

Overview of IP Protection in China

- Matias Zubimendi 22 September 2021





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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

- Copyright
- Patents
- Trade Marks
- Geographical Indications (GIs)
- Trade Secrets

4. Using CUSTOMS to block counterfeits

5. Enforcing your IP

- Administrative actions
- Civil Litigation
- Criminal Prosecution

6. RELATED LINKS and Additional Information

Co-funded by:
European Union

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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

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

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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.



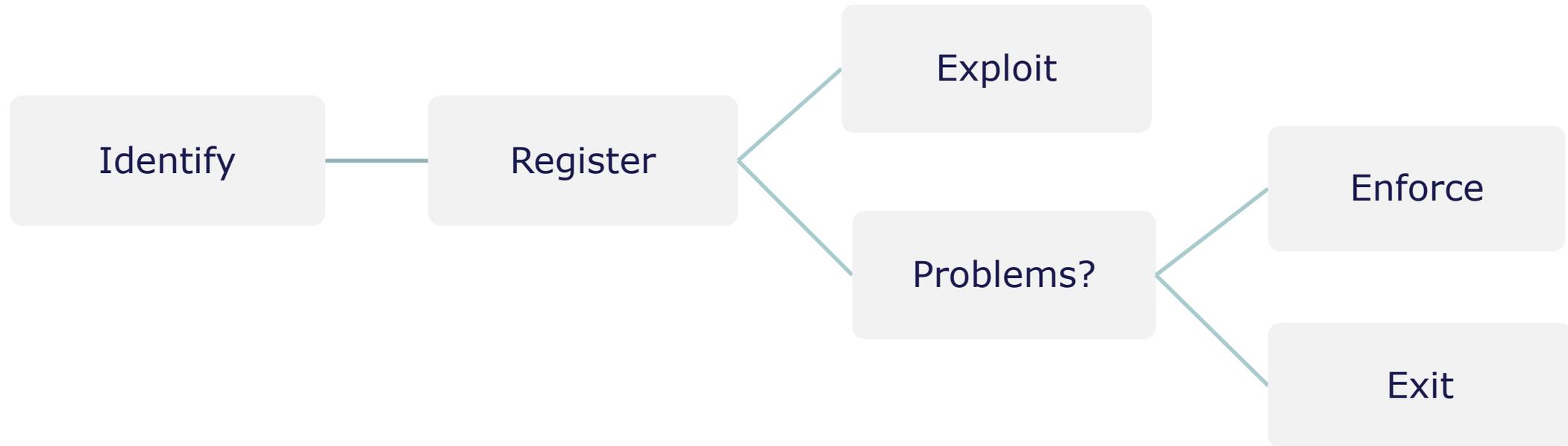
Table of Contents

1. Key elements of an IP strategy for China
2. Research & Development
3. Best Practice of Distributor Agreements
4. Best Practice of Licensing Agreements
5. IP and E-commerce
6. Monitoring IP in China
7. Marketplace

01

Key elements of an IP strategy for China

- Basics



01

Key elements of an IP strategy for China

- Identify

Invention patents	Innovative products Innovative processes	Trademarks	Signs that distinguish products from competitors
Utility models	Functional aspects of a product	Copyright	Expression of an idea
Design patents	Aesthetic aspects of a product	Trade secret	Information that is not known by competitors, has commercial value and is kept protected.

01

Key elements of an IP strategy for China

- Register

Invention patents	CNIPA PCT	Trademarks	CNIPA Madrid System
Utility models	CNIPA PCT	Copyright	CPCC Others (Blockchain)
Design patents	CNIPA	Trade secret	No registration

01

Key elements of an IP strategy for China

- Exploit

By IP owner

- Manufacture
- Commercialisation
- Export / import

By third parties

- License
- Distribution
- Joint Ventures

01

Key elements of an IP strategy for China

- Enforce

People's
Courts

Not specialised in IP

Arbitration

Agreement needed

IP Courts

Specialised
Advised for complex
cases

Copyright

Notice and take-down

Internet
Courts

Jurisdiction limited
Digital evidence
accepted

Administrative
Actions

CNIPA
Customs

01 | Key elements of an IP strategy for China

- Exit strategies

Contractual solutions

- Surveillance
- Exit clauses - notification
- Compensation clauses
- Register under your name

