

# Overview of IP Protection in China

- Matias Zubimendi 22 September 2021





# China IP SME Helpdesk

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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:  
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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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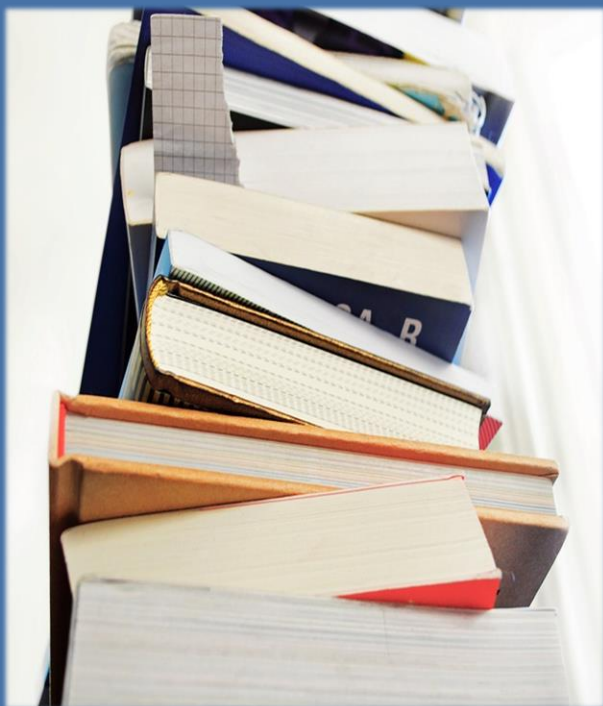
# Speaker's Bio



<i>Name</i>	<b>Matias Zubimendi</b>
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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.



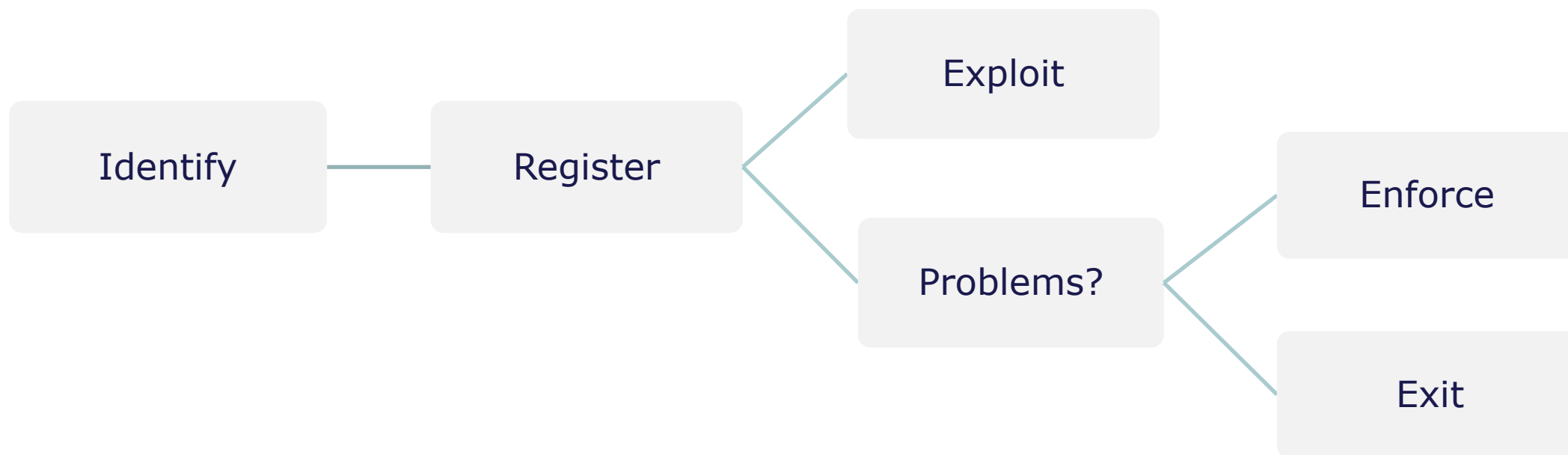
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01

