

How to deal with IP in Asia?

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Leogriff AS

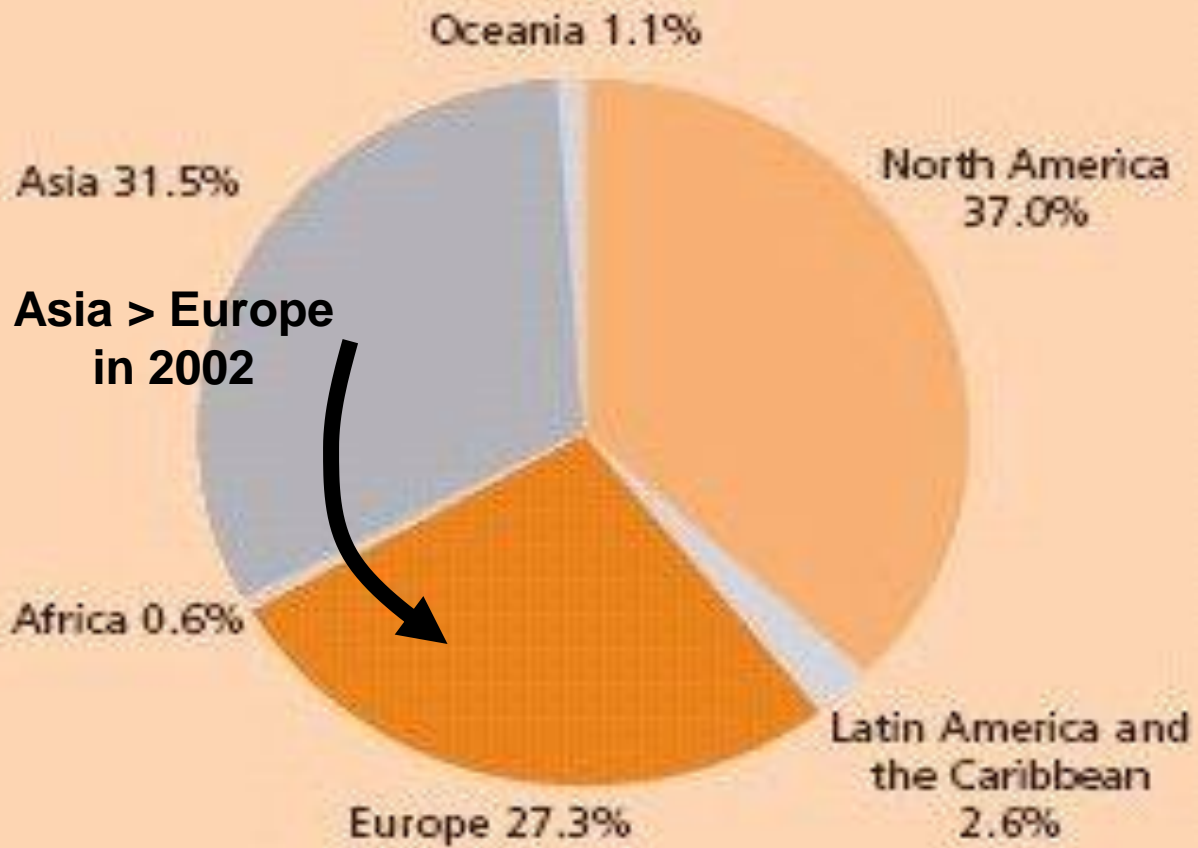
Asia – the jumping tiger in many respects



