



The China IP Dragon Flies Overseas

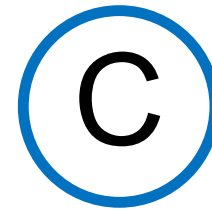
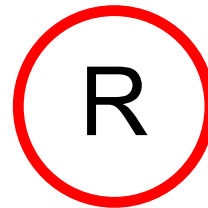
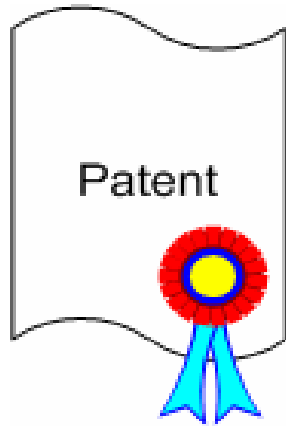
Observations from the Inside

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IP/IPR is more than patents



TM



www.domain_name.xx

WHY?

WHY?

(What are *your* goals?)

WHY?

No universal answers

- No one “best” IP program for all companies
- Each company has unique culture, challenges, and strengths

对
症
下
药

WHY?

No universal answers

- No one “best” IP program for all companies
- Each company has unique culture, challenges, and strengths

对
症
下
药

But must identify ***your*** company's answer

Common Goals of IP Programs

- Design freedom
- Freedom to expand market share
- Protecting own market share
- Licensing opportunities
- Improved investor relations
- Honor & Recognition



GOAL

目标

To build an IP position that will better help Mindray to compete in an international market based on the price and quality of its products and services, especially where the risk of legal attack and the consequences are greatest.

巩固迈瑞的知识产权地位，以更有助于其在以产品质量和服务为基础的国际市场中竞争，尤其是在法律风险最为巨大、法律后果最为严重的地方。



GOAL
目标

= HELP US MAKE MONEY!

What is IP?
知识产权是什么？

- IP is a *business* asset!

