

CorporateLiveWire

INTELLECTUAL PROPERTY 2018

VIRTUAL ROUND TABLE

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Introduction & Contents

Intellectual Property 2018 considers the ramifications of the new GDPR regulations in the EU, discusses noteworthy case studies from Nike to Converse, and provides useful insights into protecting your intellectual property across borders. Featured countries are: China, Japan, Malaysia, Nigeria, Poland, Taiwan, UAE, Ukraine and the United States.



James Drakeford
Editor In Chief



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Meet The Experts



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Meet The Experts



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He has gained specialist experience of almost two decades in the area of Intellectual Property Rights beginning with an assignment in an English company and later a local law firm before joining The Legal Group. Hatem has also held a lectureship in the Jerusalem Open University for three years.

A member of the International Trademark Association for over a decade, Hatem has received invitations by the Japanese Trademark Organization, to deliver lectures on Intellectual Property enforcement in the Middle East. In 2010, he was invited by the American Patent Office to give a lecture on Intellectual Property enforcement in North Africa. His contributions have been instrumental in carrying out enforcement activities in several areas of the MENA region.



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Q1. Can you outline the current intellectual property landscape with specific reference to the main regulators and key legislators that apply in your jurisdiction?



Janet Toh

Malaysia has a number of Intellectual Property legislations as enacted by Parliament, covering trademarks, copyright, patents and utility designs, geographical indications, industrial designs and integrated circuits. Under the Copyright Act 1987, the following works are protected: literary, artistic and musical works, sound recordings, films, broadcasts, published edition and also performer's rights. The Layout-Designs of Integrated Circuits Act 2000 protects the design of integrated circuits. Industrial design law is meant to protect the aesthetic appearance of an article and is covered by the Industrial Design Act 1996. Patent law gives protection to the owner of invention which solves a problem in the field of technology. Newly developed varieties of plants can be protected under the Protection of New Plant Varieties Act 2004.

The Malaysia Intellectual Property Corporation of Malaysia ("MyIPO") oversees the administration of trade marks in Malaysia which includes the examination of IP applications, the registration of IP rights, opposition proceedings and the maintenance of IP rights. The Director General of MyIPO is the Registrar of Trade Marks.

The Ministry of Domestic Trade Cooperative & Consumerism ("MDTCC") oversees the administrative enforcement of trade marks in Malaysia by way of, among others, investigating complaints, executing raids against infringing parties and the provisional seizure of goods as provided for under the relevant Trade Descriptions Act 2011 and the Copyright Act 1987. Civil matters concerning registered trade mark infringement and the validity of trade mark registrations are heard at the High Court. The High Court also hears appeals from the decisions of the Registrar at MyIPO and criminal intellectual property (IP) appeals from the decisions of the Sessions Court (IP). The Sessions Court (IP) hears only criminal IP matters.



Andrew Sherman

There have been no real significant shifts in regulatory or legislative policy in the United States relative to intellectual property in 2018 to date. Many business leaders and general counsels were hopeful of the Trump Administration's commitment to a pro-business agenda but it has not yet manifested itself in connection with intellectual property per se, though many business leaders have genuinely appreciated certain attempts to reduce burdensome regulations in other areas such as environmental and OSHA regulation.

The most recent development which may affect further domestic and global regulation has been the Trump Administration's commitment to intellectual property protection in its ongoing trade and tariffs dialogue with China.



Minoru Kato

In Japan, much attention has been paid to adopting its IP system to the advancement of latest technologies, especially those which relate to the so-called Fourth Industrial Revolution, including IoT (Internet of Things), use of Big Data, and AI (Artificial Intelligence). In this regard, the Japan Patent Office ("JPO") which traditionally focused on the granting of IP rights such as patents is now keen to promote smooth utilisation of IP rights. For example, the JPO proposed a guideline for negotiating on SEPs (standard essential patents) in March 2018, a unique effort for an IP office to announce its official view as to how such negotiation should be made between private parties in good faith. The proposed guideline is not legally binding but the JPO expect it, once finalised, to be respected by industries as well as by judiciaries, resulting in the lessening of tensions and conflicts surrounding SEPs.