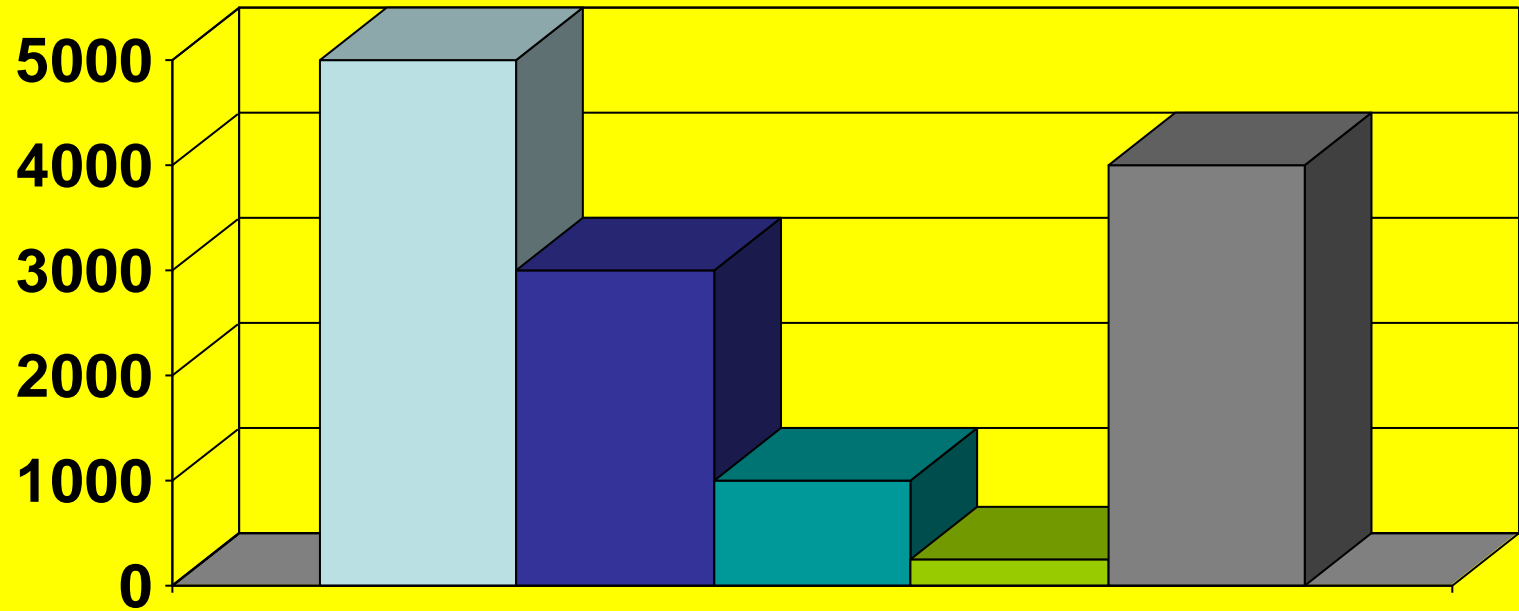
57 % of world population
with high growth rates



