

Designing Your IP Strategy in the Context of ESG

Lisa Lu, 19 October 2023





China IP SME Helpdesk

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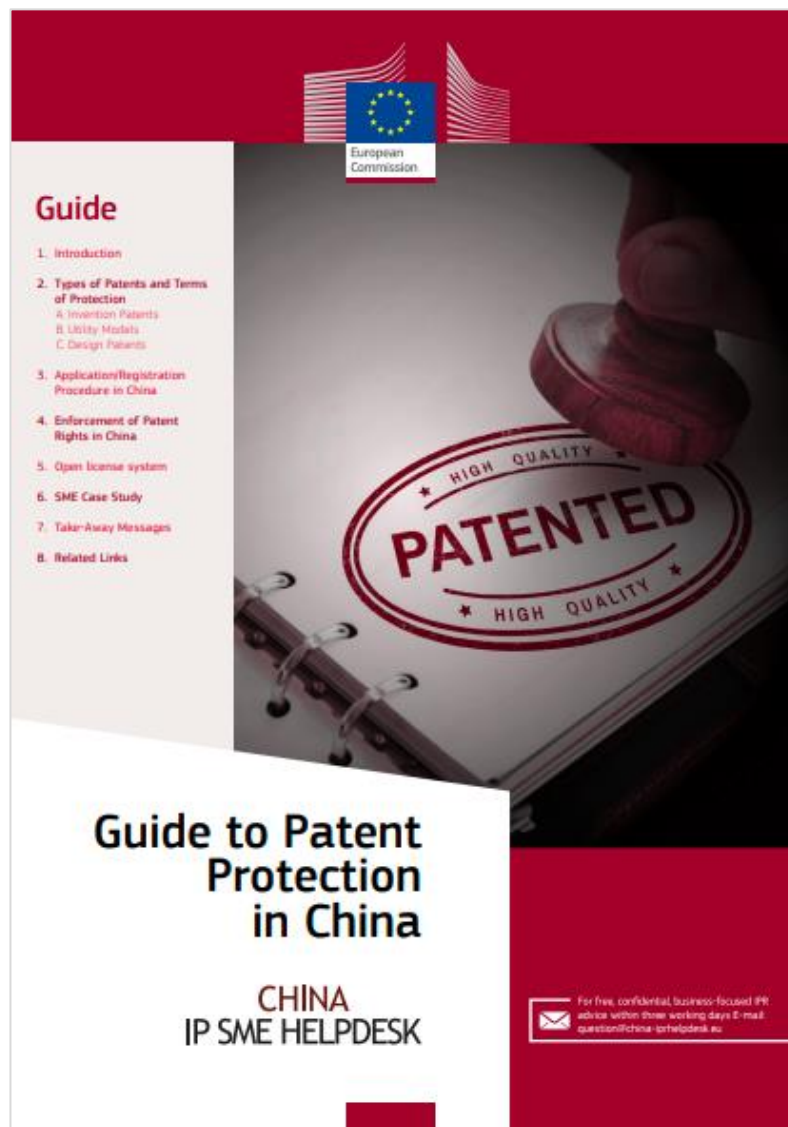
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Speaker's Bio



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Lisa Lu is the IP Business Advisor at China IP SME Helpdesk in Beijing, where she advises European SMEs on intellectual property rights matters. She holds a double master's degree in law from the China University of Political Science and Law and University of Hamburg. Before joining the China IP SME Helpdesk at the European Chamber, Lisa worked as a trademark attorney for the Ferrante Intellectual Property and Chang Tsi & Partners. She mainly focused on the fields of trademark prosecution, trademark enforcement, copyright protection and unfair competition. During her time working in both law firms, she dealt with a variety of clients including but not limited to automotive performance, media, entertainment, new energy, apparel, architecture design, data management, e-commerce, household products, HVAC, and fire & security. Her clients included a range of globally leading companies and small and medium-sized enterprises (SMEs). Lisa is fluent in Chinese and English.