Q1. Can you outline the current intellectual property landscape with specific reference to the main regulators and key legislators that apply in your jurisdiction?



Osamu Yamamoto

Establishment of the Intellectual Property High Court in 2005 as a direct result of the nation's revised IP strategy has resulted in Japan gaining recognition worldwide for a process of litigation that is both reliable and efficient.

In 2016, 318,381 patent applications were filed with the Japan Patent Office (JPO), while 203,087 patents were granted, which points to an active and effective intellectual property culture. On the other hand, it is of note that the number of patent lawsuits filed in Japan is very low as compared with the US and China.

Under the Fourth Industrial Revolution, innovation in information technology such as IoT and AI has been progressing remarkably. Simultaneously, the source of competitiveness of companies is shifting to data, analysis methods, products and business models that make use of them. Under such circumstances, in addition to promoting an improved environment for the utilisation of data, revision of the laws in intellectual property and standard fields have been under discussion to give new creative value to progress in information technology such as big data.

For example, the Patent Act will be revised to extend a grace period from six months to one year. Along with advances in the Fourth Industrial Revolution, there is an increase in active collaborative research based on open innovation and industry-academia collaboration, and IoT and AI are being applied to various technical fields. In open innovation using other companies' technology, a risk of losing novelty is incurred by publication by other persons. In addition, individual inventors/SMEs and university researchers who are part of open innovation in these technical fields are not necessarily familiar with the intellectual property system. Therefore, it is necessary to assist such entities and encourage their inventions by extending the grace period.



Steven E. Warner

The current intellectual property landscape in the United States is largely made up of patents, trademarks, copyrights, and trade secrets.

Patents: The United States Patent and Trademark Office (USPTO) examines patent applications, and, upon grant of those applications, issues patents.

A utility patent (i.e., a patent for a process, machine, article of manufacture, or composition of matter, that is new, useful, and non-obvious) provides the owner with the exclusive right to exclude others from making, using, selling, offering for sale, and/or importing an invention for a period of twenty years from the earliest effective filing date of a patent application.

A design patent similarly protects an ornamental design of a functional item (14 or 15 year term, depending on the filing date of the application).

A plant patent similarly protects an invention or discovery of a distinct and new variety of plant that has been asexually reproduced and that is not a tuber-propagated plant nor a plant found in an uncultivated state (20 year term).

The Leahy-Smith America Invents Act (AIA) (11 September 2016) changed the U.S. patent system from a "first to invent" system to a "first inventor to file" system, and introduced post-grant proceedings, i.e., trials conducted by the USPTO Patent Trial and Appeal Board (PTAB), including inter partes reviews (IPRs), post-grant reviews (PGRs), covered business method patent reviews (CBMs), and derivation proceedings, allowing a third party to challenge the validity of one or more claims of a patent on the grounds of anticipation and/or obviousness.

Q1. Can you outline the current intellectual property landscape with specific reference to the main regulators and key legislators that apply in your jurisdiction?



Steven E. Warner

The key legislators are Senator Patrick Leahy (D-VT) and Representative Lamar Smith (R-TX), the lead sponsors of the AIA, and Senator Orrin Hatch (R-UT) and former Representative Henry Waxman (D-CA), lead sponsors of the Drug Price Competition and Patent Term Restoration Act (Hatch-Waxman Act). Representative Steve Stivers (R-OH) and Senator Chris Coons (D-DE) also recently introduced bills in the House and the Senate, respectively, seeking to strengthen patent protections.

Trademarks: The USPTO also examines trademark applications, and, upon grant of those applications, registers trademarks.

Federally registered trademarks protect symbols, designs, or expressions that identify products or services of a particular source, and provide the owner with the exclusive right to use the trademark and to prevent registration and use of confusingly similar marks by others. There is no limit to the duration of a trademark, and an owner may keep the trademark alive (and enforceable) by demonstrating continued use.

