Hard-working Chinese bootleggers are rushing to fill a vacuum that won't last for long, created by unexpectedly strong demand for the iPad in its first weeks on the market.

The 10-inch entertainment device, on which one can read books, play music and videos and surf the Internet, sold more than 500,000 in its first week alone, and continued strong U.S. demand has led Apple to delay the product's international launch to the end of April.

Chinese counterfeiters have rushed to fill the iPad gap.

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Taobao, China's largest online marketplace, contains hundreds of listings for the coveted product, many real but some dubiously labeled as "China goods", with claims to have even better features than the real deal.

Like the models in the Shenzhen market, these fake iPads also retail for around 2800 yuan each, compared with 4,000-6,000 yuan for those marketed as real.

Analysts and gadget fanatics expect the iPad to do well in Asia given Apple's strong branding and the rising number of affluent middle class consumers. But few are surprised by the quick appearance of a counterfeit version in a country where pirated movies often appear in markets in the same week of their theatrical release.

"China is basically a market that has the ability to clone everything, so it's really not surprising," said Edward Yu, chief executive of Beijing-based researcher Analysys International. "I don't think piracy is a bad thing for the iPad given that China has a huge population, maybe the clone iPads will give more of the potential users a look and feel."

Back in Shenzhen, Lin said factories around China's Pearl River Delta -- the country's biggest export manufacturing hub -- were working hard on an updated version of the pirated iPads to feed strong demand.

"This is just the first rough version," Lin said. "Eventually, the factories will be able to make a much better copy."

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