World share of Gross Expenditure on R&D

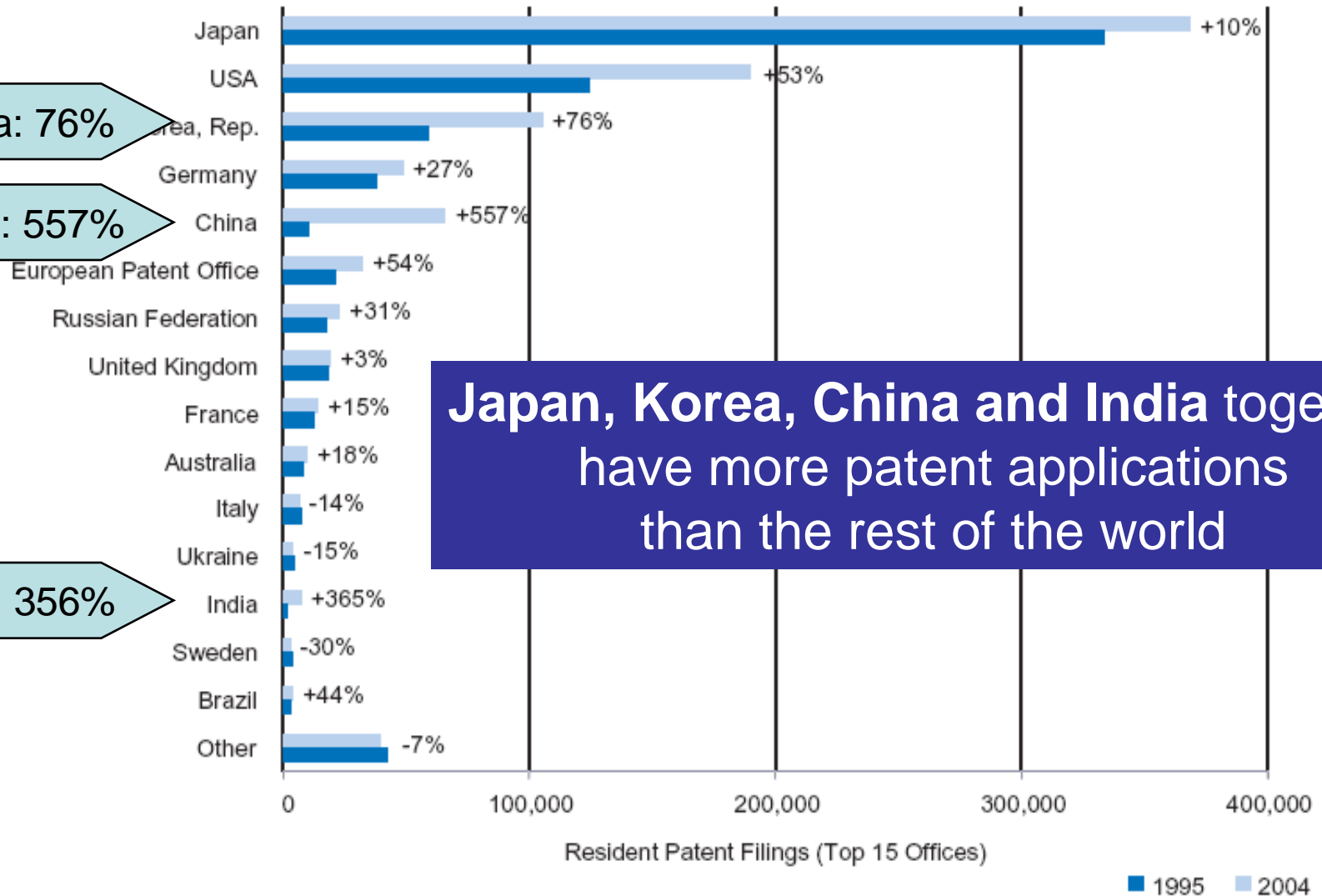


Researchers per 1 million inhabitants



Japan Korea China India US

Explosion in patent filings in last 10 years



Korea: 76%

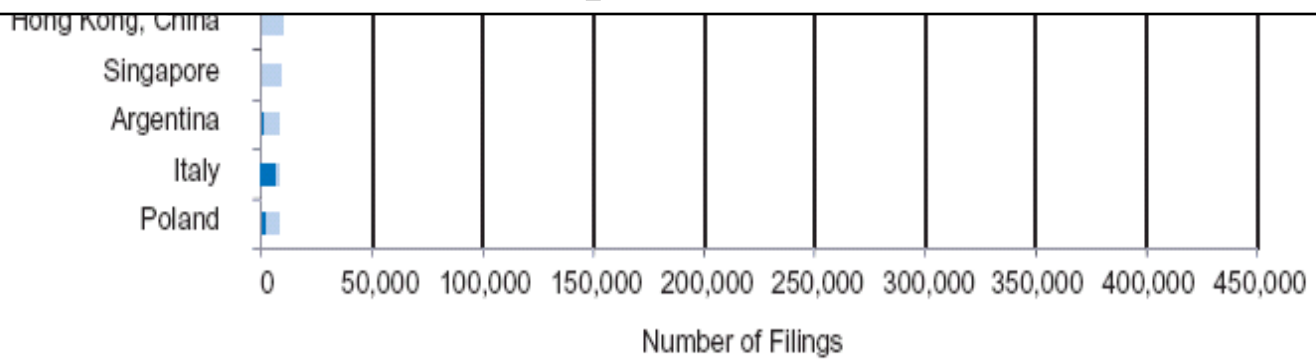
China: 557%

India: 356%

Japan, Korea, China and India together have more patent applications than the rest of the world