# 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

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- Manufacture
- Commercialisation
- Export / import

## By third parties

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- 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

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

## Unplanned exit

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- Negotiate

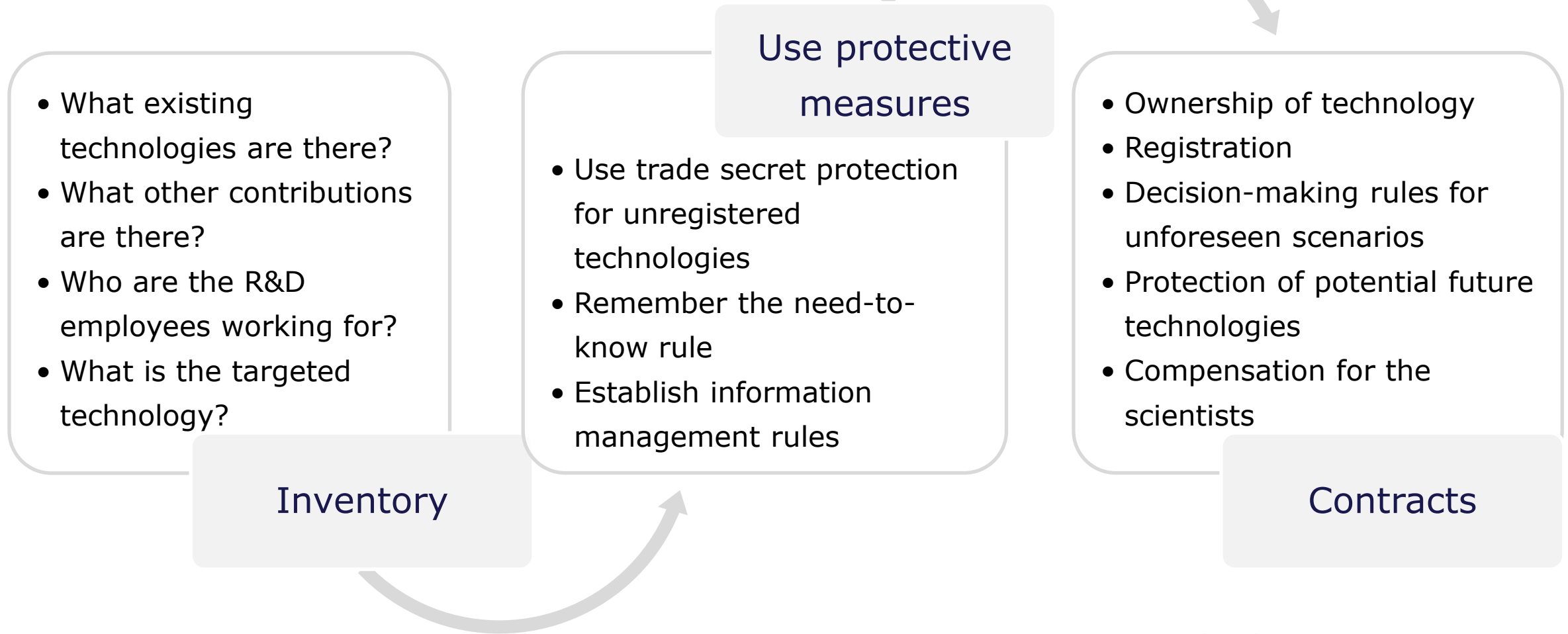
## Non-competence

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- Trade secrets
- Previous partners and employees