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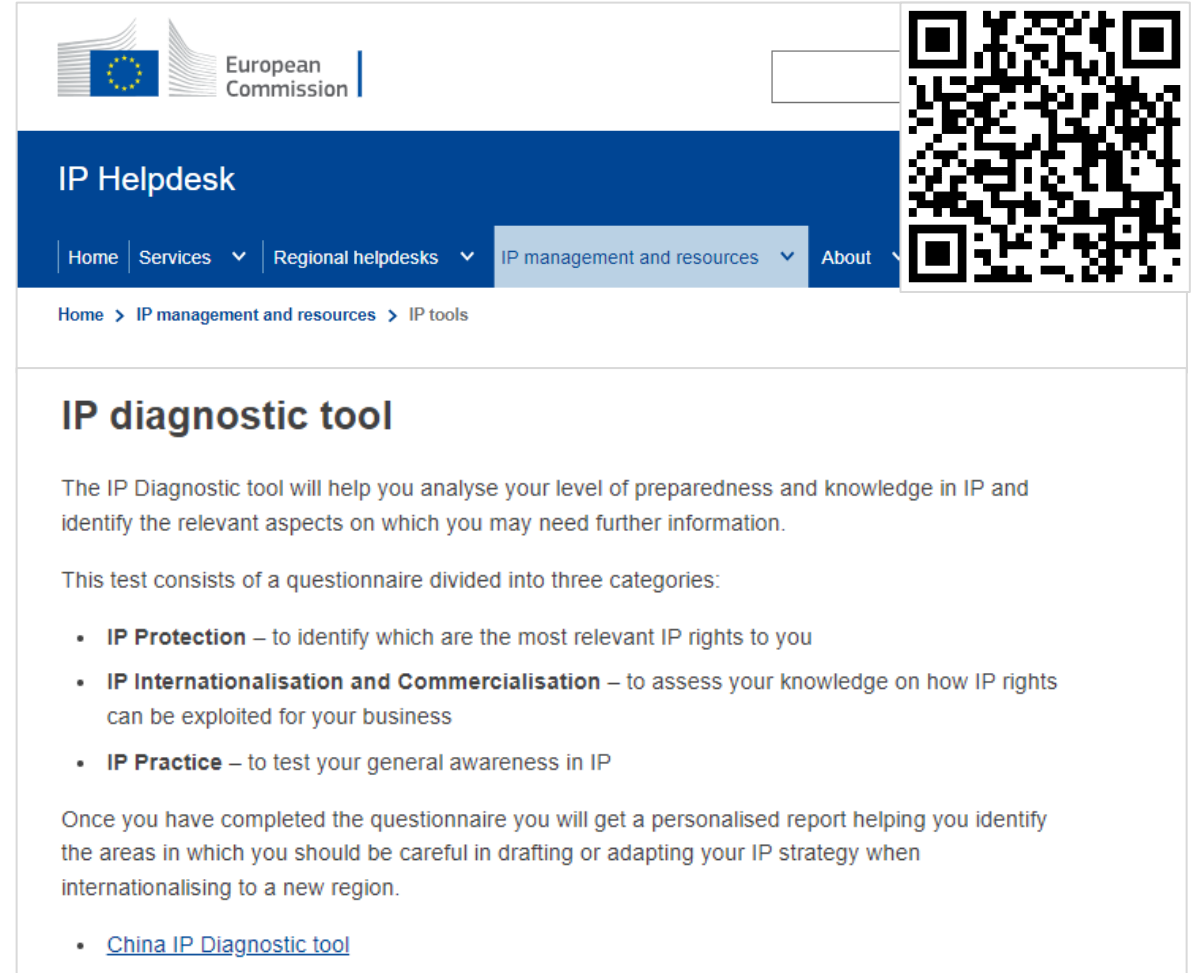
- 01 IP and ESG
- 02 Different types of IP in China
- 03 License agreement
- 04 Remedies for infringement
- 05 Take-away messages