知识产权是一种商业资产

- Should make or protect more money than it costs
其所能产生的或保护的价值应大于支出

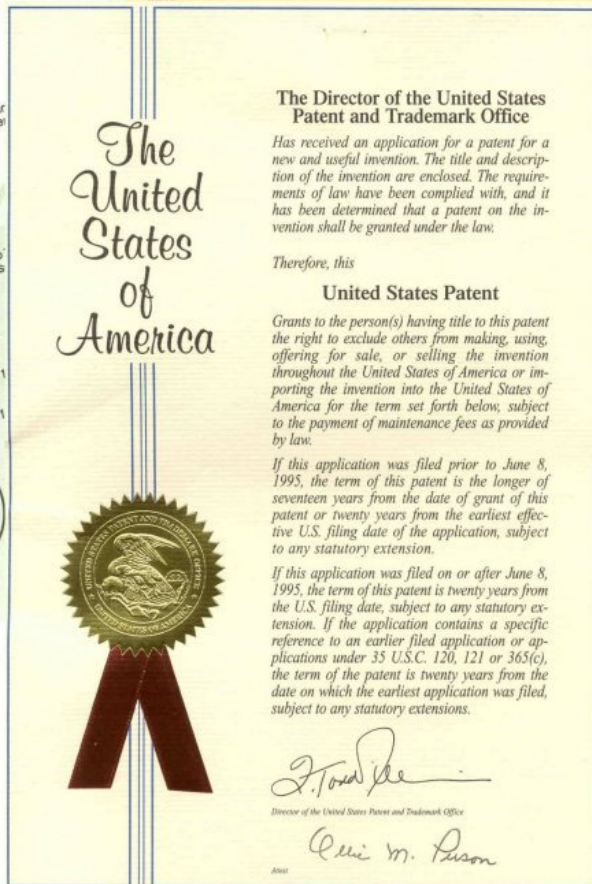
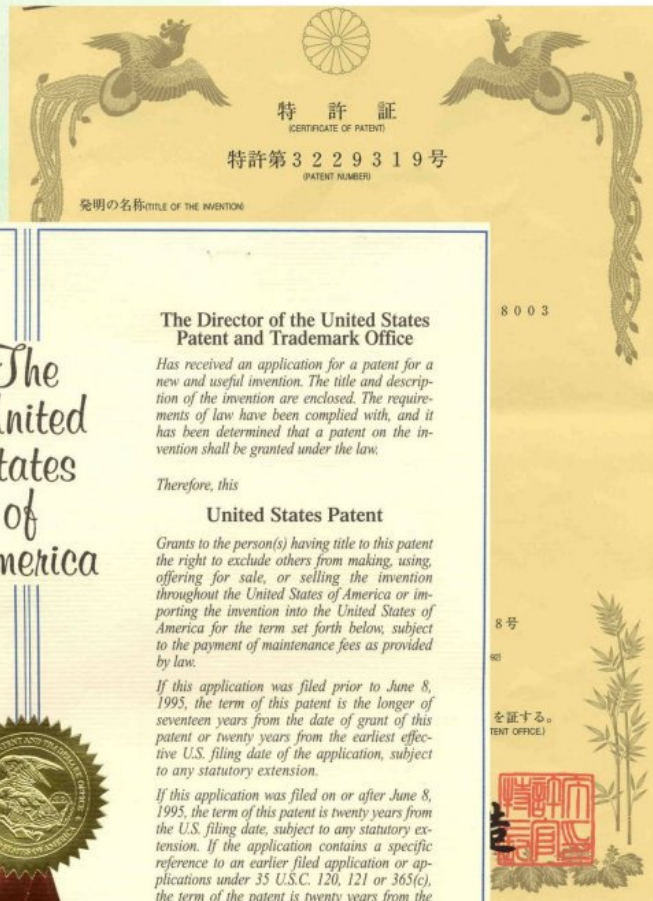
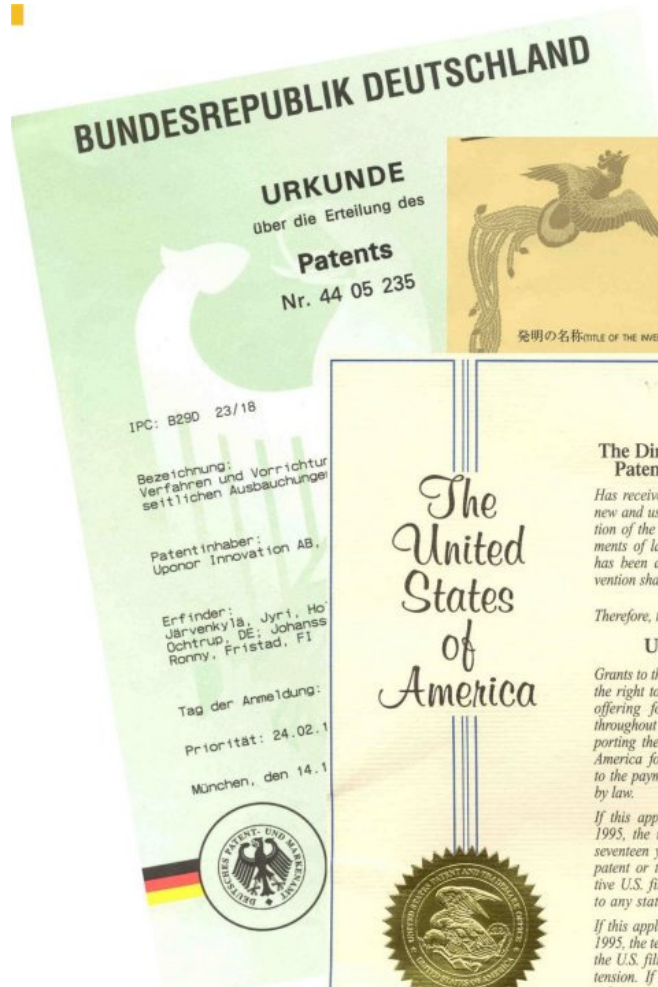
(Often impossible to measure effect 其效果往往无法估量)

Reliance on outside firms

Firms are businesses

→ #1 Firm Priority: Maximize profit

“Reciprocity”