Unplanned exit

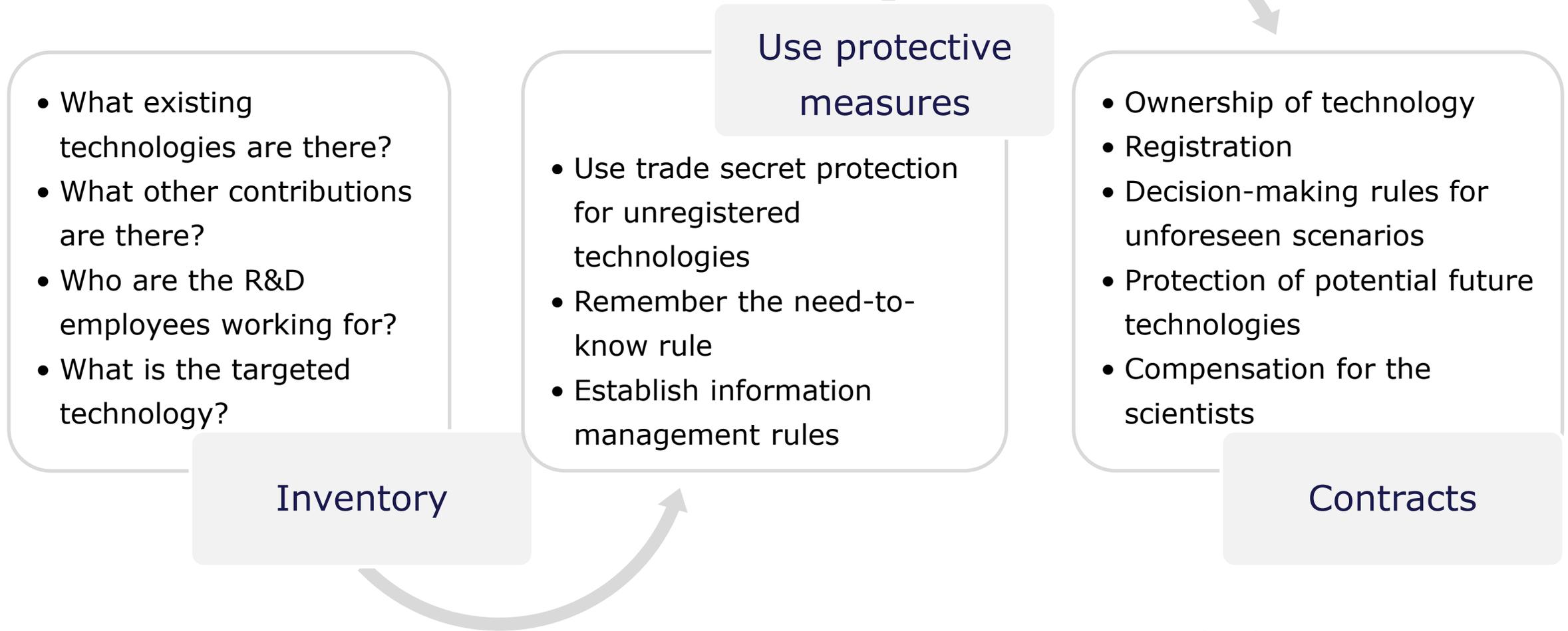
- Negotiate

Non-competence

- Trade secrets
- Previous partners and employees