# 02 | Research & development

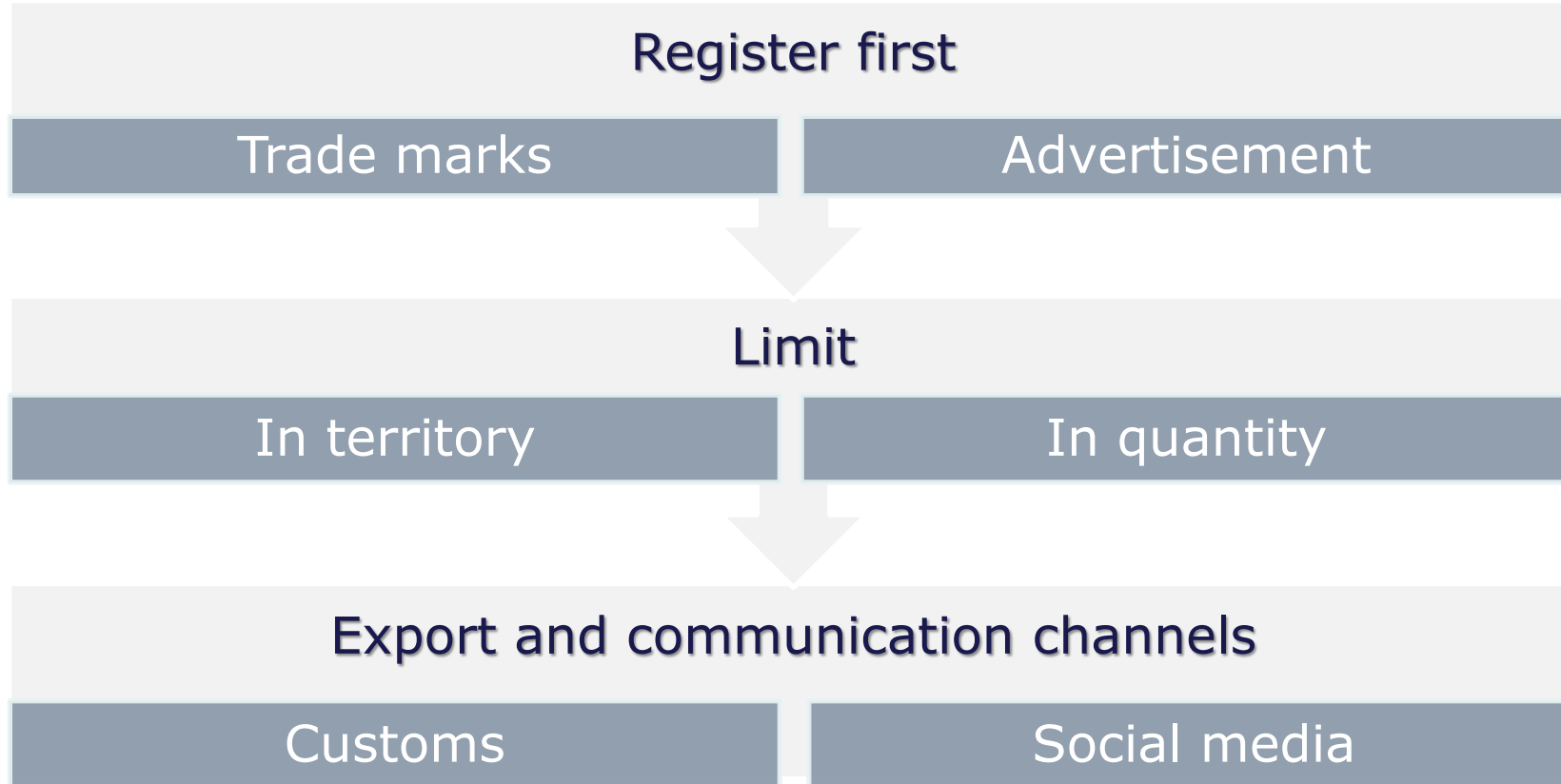
- How to protect your future IP?