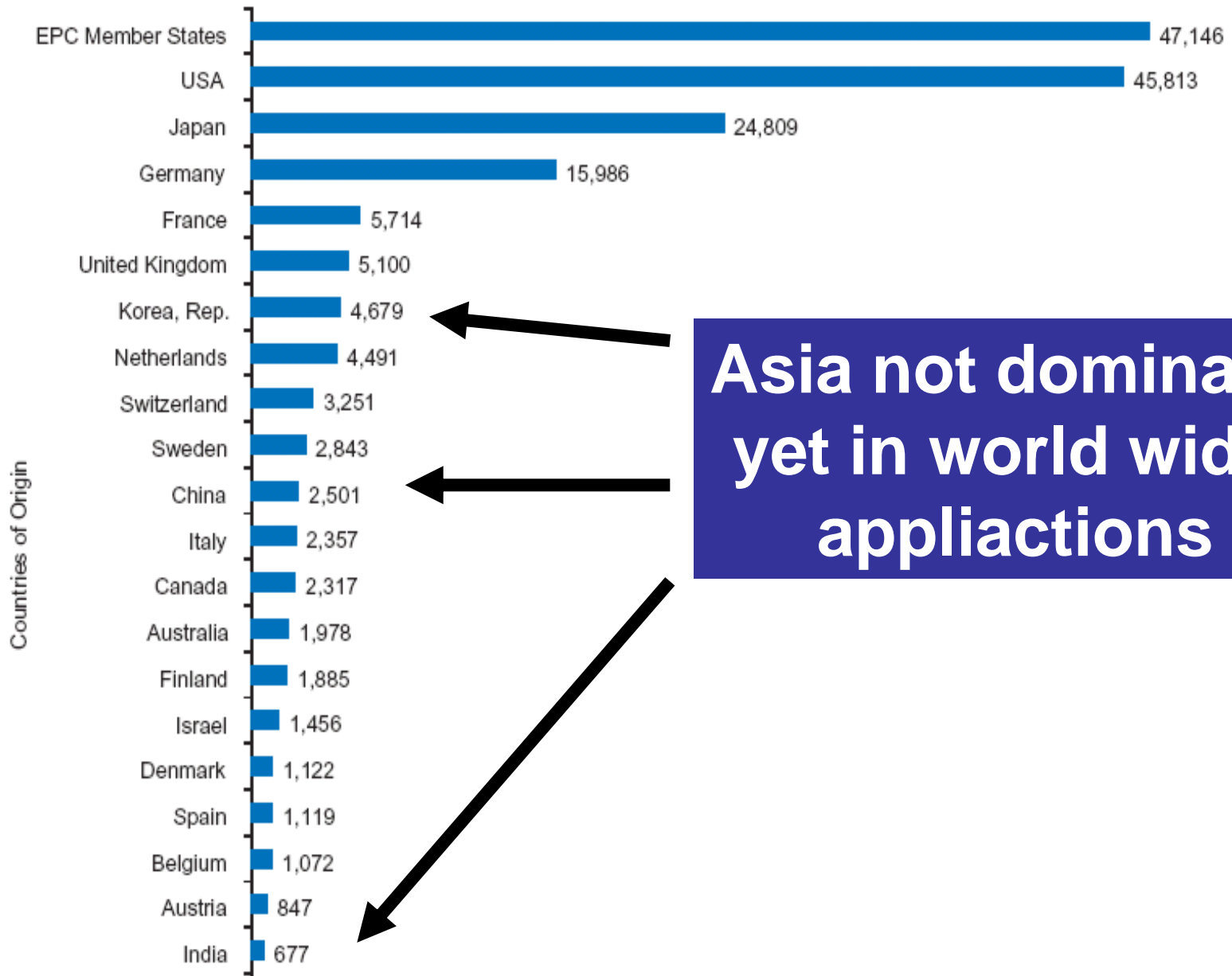
China alone has more applications than the European Patent Office



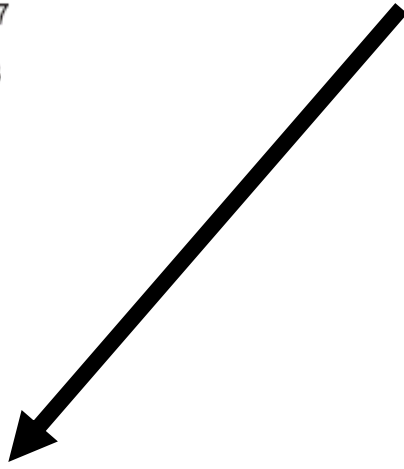
■ Number of Resident Patent Applications Filed
 ■ Number of Non Resident Patent Applications Filed

