



IP Protection in China for the Laser Industry

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Guides & Factsheets



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IP Factsheet: Mainland China



1. THE FACTS: Business in Mainland China for EU Companies
(Source: DG Trade)



SIZE of Market:

- EU exports to Mainland China: EUR 173.5 billion
- EU imports from Mainland China: EUR 299.9 billion
- Total trade in goods: EUR 473.4 billion

> Mainland China is the EU's second largest trading partner, after the USA.
 > The EU is China's largest trading partner.

Key INDUSTRY SECTORS:

- > EU exports to Mainland China are dominated by machinery and equipment, motor vehicles, aircraft, and chemicals.
- > Mainland China's key export items to the EU include machinery and equipment, footwear and clothing, furniture and lamps, and toys.

1 THE FACTS: Business in Mainland China for EU Companies
Key INDUSTRY SECTORS

2 IPR in Mainland China for SMEs: BACKGROUND
Intellectual Property Rights for SMEs: Why is this RELEVANT to you?
How does Mainland China's IP legal framework compare to INTERNATIONAL STANDARDS?

3 IP Rights in Mainland China THE BASICS
A. Copyright
B. Patents
C. Trade Marks
D. Geographical Indications (GIs)
E. Trade Secrets

4 Using CUSTOMS to block counterfeits

5 Enforcing your IP
Administrative actions
Civil Litigation
Criminal Prosecution

6 RELATED LINKS and Additional Information

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Protecting Your Trade Secrets in China

Prevention is the key to protection.



WHAT EXACTLY CAN BE A TRADE SECRET

SOMETHING THAT

- 1 is not publicly known
- 2 has commercial value
- 3 you took measures to keep secret

expressions of ideas

know-hows, manufacturing or design techniques

status of products or services under development

valuable business information, lists, cost and price information

TRADE SECRETS

KEEP IT SECRET, KEEP IT SAFE

It is important to remember that once trade secrets become publicly known, they can no longer be protected as trade secrets.

CONFIDENTIAL

DON'T FORGET YOUR EMPLOYEES

- Limit access and copying rights to the personnel who actually need it.
- Require all employees to sign an employment agreement with strict confidentiality provisions.
- Be sure to hold exit-interviews and have them return documents, materials, computers, and files.
- Establish an internal management system for trade secrets. Training and clear written guidelines are essential.

DEALING WITH THIRD PARTIES

Business dealings or negotiations with third parties, potential partners, suppliers, contractors, licensees, or customers

monitor your partners, suppliers or licensees to make sure they are complying with your trade secrets protection policy

<https://intellectual-property-helpdesk.ec.europa.eu/>

Speaker's Bio



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Mr. Matias Zubimendi is the IP Business Advisor at China IP SME Helpdesk, where he advises European SMEs on intellectual property rights matters. Mr. Zubimendi holds a Master's degree in Chinese Civil and Commercial Law from Peking University as well as a Master's degree in Intellectual Property Law from Austral University in cooperation with the World Intellectual Property Organisation. Mr. Zubimendi has a strong background in both business development and intellectual property rights protection, having previously worked as a China Business and Legal Consultant at Terragene, where he focused on business development and as a Director of Legal Affairs at Conquer Europe. Previously, he has also worked as a Patent and Trademark Attorney at Phoebus Abogados and Mazzeo & Canet, where he represented SMEs as well as Fortune 500 companies.

Mr. Zubimendi has given lectures at various conferences including the Ibero-American Conference on Chinese Studies and published several articles including *The legal protection of intangibles in the video games industry*. As a Professor Assistant, he has also given lectures on Commercial Law and Procedural law, while focusing on Copyright and AI in his research. Mr. Zubimendi is a native Spanish speaker fluent in English.

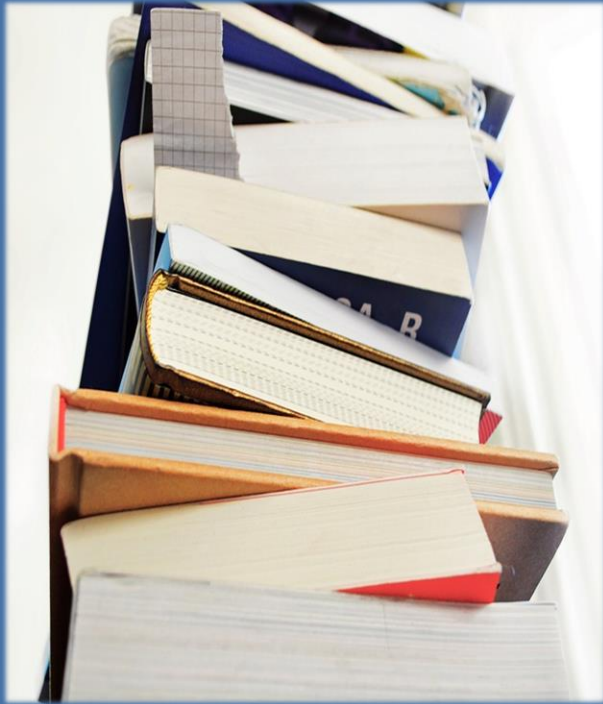


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2. IPRs relevant for the laser industry
3. Invention patent/utility model protection
4. Design patent
5. Copyright
6. Trade Mark
7. Technology transfer
8. Due diligence
9. Enforcement
10. Take away messages

02

IPRs relevant for the laser industry

What types of IP should I pay attention to?