PATENT

Patent environment in China 中国的专利环境

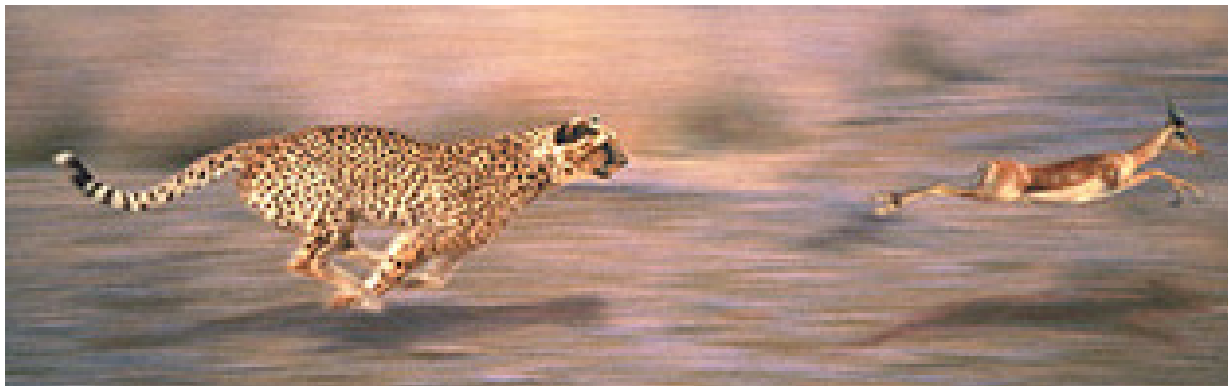


Patent environment in Europe



Patent environment in USA

美国的专利环境



Overview

- Goals, Risks, Opportunities
 - “Why?” & “How?”
- What is a “good” invention?
- Search/Clearance risks and procedures



Goals



Opportunities



Risks

Importance of IP 知识产权的重要性

- Essential to most profitable expansion in USA
对于在利润最为巨大的美国市场进行扩张至关重要
- Very high risk of patent litigation 专利诉讼的高风险性
 - In USA, if we are sued and win, we do NOT get our money back (no “loser pays” system)
 - If we are sued and LOSE:
 - \$\$\$\$\$\$\$\$\$\$\$\$\$\$\$\$\$\$
 - Injunction
 - Import stop (especially from ITC)
- Important to Investors
- (Important to China and Shenzhen governments)

一场官司一场火,任你好汉没处躲



- In USA, patent litigation is a normal business tactic
 - International Trade Commission (ITC) – can stop import of competitor's product
 - Cost for defendant to “**win**” USD \$2 million - \$4 million
 - Winner does not get money reimbursed by loser
 - Increases business cost for competitor to enter market
- “But we didn't copy or do anything wrong!”
 - Does not matter. It's just business.

Archive for [Tuesday, June 30, 2009](#)

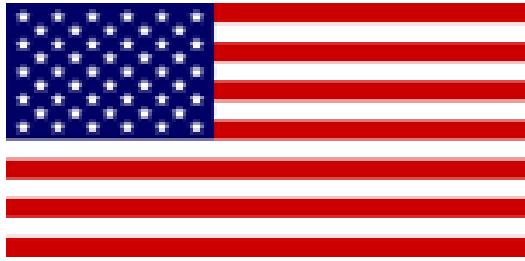
Abbott Labs loses \$1.7 billion Humira patent lawsuit to Johnson & Johnson

Johnson & Johnson says Abbott used its technology to make top drug

By [Bruce Japsen](#)
[June 30, 2009](#)

In one of the largest patent verdicts in U.S. history, a federal jury Monday said Abbott Laboratories should pay nearly \$1.7 billion in damages to Johnson & Johnson, which claimed the suburban Chicago drug giant used J&J technology to make a blockbuster rheumatoid arthritis drug.

Humira is Abbott's largest-selling product and one of the world's top-selling drugs, generating more than \$4 billion in annual sales last year as a treatment for rheumatoid arthritis, Crohn's disease and psoriasis among other autoimmune disorders.





