WASHINGTON (Reuters) - China has "got to start putting people in jail" to show it is serious about cracking down on widespread counterfeiting and piracy that costs U.S. companies billions of dollars in lost sales every year, a top Bush administration official said.

In an interview before his fourth and final official trip to China, outgoing U.S. Commerce Secretary Don Evans said he would press Chinese leaders to make sure intellectual property theft of goods ranging from music and films to birth control pills and brake pads is treated as a serious crime.

"They have made good progress on this front, but there's more work to be done," Evans said. "That means criminalizing the laws as opposed to (having) just civil laws that slap some simple little fine on companies and they go on down the road. You've got to start putting people in jail."

China's top court last month issued a long-awaited new interpretation of the country's intellectual property laws that lowers the threshold for criminal prosecutions and lays out prison terms of up to seven years for the worst offenders.

The new judicial guidelines were one of several anti-piracy actions Chinese Vice Premier Wu Yi promised U.S. officials at a meeting in Washington in April.

"We're not sure they've gone far enough," said Evans, who will meet with Wu and other senior Chinese officials while in Beijing this week for a conference on intellectual property rights. "That will be one of the topics of discussion."

PROVINCIAL, LOCAL LEVELS

Chinese leaders must ensure the commitments they make to crack down on piracy and counterfeiting are actually carried out at the provincial and local level, Evans said.

Evans will be accompanied by Commerce Undersecretary Grant Aldonas, who is considered a leading candidate to succeed U.S. Trade Representative Robert Zoellick, the Bush administration's chief trade negotiator and litigator. Zoellick is moving to the No. 2 post at the State Department.

Evans said he would stress to his own designated successor, Kellogg Co. Chief Executive Carlos Gutierrez, the importance of keeping China's feet to the fire on intellectual property rights. Gutierrez heard the same message from U.S. senators at his confirmation hearing last week.
Myron Brilliant, vice president for Asia at the U.S. Chamber of Commerce, said China's new guidelines "are short of what the U.S. government and the private sector wanted."

There's still concern that the threshold for bringing criminal cases is too high, especially if the cost of the piracy is calculated in terms of the value of the illegal goods rather than legitimate product, he said.

"The bottom line for us is prosecutions, prosecutions, prosecutions," Brilliant said. "That is going to require getting into local provinces and addressing some of the corruption that exists."