Source: WIPO Statistics Database

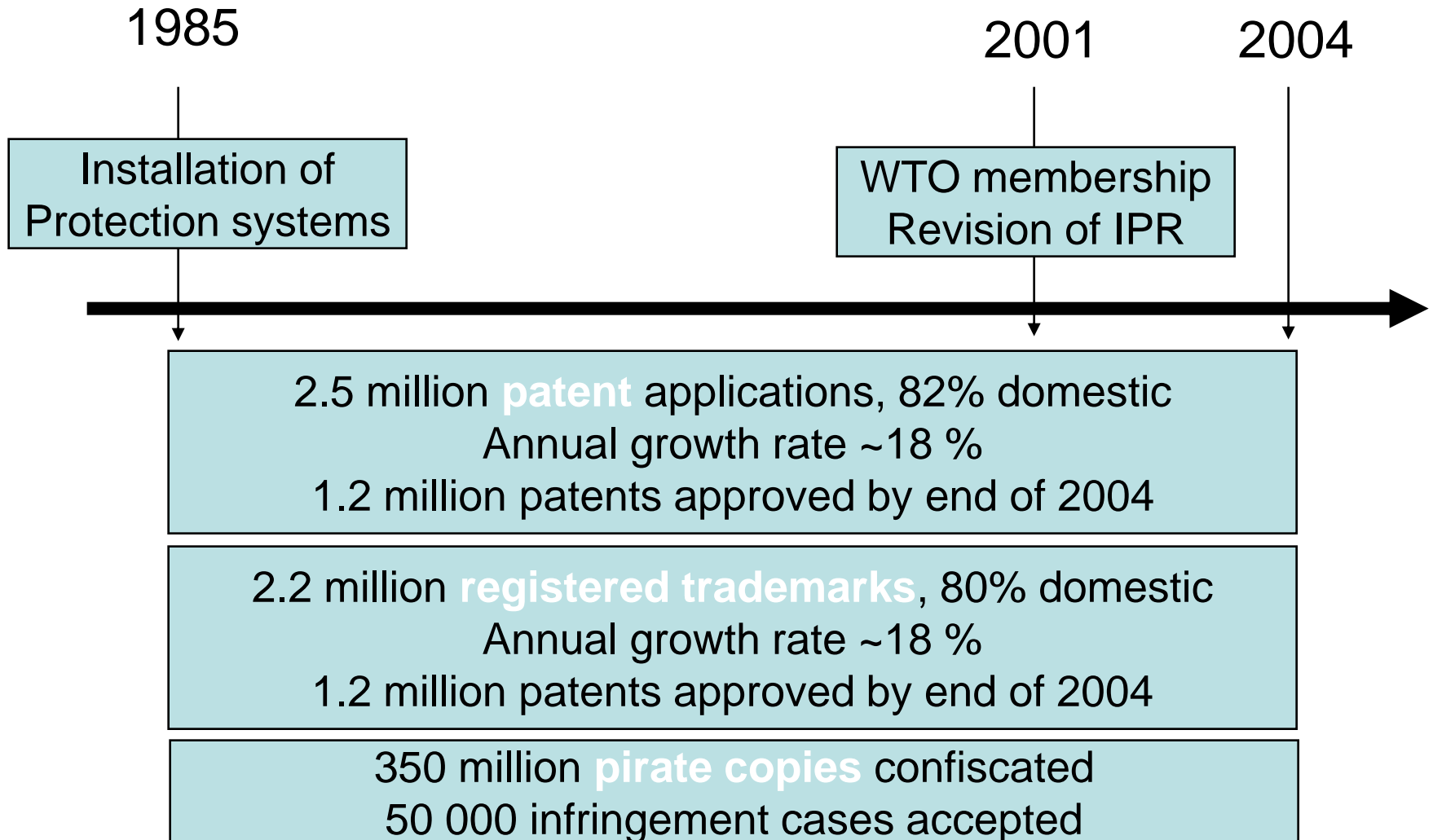
Country of origin for PCT applications



Asia not dominant yet in world wide applications



IPR in China



Source: China government white paper April 2005

Top Ten applicant list – China

Assignee	No of patent applications 2004
Matsushita	2423
LG Electronics (Tianjin)	2309
Samsung Electronics	2241
Huawei Technology	2011
Philips	1840
Sony	1112
SEIKO	1005
LG Electronics	940
IBM	829
Canon	827