01 | IP an ESG



2.1 IP audit

- IP types: trademark (logo, brand), patent (innovation, industrial design), copyright (logo, packaging, banner, brochure, software), trade secrets (unpublic business information)
- IP principles in China: registration, first-to-file, territorial rights, absolute novelty



The screenshot shows the European Commission IP Helpdesk website. The header includes the European Commission logo and a search bar. The main navigation menu has options for Home, Services, Regional helpdesks, IP management and resources, and About. A QR code is visible in the top right corner. The page title is "IP Helpdesk" and the breadcrumb trail is "Home > IP management and resources > IP tools". The main content area is titled "IP diagnostic tool" and contains the following text:

The IP Diagnostic tool will help you analyse your level of preparedness and knowledge in IP and identify the relevant aspects on which you may need further information.

This test consists of a questionnaire divided into three categories:

- **IP Protection** – to identify which are the most relevant IP rights to you
- **IP Internationalisation and Commercialisation** – to assess your knowledge on how IP rights can be exploited for your business
- **IP Practice** – to test your general awareness in IP

Once you have completed the questionnaire you will get a personalised report helping you identify the areas in which you should be careful in drafting or adapting your IP strategy when internationalising to a new region.

- [China IP Diagnostic tool](#)

02

Different types of IP in China - Patent

Invention patents vs Utility models vs Design patents

- **Invention patents**: new technical solutions or improvements to a product or process, functionality. 20 years of protection.
- **Utility models**: products with new shape or structural physical features, functionality. 10 years of protection.
- **Design patents**: the aesthetic aspects of the product, non-functionality. 15 years of protection.

- *The new method of the AR glass, such as displaying virtual information in a view of a real environment; Software with technical features (rare)*
→ **Invention patents**
- *The structure of the AR glass*
→ **Utility models**
- *The aesthetic details of the AR glass; Graphic user interface (GUI)*
→ **Design patents**

02

Different types of IP in China - Patent

Two routes

- **National:** directly with the CNIPA.
Priority claims: 12 months for invention
and utility model;
6 months for design patent

Open license system

- **International:**
 - PCT: invention patent and utility model
 - Hague system: design



02

Different types of IP in China - Patent



Parallel filing of a UM and an invention patent

- Parallel filing on exactly the same day, with a declaration
 - abandon UM once the invention patent is officially granted

Advantages

- Compensating the lack of protection while the invention patent is still pending
- Extension protection term

02

Different types of IP in China - Trademark

TM

Brand name, logo, trade name

®

Registration system

- National: CNIPA
- International: Madrid system



Chinese trademarks

- Phonetical
- Literal
- Easy to remember

**CLEARANCE SEARCH
IS**

IMPORTANT

02

Different types of IP in China - Trademark



Used mark with ® = registered mark

- Goods / services
- Wording
- Logo
- Fonts
- Colour?



Absolutely prohibited to use

- Misleading or deceptive, adverse effects



Risks

- Fine from AMR
- non-use cancellation
- infringing other's rights



02

Different types of IP in China - Copyright



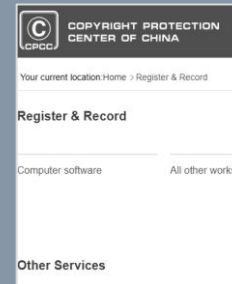
Logo,
packaging,
banner,
software



Automatic
right



Registration
is recommended:
fast and easy



02

Different types of IP in China - Trade secrets protection



How to protect trade secrets

- Identify and catalogue your trade secrets
- Use a combination of physical, technical and contractual barriers
- Document trade secret protection measures you take, in case of a dispute later on
- Implement a trade secret protection policy within your company, making sure your employees understand your expectations
- Consider non-disclosure agreements before entering negotiations with third parties