# 03

## Best practice of Distributor Agreements

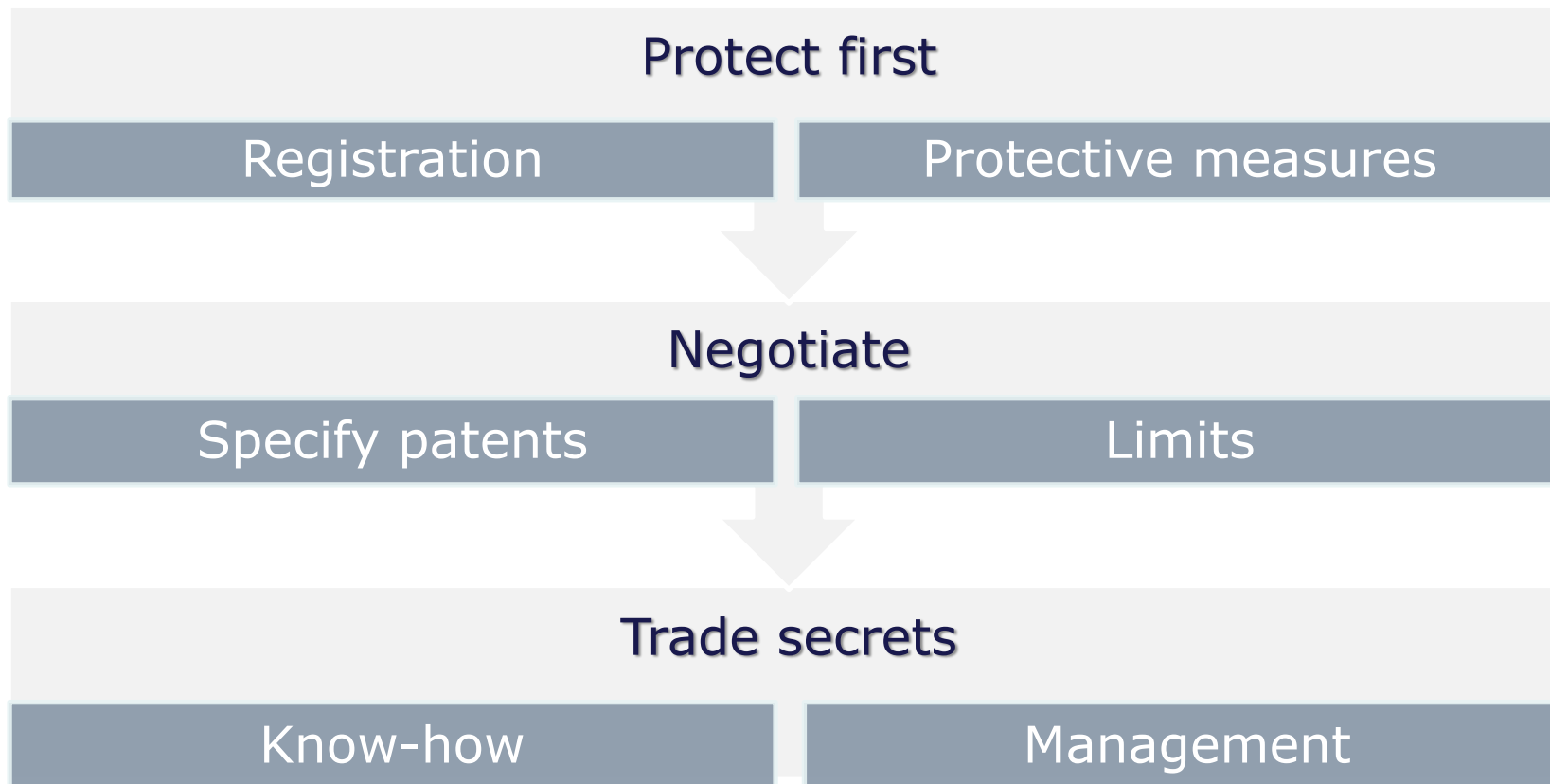
- Tips



# 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

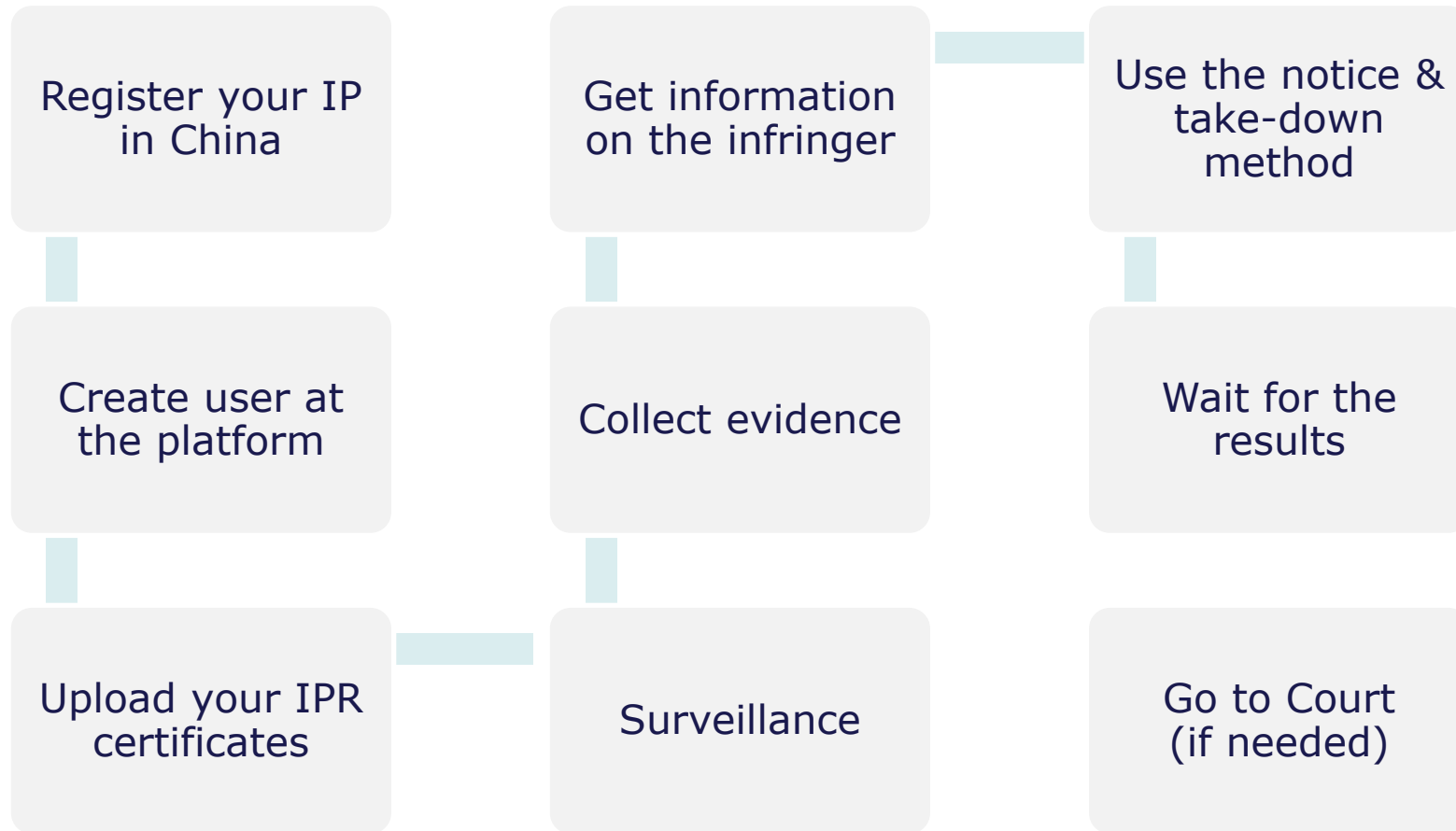