The Lanham Act of 1946 is the primary federal trademark statute, and prohibits trademark infringement, trademark dilution, and false advertising, among other activities.

Copyrights: The United States Copyright Office examines, registers, and retains copies of copyrighted works.

The Copyright Act of 1976 is the primary basis of U.S. copyright law, and provides protection that extends to “original works of authorship fixed in any tangible medium of expression, now known or later developed, from which they can be perceived, reproduced, or otherwise communicated, either directly, or with the aid of a machine or device.” Works of authorship include: literary works; musical works, including any accompanying words; dramatic works, including any accompanying music; pantomimes and choreographic works; pictorial, graphic, and sculptural works; motion pictures and other audiovisual works; and sound recordings.

The Digital Millennium Copyright Act of 1998 (DMCA) criminalised the production and dissemination of technology, devices, or services intended to circumvent measures that control access to copyrighted works, and the act of circumventing an access control, whether or not there is actual infringement of a copyright itself. The DMCA also heightened penalties for copyright infringement on the internet.

Key legislators include Representative Bob Goodlatte (R-VA), Representative Hakeem Jeffries (D-NY), Representative Darrell Issa (R-CA), Representative Joseph Crowley (D-NY), Senator Chuck Grassley (R-IA), Senator Chris Coons (D-DE), and Senator Orrin Hatch (R-UT).

Trade Secrets: Maintaining a trade secret lies with the individual and/or the business seeking to protect that trade secret.

A trade secret can be a formula, a practice, a process, a design, an instrument, a pattern, a commercial method, or a compilation of information that is not generally known or reasonably ascertainable by others, and by which a business may obtain an economic advantage over competitors or customers.

Legal protections for trade secrets include non-disclosure agreements (NDAs), as well as work-for-hire and non-compete clauses in employment contracts.

Violation of these protections typically carries the possibility of heavy financial penalties.

In general, a trade secret is not deemed to exist unless the purported holder takes reasonable steps to maintain secrecy.

Q1. Can you outline the current intellectual property landscape with specific reference to the main regulators and key legislators that apply in your jurisdiction?



Yu-Li Tsai

According to statistics from the Taiwan Intellectual Property Office (TIPO) for 2017, there were 73,791 new patent applications (including 46,122 invention applications, 19,549 utility model applications, and 8,120 design applications) filed at the TIPO. Comparatively, in 2016 and 2015, the respective numbers were 72,442 (including 43,836 invention applications, 20,161 utility model applications, and 8,445 design applications) and 73,627 (including 44,415 invention applications, 21,404 utility model applications, and 7,808 design applications). The total application number does not substantially change.

In addition, the top five foreign countries which filed the most patent applications in Taiwan in 2017 from highest to lowest are Japan (13,850 applications), United States (7,312 applications), Mainland China (2,674 applications), Korea (2,039 applications), and Germany (1,461 applications).

According to statistics from the TIPO for 2017, there were 83,802 new trademark applications (including 61,215 from domestic applicants and 22,587 from foreign applicants) filed at the TIPO. In comparison to those of 2016 and 2015, where the respective numbers were 79,300 (including 57,548 from domestic applicants and 21,752 from foreign applicants) and 78,523 (including 57,356 from domestic applicants and 21,167 from foreign applicants), the total application number gradually increases.

In addition, the top five foreign countries which filed the most trademark applications in Taiwan in 2017 from highest to lowest are Mainland China (4,830 applications), Japan (3,892 applications), United States (3,684 applications), Hong Kong (1,579 applications), and Korea (1,521 applications).



Tomasz Targosz

The regulatory landscape in Poland, as in any EU member state, must take into account both national and European legislation. IP law has been subject to quite an extensive amount of harmonisation in the EU. This is probably most prominent in copyright, trade mark and design law, whereas patent law has so far lagged behind. Brexit has stalled the progress of the Unitary Patent package and its future remains uncertain. This is however perhaps less challenging from the Polish perspective since Poland has so far opted to stay outside the unitary patent system.