03

License agreement

- Important contract provisions to INCLUDE



- Definition of the scope of use of IP
- Monitoring of the licensee's activities: Prevent unauthorised use
- Ensuring the validity of your agreement
- Protection of new technologies generated: Address ownership issues
- Assignments or transfers: Prevent your technologies from being transferred to third parties without your permission
- IPR produced by employees: Avoid future disputes
- Confidentiality: Protect your confidential information
- Dispute resolution: Applicable law is Chinese law and jurisdiction is in China
- Termination
- Language: including Chinese

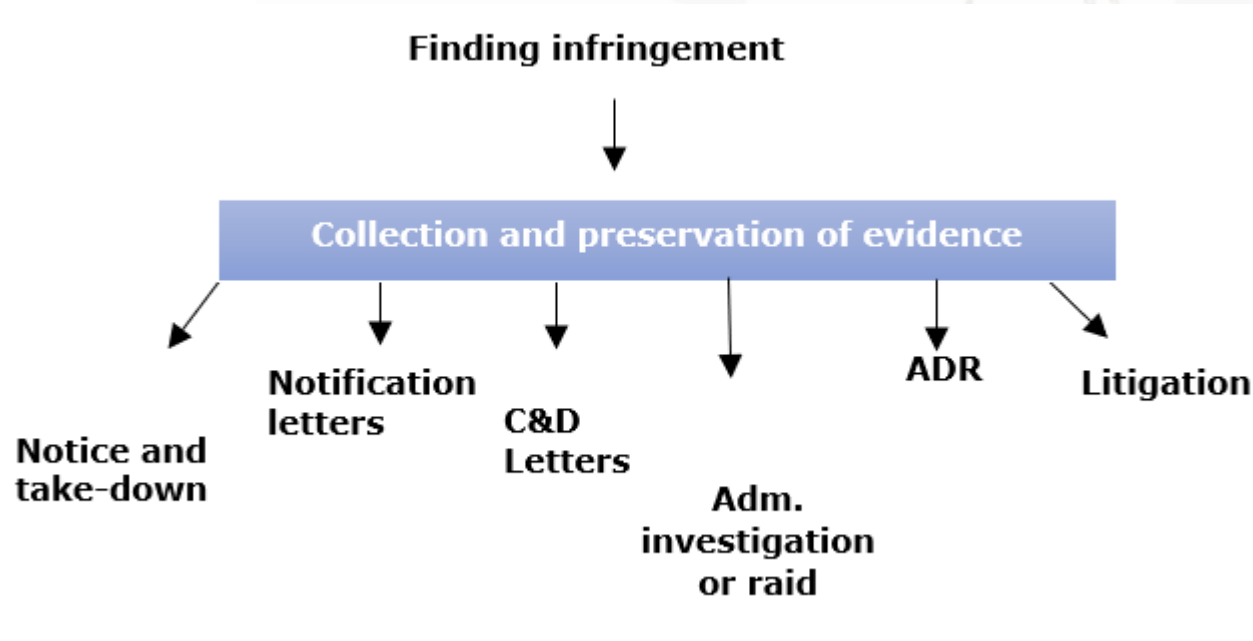
04

Remedies for infringement

- Different options

4.1

Roadmap of enforcement actions



4.2

Evidence collection

- Ownership
- Use evidence of the owner
- Infringement evidence

4.3

Evidence preservation

- Notarisation
- Blockchain: Internet courts

05 | Take-away messages



- ✓ Prioritise IP in your ESG strategy.
- ✓ Audit your IP asset and obtain IP protection. For trademark and patent, no registration = no protection.
- ✓ Use IP properly, and avoid infringing any third-party IP.

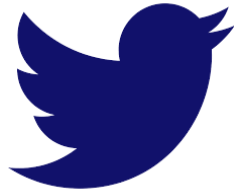


- ✓ Use the 5 steps to protect the trade secrets.
- ✓ Make sure license agreements are suitable for China and are enforceable against your counterparty.
- ✓ Evidence collection and preservation is essential to enforce your rights in China.



- ✓ Contact the China IP SME Helpdesk ***question@china-iprhelpdesk.eu***

Stay connected!



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