Wars 1815-2009



7 major, foreign wars

>450,000 dead in battle



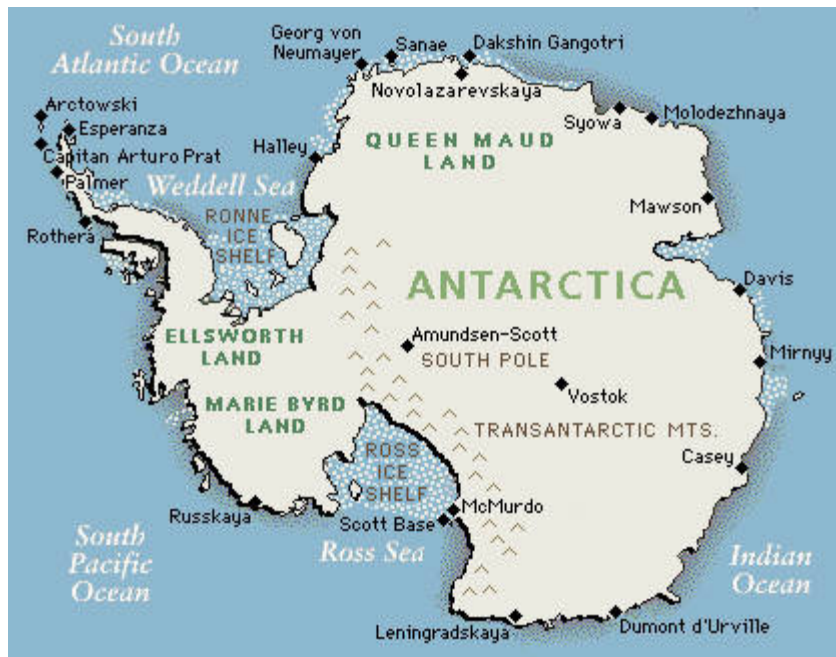
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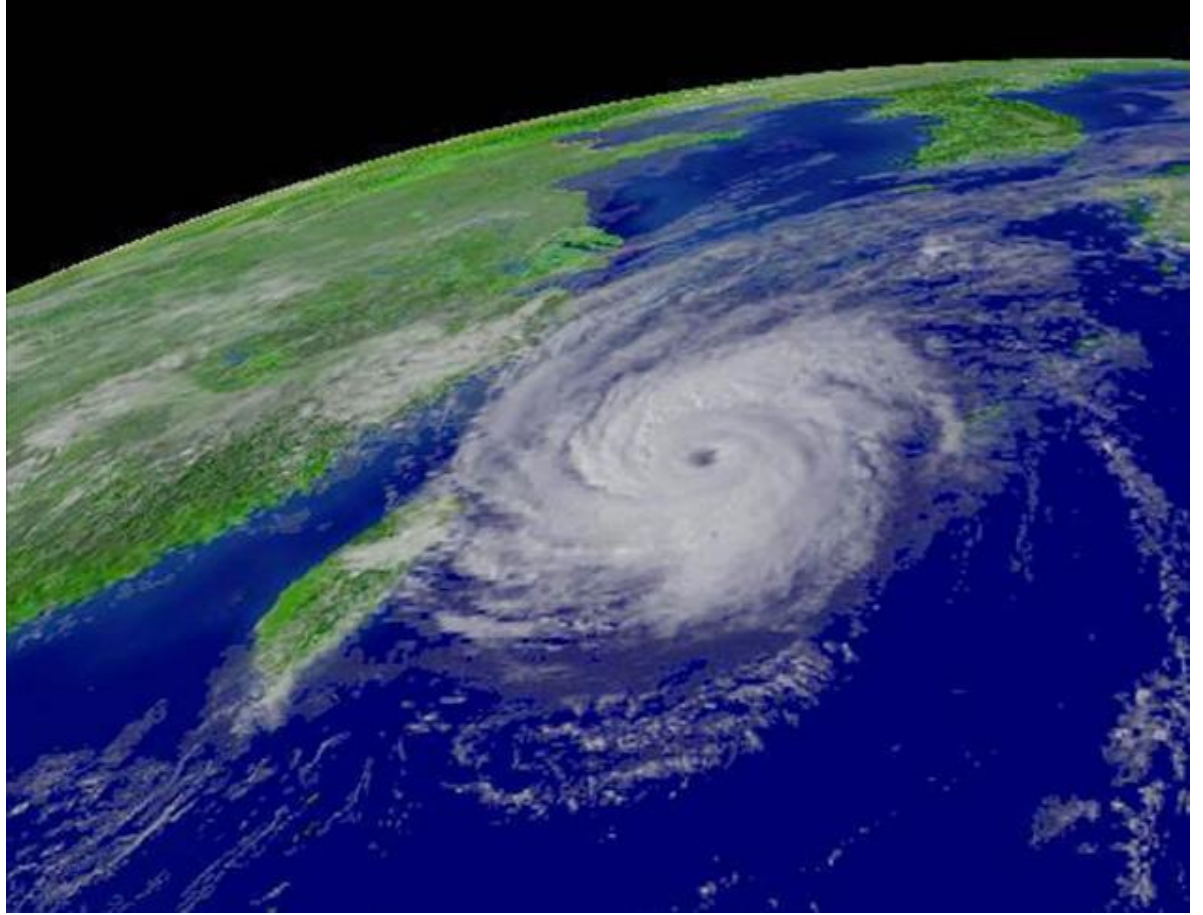


Philips Intellectual Property & Standards in China

Philips Intellectual Property & Standards (IP&S), one of the business units of Philips, takes care of Philips' interests in the field of IP and Standards globally through creation of IPR's, technology sharing by licensing and legal enforcement, which substantially support innovation and create new markets as well. Philips IP&S started its operation China in 2001, and up to now, has five offices in China: Shanghai, Beijing, Shenzhen, Hong Kong and Shenyang, with nearly 50 employees in total. Many of these local Chinese employees increase their IP-expertise through training in The Netherlands. Based on Philips strong R&D activity in China, **more than 1,500 inventions have been developed and registered as patents in China by 2005.**

Roald Amundsen:
“Adventure is just bad planning.”