European influence is not only exerted by secondary legislations such as directives and (less often) regulations. A huge role has been played (some say usurped) by the Court of Justice of the European Union. CJ EU mostly uses preliminary questions as an opportunity to shape EU IP law, which has recently been particularly noticeable in copyright law and the scope of the communication to the public right. The majority of new legislative initiatives in Poland refer to EU law – they are either directly required to implement EU directives or to amend previous implementations that have proven questionable as far as conformity with EU law is concerned. A legislative initiative with no relation to EU law is now a rare event. This is all still rather novel for Poland and courts learn how to function in what is in essence a mixed system, constantly open to external influence.

“Brexit has stalled the progress of the Unitary Patent package and its future remains uncertain. This is however perhaps less challenging from the Polish perspective since Poland has so far opted to stay outside the unitary patent system.”

- Tomasz Targosz -

Q1. Can you outline the current intellectual property landscape with specific reference to the main regulators and key legislators that apply in your jurisdiction?



Zhou Qiang

Intellectual property generally includes patents, copyrights, trademarks, trade secrets and other similar concepts. In modern China, IP has become more valuable and more important both for economic development and personal wealth. In order to regulate and protect these IP rights, China began developing legislation focused on IP protection in the 1990s. Though a recent development, Chinese IP protection has developed rapidly and a complete system of intellectual property protection has been established. Although there are still some problems and challenges, generally speaking, IP rights are recognised and protected in China.

China has established administrative regulatory authorities to enforce different parts of their statutory intellectual property protections. Among them, the State Intellectual Property Office and local intellectual property offices are in charge of patents and the layout design work of the integrated circuit; the State Administration for Industry and Commerce and local administrations for industry and commerce are in charge of trademark rights and unfair competition; the State Copyright Bureau and local copyright bureaus are in charge of copyright management; State General Administration of Quality Supervision, Inspection and Quarantine manages appellation of origin protection in China; the Ministry of Agriculture and the State Forestry Bureau are responsible for protection of plant varieties; the Ministry of Industry and Information Technology and local communication authorities supervise and manage domain name services; the General Administration of Customs is responsible for intellectual property protection of imported and exported products; and the Ministry of Commerce is responsible for antitrust investigation and intellectual property protection in international trade.

Laws relating to intellectual property in China – such as patent law, trademark law, copyright law. – are formulated and amended by the National People's Congress and its Standing Committee. The administrative regulations are formulated by the State Council. The State Intellectual Property Office issues orders and regulations within the authority of the Department. In addition, certain local authorities, such as congresses at provincial level, can make certain regulations about the contents of IP.



Nina Moshynska

The following International agreements in intellectual property area have been adopted in Ukraine:

- Paris Convention for the Protection of Industrial Property;
- Convention Establishing the World Intellectual Property Organization (WIPO Convention);
- WTO TRIPS Agreement;
- Patent Cooperation Treaty (PCT);
- Patent Law Treaty (PLT);
- Strasbourg Agreement Concerning the International Patent Classification (IPC Union);
- Budapest Treaty on the International Recognition of the Deposit of Microorganisms for the Purposes of Patent Procedure (Budapest Union);
- Madrid Agreement Concerning the International Registration of Marks and the related Madrid Protocol;
- Trademark Law Treaty (TLT);
- Singapore Treaty on the Law of Trademarks (STLT);
- Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks (Nice Union);
- Hague Agreement Concerning the International Deposit of Industrial Designs (Hague and Stockholm Acts);
- Locarno Agreement Establishing an International Classification for Industrial Designs (Locarno Union);
- UPOV Convention;
- Berne Convention for the Protection of Literary and Artistic Works;
- Association Agreement between Ukraine and European Union

Q1. Can you outline the current intellectual property landscape with specific reference to the main regulators and key legislators that apply in your jurisdiction?