02 | Research & development

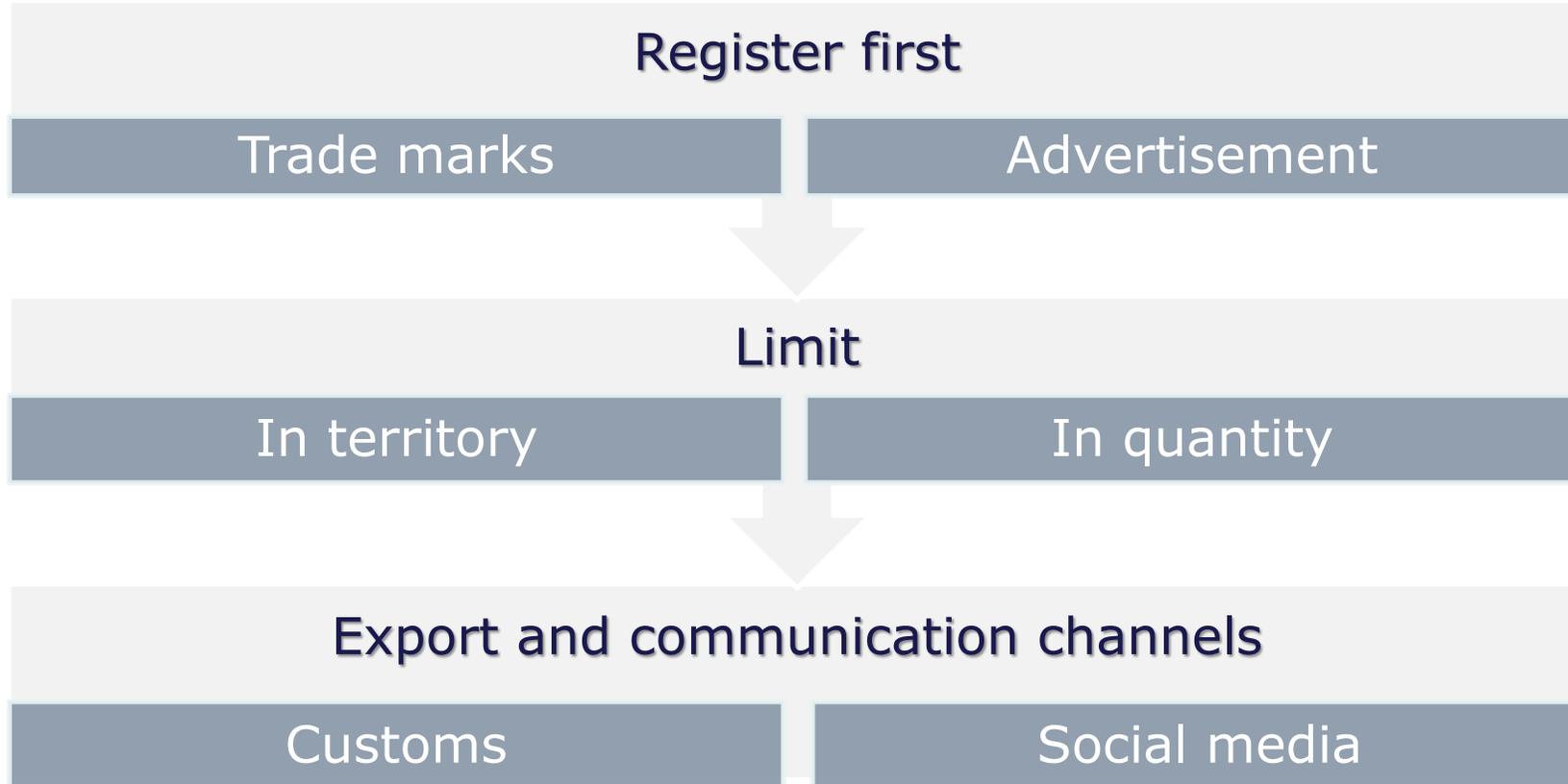
- How to protect your future IP?