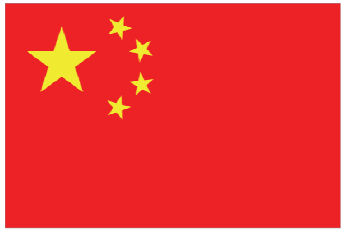


But a meteorologist cannot prevent a typhoon



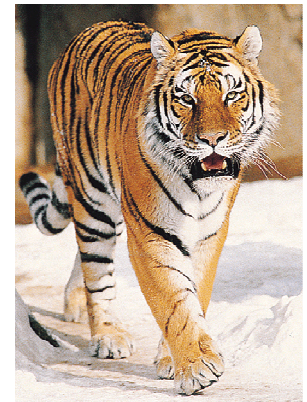
Retaliatory Ability

- If attacked with patent overseas
 - Must respond overseas
 - But can also “counterattack” in China to encourage settlement
 - Clear advantages for China companies to fight on home ground
 - Assumes *useful* China patent portfolio



Retaliatory Ability “Useful patent portfolio”

- Paper swords don't help
 - Write *goal*-oriented applications
 - “Picture claims” rarely help
- Quantity important (depending on goal)
 - But 100 kittens \neq 1 tiger
- Weapons you don't know about won't help





Retaliatory Ability “Useful patent portfolio”

- Question:

If any of your *biggest* foreign competitors sued your company for patent infringement tomorrow, do you know of *even one* of your Chinese patents you could use against *any* product of that competitor?

What Is a “Good” Invention?



Who gets the patent? 谁能获得专利？

- USA: First to invent 美国：“先发明原则”
 - Important to document your ideas!
重要的是把观点记录下来！
- Everywhere else: First to file a patent application
其他地方：“先申请原则”
 - Important not to be slow!
重要的是（申请）不要比别人慢！

What is a “good” invention?
什么样的发明是“好发明”？

Typical R&D, technical perspective 技术层面

- Solves technical problem well
很好地解决技术问题
- Is what we invented and will have in our product

What is a “good” invention?
什么样的发明是“好发明”?

- Business perspective 专利层面
 - Customers have asked for it 客户的需求
 - “We wish there were a machine that _____”
 - Customers like it (even if they don’t know it’s there)
客户的喜好
 - Competitors wish they could do it too
竞争对手也渴望拥有
 - Can generate licensing revenue
- Legal perspective
 - Will help prevent or end litigation or encourage licensing

What is a “good” invention?

- Patent the FUTURE, not only the past
- In 3-5 (or 20) years, today/now is the PAST
 - OK (often best!) if have NOT ACTUALLY made the invention
 - If one can describe it well enough to define a solution, one can try to patent it

How to describe an idea



Applications for ideas in “finished” products with no alternatives and narrow claims usually worthless

- Too easy to define around
- Narrow claim interpretation



How to describe an idea

- At latest before application is finished, for each feature of the invention, THINK OF and DESCRIBE:
 - **What else could it be?**
 - What other ways are there to do this, even if they are not as good?
 - In what other things/products/systems could this idea be used?
 - If a competitor had a patent on this, how could I change it to design around the idea and make a similar product?
 - What other features would be good to include in the product, even if we do not now plan to do so?
 - Think “outside the box”

How to describe an idea

Think “outside the box”



Design patent

- *Ornamental* design
- Protects *appearance*
- No description other than drawing references
- Non-functional
- Narrow
- **USA permits for computer displays**

What is a patent?

专利是什么？

A patent is a *business* asset!

专利是一种商业资产

What is a “good” invention?
什么样的发明是“好发明”?

- Trade secrets 商业秘密

- We may not want to do a patent application for even very valuable inventions

对于非常有价值的发明我们也许并不想申请专利

→ “patent application” is not always “good idea”

→ “no patent application” is not always “bad idea”



Search/Clearance



安全第一

Is _____ safe?



False security

USPTO PATENT FULL-TEXT AND IMAGE DATABASE

Searching US Patent Collection...

Results of Search in US Patent Collection db for:
(SPEC/mri AND SPEC/"magnetic resonance imaging"): 9592 patents.
Hits 1 through 50 out of 9592

Results of Search in US Patent Collection db for:
ACLM/mri: 1982 patents.
Hits 1 through 50 out of 1982

False security

Impossible to search one's way to safety

37 CFR 1.56 Duty of Disclosure

§1.56 Duty to disclose information material to patentability.