Typical newsletters in China

New TV patents

- The website of the People's Daily said on May 15 that 10 top Chinese TV makers have produced over 500 patents in their joint venture Zhongcailian Co Ltd, the role of which is to build a collective patent pool and increase bargaining power.
- An officer from Changhong, one of these 10 companies, said the joint venture will promote innovation among member companies, build a shared patent pool and popularize IPs.
- The 10 companies each contributed 1 million Yuan to the joint venture that was formed as a response to a US policy to stop sales of analog TVs from March and royalty charges levied by some international patent holders.

Enforcement in China



- Large number of enforcement actions, but little deterrent effect noticed
 - Piracy increased during 2004
- A few show cases
 - Lego, DuPont, Philips, Honda
- Problem areas
 - Court rules on evidence, expert witness etc lacking
 - Protection of confidential information vague
- Customs courts decide many cases
- Preliminary injunctions possible

China, the most litigious country for IPR



- In 2005 China passed US as the world's most litigious country for IP disputes
- 13,424 cases filed with Chinese courts compared with 10,905 in the US
- International companies were only involved in 2% of total IP cases in China

IPR problem is retail not research

- According to Business Software Alliance
86% of all Software in China is unlicensed
 - Vietnam, Zimbabwe and Indonesia worse
- Foreign software firms claim the problem is in retail not in R&D

IPR focus in China

- Numerous state and local initiatives to increase awareness
 - Model zones for implementing IP system
 - Overall plan for the promotion of IP
 - Education, advertisements
 - Cooperation with organisations and countries
 - Incentives at universities/companies
 - Implementation of WTO rules
- Chinese companies and universities shall file more patent applications and cover more advanced technology

Is it worth to apply for patents in China?



- The Chinese themselves believe that they need patents for the future
- The Chinese Patent Office is the fastest growing in the world

Yes, it is worth, but

..... in the long run you have to know about Chinese laws in the same way as you do about US law

IPR in Korea



- The most inventive country in the world
- Copyright piracy widespread
- TRIPS compliance in process
- KIPO has high standard of examination

The mayor problems

Language

- Difficult to know how the patent is translated
- Many minor comments from the examiners may indicate that the translation has flaws
- Communication with local patent attorneys is difficult

Bureaucracy

- To enter the market you need expert help

The Patent Offices

- Well educated examiners
- Even if patent laws are inspired by German law, application is more inspired by the USA
- Enormous amounts of local prior art available, expect new prior art to come up
- Some prior art may only have the title translated to English
- If you need to rebut an argument, you may have to translate the document yourself

Some practical advice

- Communicate directly with the local patent attorney
- Even better, appoint a patent responsible person in your local unit
- Be prepared for language problems
 - Avoid fashionable technical expressions (buzz words) in your application
 - Make sure that the drawings are clear and understandable

IPR in Japan

- Japan is by now a veteran in the IP world
- Some recent issues concern:
 - Inventor remunerations
 - Means and function interpretation
- Copying in China, Korea, Taiwan etc is a mayor issue for Japanese companies

IPR in India

- First patent law 1856 (based on British laws)
- Current focus
 - Patents on drugs
 - Software patents
 - Protecting Traditional Knowledge
 - Rising on the list of nations

What about Taiwan?

- The step from work shop to design centre is taken
- Taiwan is a sophisticated industrial nation
- Taiwan is not part of Paris Convention
- Taiwan is not part of PCT
- Taiwan is not member of WTO
- But, do not forget Taiwan

And Thailand, Vietnam, Indonesia..

- Copying is widespread
- Thailand is not part of PCT
- Vietnam and Indonesia are part of PCT
- Patents not yet as established as in China

Thank you for your attention
and

多谢君光临
祝愿多好运