### Benefits

- 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

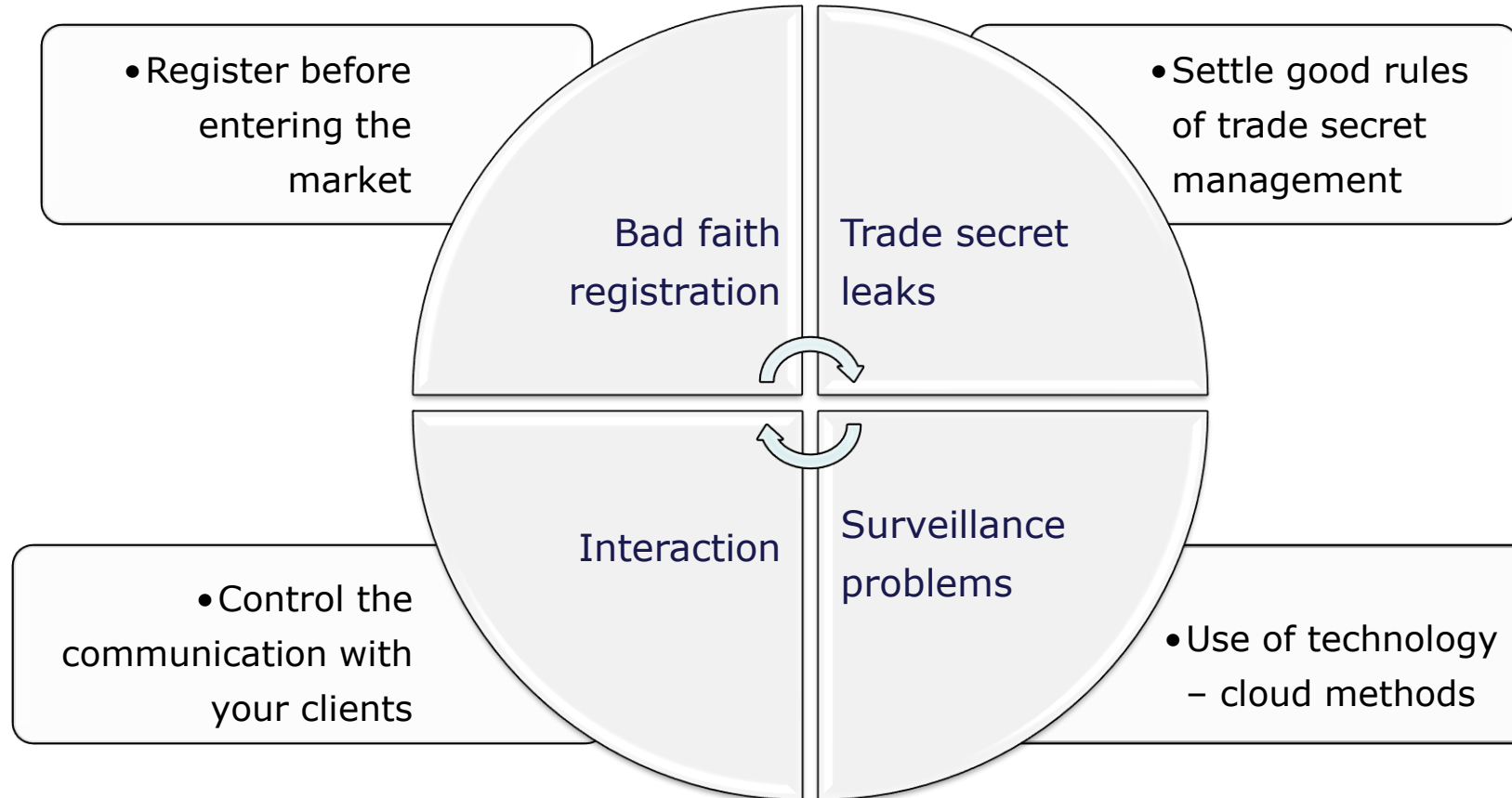
### Legislation

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

# 07

## Marketplace

- What IP is involved in market access?



Questions?

# HELPLINE

*free, fast & confidential*

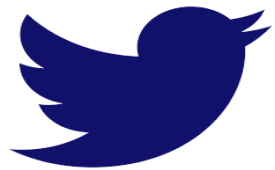
*3 days*<sup>working</sup>

*question@china-iprhelpdesk.eu*



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