- (a) ... Each individual associated with the ... patent application has a duty ... to disclose to the Office all information known to that individual to be material to patentability ... The Office encourages applicants to carefully examine: (1) prior art cited in search reports of a foreign patent office in a counterpart application...
- (c) Individuals associated with the ... patent application ...[include]:
 - (1) Each inventor named in the application;
 - (2) Each attorney or agent who prepares or prosecutes the application;
CHINESE AND ALL FOREIGN PATENT AGENTS/ATTORNEYS!!
 - (3) Every other person who is substantively involved in the preparation or prosecution of the application ...
JOINT VENTURE COMPANIES

37 CFR 1.98 Content of IDS

- A list of all patents, publications, applications, or other information submitted for consideration by the Office.
- U.S. patents and U.S. patent application publications
- A legible copy of:
 - (i) Each foreign patent;
 - (ii) Each publication or ... [relevant] portion other than U.S. patents/applications ...
 - **Includes Non-Patent References!**
- Concise explanation of the relevance ... of each patent, publication, or other information listed that is not in the English language.
- Copy of [English-language] translation if ... readily available

McKesson Information Solutions, Inc., v. Bridge Medical, Inc., (Fed. Cir. 2007)

- Must now also report “associated” applications and actions to USPTO
 - Cited prior art
 - Office actions
 - CAFC: “no doubt that material rejections in co-pending applications fall squarely within the duty of candor.”
 - Allowance
 - Other?
- Almost impossible to comply if applications for similar inventions spread over multiple U.S. firms

U.S. Litigation “Discovery”

- **MUST disclose to other side’s lawyers**
 - Documents, ESPECIALLY all search/analysis reports and patent lists
 - e-mails
 - Financial data
 - Technical information
 - “Depositions” (formal interviews of employees as if in court)
 - **ILLEGAL IN CHINA!**
 - etc. (much more!)
 - Possible “adverse inference” if do not comply
- **Very expensive**
- **Very time-consuming**
 - R&D, Legal/IP, HR, Finance, Investor Relations, etc.
→ almost every part of company
- **Very dangerous**
 - “Willful infringement” → 3x damages!



U.S. Litigation
“Attorney Client Privilege”
“Attorney Work Product”

- Does not need to be disclosed (usually)
- Attorney-Client Privilege
 - Only communications:
 - About relevant legal matter
 - With client
 - By U.S. licensed attorney or person working under attorney’s direct personal supervision on the matter
- Attorney Work Product
 - Notes of U.S. licensed attorney

Infringement 侵权

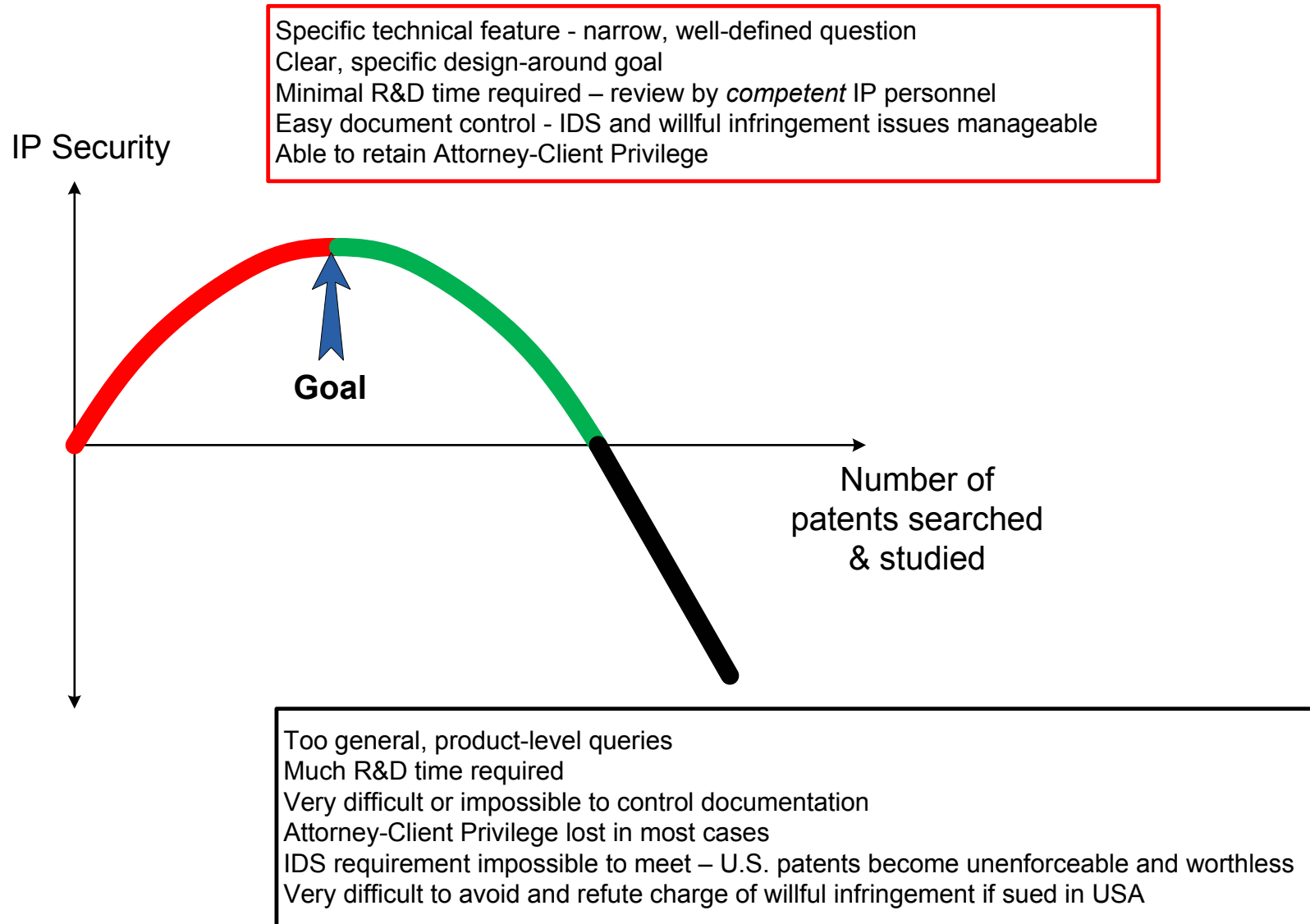
NEVER WRITE BAD NEWS!