03

Best practice of Distributor Agreements

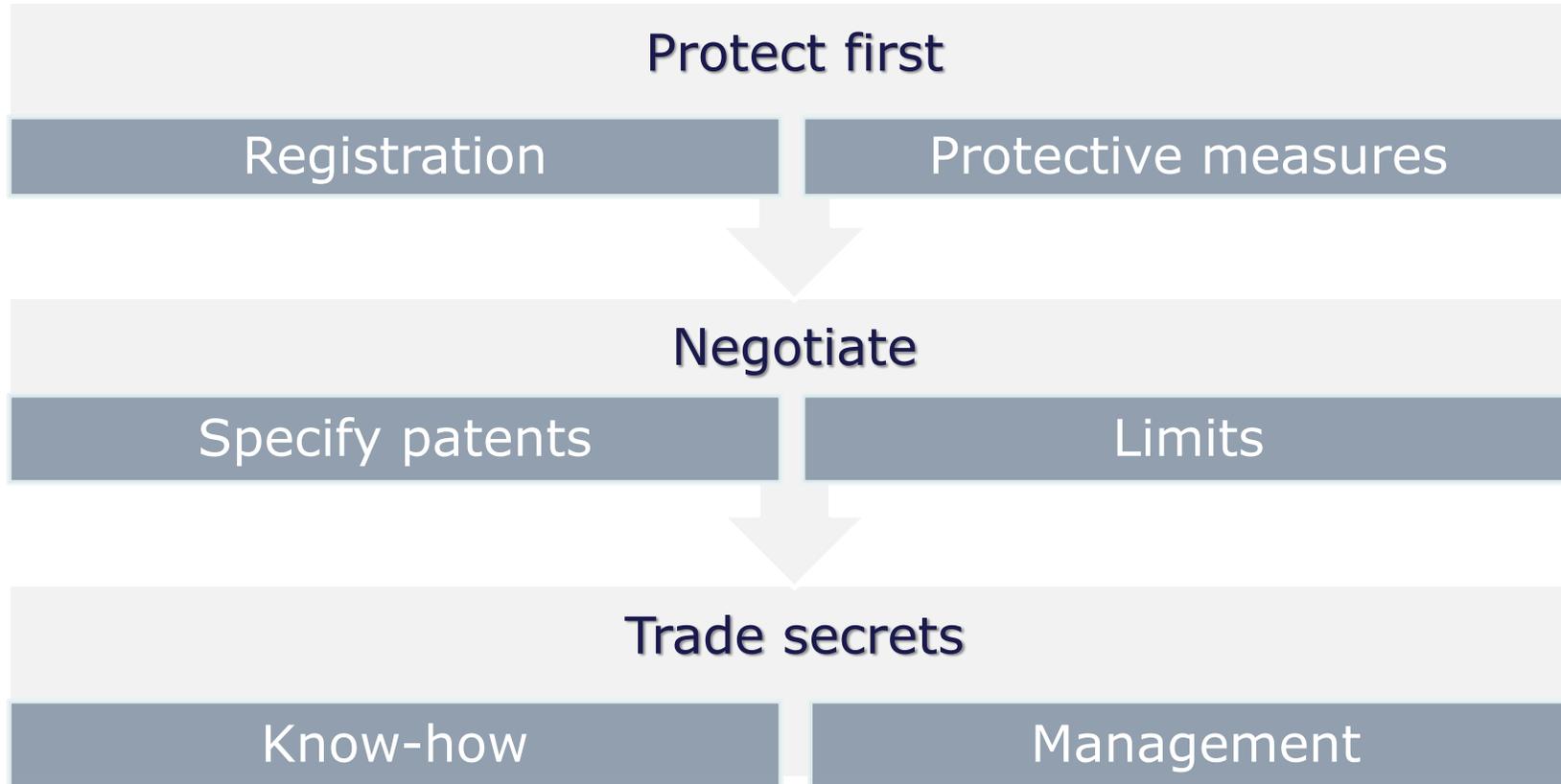
- Tips



04

Best practice of Licensing Agreements

- Tips



04

Best practice of Licensing Agreements

- Common clauses

Limits

Territory
Time
Exclusivity (or not)

Jurisdiction

Arbitration
Judicial

Costs

Fees
Market access
Enforcement

Termination

Reasons
Communication
Consequences

R&D

Authorisation (or not)