2.1

Invention patent / Utility models

- Products
- Process

2.3

Design patents

- Products
- GUI

2.2

Trade secrets

- Future products
- Business plans

2.4

Copyright

2.5

Trade marks

TIP – Prepare your strategy to be efficient: Combine the registrations methods.

03

Invention patent / utility model protection

- How to protect your inventions



3.1

Registration!

- CNIPA
- PCT

3.3

Patent vs. utility model

- Parallel registration

3.2

What can I register?

- Products
- Process
- Software?

3.4

Requirements

- Novelty
- Non-obviousness
- Industrial application

03

Invention patent / utility model protection

- New patent law



3.5

Patent extension

- CNIPA delay
- Market access

3.7

Damages

- Statutory
- Punitive

3.6

Open license system

- How to apply?
- Can I reverse my decision to use open license system?

Are there going to be new updates soon?
Yes, implementing rules are coming soon.



Case study

Patents vs trade secrets?

- Italian auto-part company
- New product



Factors analyzed

- Reverse engineering (impossible to dismantle parts)
- Costs of registration
- Costs of enforcement
- Protection during registration vs technology life-cycle



Lessons learnt

- ✓ If reverse engineering is not possible, it is safe to protect your product with trade secrets
- ✓ Patent litigation is very expensive and takes several years
- ✓ Fixed protection term can eliminate patents as an effective way of IP protection if technology has long life-cycle

04

Design patent

- The style of your products



4.1

What do design patents protect?

- Aesthetic aspects of a product

4.3

Graphic User Interface

- Software

4.2

Partial vs. overall aspect

- New patent law

4.4

How can I register my design?

- CNIPA

05

Copyright

- Software



5.1

Registration?

- Automatic protection – Berne Convention
- Register anyway

5.2

What should I register?

- Software
- Databases
- Manuals
- Photos

5.3

Is it really useful?

- Internet Courts unique jurisdictions

5.4

Legalisation issues – Blockchain to the rescue

- Use of blockchain as evidence

06

Trade mark

- What's your Chinese name?



REGISTRATION

6.1

Register now!

- First-to-file system
- When should I register?
- What should I register?

6.3

Trade mark translation

- Phonetical
- Conceptual
- Mixture

6.2

How can I register my trade mark?

- CNIPA
- Madrid System

6.4

Trade mark vs. copyright

- Combine protection methods

07

Technology transfer

- Be careful when sharing



7.1

When exactly is there a technology transfer?

- License
- Ownership
- Service providing

7.2

What laws should I check?

- Foreign Investment Law (2020)
- Regulation on the Administration of the Import and Export of Technologies (TIER) – 2019
- Catalogue for Prohibited and Restricted Technology Imports / Exports
- Negative Lists for Foreign Investments

7.3

Types of technologies

- Freely importable
- Restricted
- Prohibited

What happens if I export to China a technology that is prohibited for foreigners?

07

Technology transfer

- Be careful when sharing



7.4

Confidentially

- NDAs
- NNNs

7.5

License – Important clauses

- Territory
- Duration
- Content
- Royalties
- Control
- Damages
- Resolution methods

7.6

Future technologies (developed during a license period)

- Ownership clauses
- Information protocols
- Trade secret protective measures

08

Due diligence

- How can I study a potential partner?



8.1

What's your name?

- Made-up name of the Chinese company
- Legal name of the Chinese company

8.2

Where can I get information?

- National Enterprise Credit Information Publicity System (NECIPS)
- Chambers of Commerce
- Embassies
- China IP SME Helpdesk

8.3

What information can I get from the NECIPS?

- Legal representative
- Capital
- Business type / scope
- Sanctions
- Shareholders

8.4

How to analyse that information?

Red flags

09

Enforcement

- How to react efficiently?

9.1

I spotted an infringement, what should I do?

- Look for a lawyer
- Collect evidence
- Decide your jurisdiction

9.2

What are the possible jurisdictions?

- E-commerce platforms
- Regular commercial courts
- Internet courts
- Criminal courts

9.3

What should I analyse when choosing the jurisdiction?

- What do I want to achieve? Solve the problem or be compensated?
- How much money do I want to spend?
- How many infringers do I have?
- How much do I know about the infringer?
- How much evidence do I have?

9.4

I was contacted by a law firm already, should I go with them?

The price of not having a good lawyer

10 | Takeaway messages



- ✓ Register your IP in advance
- ✓ Protect your unregistered inventions with trade secrets
- ✓ Combine the different IPRs to protect your business



- ✓ Study your partners
- ✓ Study the laws and bureaucracy of your sector
- ✓ Contact the public institutions to better understand the market



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

Questions?

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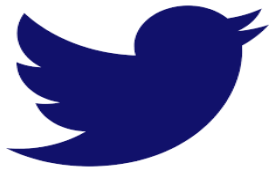
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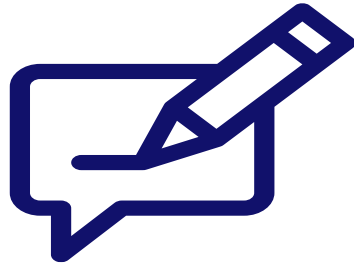
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