不要写坏消息

- Neither on paper or in e-mail
- Contact member of IP team
- Attorney-Client Privilege
- Danger of “Discovery”
- “Infringe” must be interpreted *legally* only by U.S. attorney

Document retention/destruction policies

- OK to eliminate documents (paper and electronic) if
 - General retention/destruction policy
 - Done before anticipated litigation
- Know where your “dangerous” or confidential documents are
- Control who creates and stores discoverable documents
- **Applied to outside firms too!**
 - No need to keep drafts of patent applications or notes
 - “Clean” files are “safe” files
 - Copy of original disclosure
 - Billing correspondence
 - Formal filing documents, including copy of application as filed
 - All correspondence, amendments, etc., to and from patent authorities



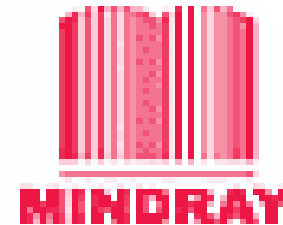
Trademark & Branding

Types of trademark applications

- “Standard character mark” (USA)
“Word mark” (Europe)
 - “Not limited to particular depiction” such as font, logo, symbols, etc.

PRODUCT NAME

- “Special form mark” (=“Stylized”) (USA)
“Figurative mark” (Europe)
 - Includes design element such as non-standard font, symbols, graphic, etc.
 - Narrower right in USA and Europe



PRODUCT NAME

PRODUCT NAME

Types of trademark applications

- “Standard character mark” (USA)
“Word mark” (Europe)
 - “Not limited to particular depiction” such as
- “Special form mark” (USA)
“Figurative mark” (Europe)
 - Includes design element such as non-standard font, symbols, graphic, etc.
 - Narrower right in USA and Europe

Make sure you or Chinese/foreign firm files correct type!

Strongest/Stronger/Weaker/Impossible
最强/比较强/比较弱/不可能

- Arbitrary/Fanciful 随意创设的 YES
- Suggestive 提示性的 Yes
- Descriptive 描述性的 No → Maybe
- Generic 某种生物 Never

What trademarks are OK?

什么样的商标符合要求？

- Fanciful 随意创设的
 - No meaning except as trademark 除非在商标中，否则无意义
Mindray, Exxon (petroleum products)
- Arbitrary 赋予其特别的含义
 - Words have meaning, but unrelated to good/service
单词有意思，但与商品或服务没有关联
Apple (computers)

Strongest 保护力最强
Easiest to register 最容易注册

What trademarks are OK?
什么样的商标符合要求?

- Suggestive 提示性的
 - Makes reader think of a characteristic of the product or service; gives a “hint” of what the product or service is
使读者联想到产品或服务的某个特征；给出“提示”
 - Require reader to use some imagination or thinking
需要读者的想象力或思考

MICROSOFT

Strong 保护力强
Initial marketing advantage 初入市场的优势

What trademarks are OK?