Royalties

Fees

04

Best practice of Licensing Agreements

- Open license method for patents and utility models

Request

- Written
- CNIPA
- Non-exclusive

Withdraw

- Written
- Do not affect existing licenses

Benefits

- Publicity
- Fees reduction - exception

05

E-commerce

- Notice and take-down



06

Monitoring IP in China

- Keeping track of the market

Competitors

- Trade fairs
- E-commerce
- Advertisement

IP Databases

- CNIPA
- WIPO
- TMView

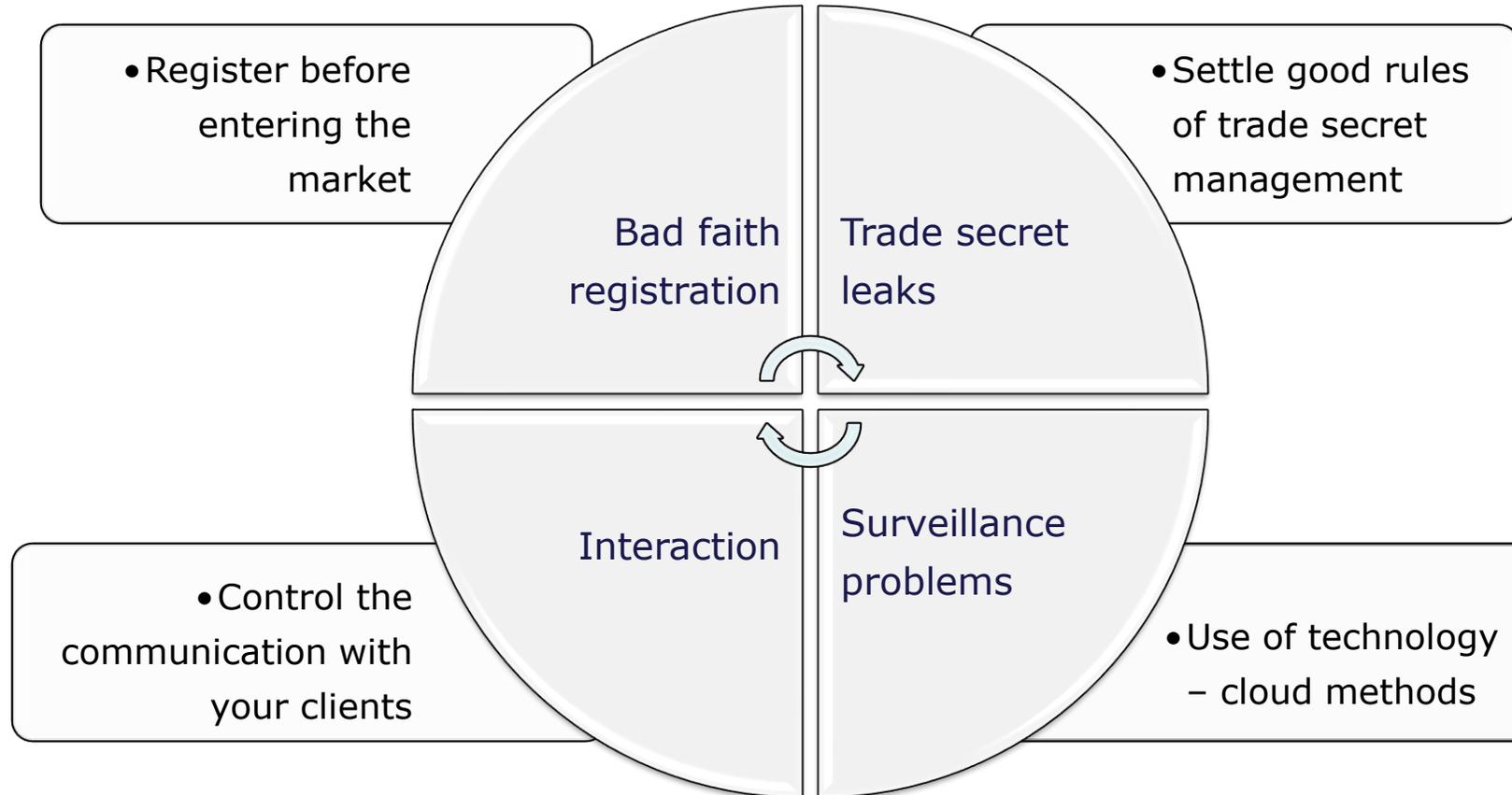
Legislation

- IPR laws
- Catalogue and Negative Lists for Foreign Investment 2020

07

Marketplace

- What IP is involved in market access?



Questions?

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