什么样的商标符合要求？

- Descriptive 描述性的

- Requires little imagination or thinking to know nature or characteristic of the product or service → Not distinctive

几乎不需要读者的任何想象力及思考就可以知道产品或服务的性质或特征

- Can *become* distinctive through use in some places

可能通过在某些地方的使用而变得“与众不同”

- “Secondary meaning”
- USA: Supplemental Register

- Personal names (USA), geographic indications (EU)

人名（美国），地理名称(EU)

PARK N FLY (Airport parking lots)

No registration without use and secondary meaning

如果没有使用且没有另外的含义，不可能获得注册

What trademarks are OK?

什么样的商标符合要求?

- Generic
 - Common name of the product or service
是产品或服务的常用名称
 - Protection would prevent normal use of word in the language
对之的保护会影响该词在语言中的正常使用

COLOR DOPPLER ULTRASOUND

THE BAG

STORE

No protection 没有保护力
Registration never 不会通过注册

乒乓球 PING PONG



1891: J. Jaques and Son register “Gossima” and sell "The New Table Game of Ping-Pong or Gossima"

1901: Parker Brothers English distributor Hamley Brothers registers “Ping Pong” as U.S. Trademark No. 36854 and Parker Bros. buys U.S. trademark rights from J. Jaques and Son for U.S. market only

Naming problem
命名的问题

Marketing likes



Law likes

Naming problem

命名的问题

- IP Dept. should be involved early in naming process
 - Trademark database searches
 - ALSO Internet (Google, etc.) search!
 - (Helps to have someone outside China with western search engines such as Google)

- Policing against *infringement* 针对侵权的保护
 - Identify and stop others from using trademark without permission (infringing)
- Policing against *misuse* 针对误用的保护
- Regularly check the Internet!

[Google](#)

mindray

Web [Video](#)

Results 1 - 10 of abc

[Welcome to Mindray](#)

Developer, manufacturer and exporter of medical devices for patient monitoring, diagnostics and ultrasound imaging systems. Contains product details and ...

[Stock quote for MR](#)

[www.mindray.com/](#) - 4k - [Cached](#) - [Similar pages](#)

[Welcome to Mindray](#)

Mindray's Competitive Strengths · Mindray's Development ...
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[Mindray Ultrasound Equipment and Ultrasound Machines - Portable ...](#)

Introduction to Mindray's Ultrasound equipment and ultrasound machines - portable ultrasound products and black/white ultrasound systems.

[www.mindrayamerica.com/](#) - 14k - [Cached](#) - [Similar pages](#)

www.DOMAIN_NAMES.xx



- Anticybersquatting Consumer Protection Act (USA):
《反网域名称抢注消费者保护法》（美国）
 - Registering, trafficking in or using a domain name with bad faith intent to profit from the goodwill of another's trademark
 - Protects only registered trademarks as domain names
- Legal remedy 法律补救办法
 - Some countries: None or weak at best
 - Uniform Domain Name Resolution Policy (UDPR) of Internet Corporation for Assigned Names and Numbers (ICANN)
 - InterNIC Registrar Problem Report
 - World Intellectual Property Organization (WIPO) arbitration
 - Courts
 - Jurisdiction often difficult or impossible
- “Reverse Domain Hijacking” “反向域名劫持”
 - False claim of trademark violation (for example, one narrow class) to take domain name away from owner

Typosquatting

蓄意错误拼写抢注域名

- Form of cybersquatting 抢注域名的一种形式
- Also called URL hijacking 也称为“网址劫持”
- Relies on typing mistakes 依赖拼写错误
 - Common or foreign incorrect spelling 普通拼写错误或外来语拼写错误
 - minray.com or mairui.com
 - Typing mistake 输入错误
 - nindray.com
 - Different but very similar name 不同但极其相近的名称
 - mindrays.com
 - Different top-level domain 不同层级的域名
 - mindray.org

Domain Names

- Retaking domain name
 - With trademark registration
 - Violation of contract
 - Laws and procedures depend on each country, even within European Union
 - Often requires proof of “bad faith”

Domain Names

- Prevention better than fixing
- Include clause in all distributor contracts, for example:

“[Distributor] may not, directly or indirectly, register or use or apply to register any Internet domain name consisting of or including or confusingly similar to a) “[name]” or b) any trademark of [Company], whether registered or not.”



What China has known
how to do for >2500 years!

不知彼不知己每戰必敗。	不知彼而知己一勝一負。	故曰知己知彼百戰不貽。
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Questions 答疑

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