Nina Moshynska

Ukrainian national intellectual property legislation consists of the following legislative acts:

- Constitution of Ukraine;
 - The Civil Code of Ukraine and Commercial Code of Ukraine;
 - The Law of Ukraine 'On Protection of Rights to Inventions and Utility models';
 - The Law of Ukraine 'On Protection of Rights to Marks for Goods and Services';
 - The Law of Ukraine 'On Protection of Rights to Industrial Designs';
 - The Law of Ukraine 'On Protection of Rights to Indication of Origin of Goods';
 - The Law of Ukraine 'On Protection of Rights to Topographies of Integrated Circuits';
 - The Law of Ukraine 'On Copyright and Related Rights';
 - The Law of Ukraine 'On Protection of Rights to Plant Varieties';
 - The Law of Ukraine 'On the Distribution of Copies of Audiovisual Works, Phonograms, Videograms, Computer Software, Databases';
 - Unfair competition legislation including the Law of Ukraine 'On Protection against Unfair Competition' and the Law of Ukraine 'On Protection of Economic Competition'.
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Florence Atuluku

There are about 60 countries in Africa, most of which have their respective national IP laws. In addition, there are two regional Intellectual Property organisations in Africa namely: (i) OAPI [African Intellectual Property Organization] whose members comprise of all French speaking African countries; and (ii) ARIPO [African Regional Intellectual Property Organization] whose members comprise mostly English speaking African countries. One OAPI registration covers all constituent states and one ARIPO registration covers all designated constituent states.

Nigeria is not a member of any of these regional organisations. Also, although Nigeria is a member of some international intellectual property organisations including the World Trade Organization and the World Intellectual Property Organization (WIPO) and signatory to a number of international treaties such as Paris Convention for the Protection of Industrial Property 1883 [the 'Paris Convention'] and the Agreement on Trade Related aspects of Intellectual Property Rights (TRIPS), it is yet to domesticate most of these treaties. The implication of this development is that most of the local laws, particularly the trademarks law, are yet to align international intellectual property rights protection best practices. Hence, adequate protection of IP rights in Nigeria [particularly trademarks rights] can only be achieved by making a direct registration in Nigeria.

Nigeria is a signatory to the Patent Cooperation Treaty (PCT). Consequently, a PCT applicant can seek protection of their patent in Nigeria. Also, Nigeria is a signatory to the Berne convention, which provides automatic copyright protection. However, there exists copyright depository system whereby copyright works are deposited with the Nigerian Copyrights Commission. This however, does not confer additional protection on the copyright.

The key legislations regulating IPRs in Nigeria are the Trademarks Act, Patents and Designs Act and Copy Rights Act. Other regulatory agencies involved in the enforcement of IPRs are the National Agency for Food and Drug Administration and Control (NAFDAC), Standards Organization of Nigeria (SON), Nigeria Copyright Commission (NCC), the Nigeria Customs Service.

Q2. Have there been any recent changes or regulatory developments?



Janet Toh

There have not been any recent changes to the IP legislative framework in Malaysia.

Malaysia is expected to accede to the Madrid Protocol in 2019, although the date has yet to be confirmed. A delegation from WIPO visited MyIPO in November 2017 to conduct a Madrid Protocol Assessment Mission. The three-day session consisted of an assessment by WIPO of the areas of activity that needed to be considered – and possible gaps that would need to be addressed – prior to the deposit of an instrument of accession to the Madrid Protocol.

An amendment to the Trade Marks Act 1976 is accordingly anticipated to provide for the implementation of a single filing system. In addition, other amendments may also include the introduction of non-traditional trademarks such as sounds, colours, smells, taste or a combination of these elements, as well as address other issues such as monetisation of intellectual property (IP) and the remedies for infringement broadened.

In addition, the Malaysian Competitions Commission (MyCC) had in April 2018 issued Draft Guidelines on IP Rights and Competition Law. The MyCC has invited IP practitioners to participate in a Public Consultation by way of submitting their comments and feedback online by the middle of this month. Some of the proposed guidelines include that an exclusive licence is not likely to infringe the Competition Act unless the licence is coupled with anti-competitive conditions such as price fixing and tying. Further, the draft Guidelines also proposes that where the licence provides for exclusive dealing in the case of a newly developed technology, such a term would be beneficial to the consumers in the long run as it ensures that the licensee focuses his time and energy to develop and promote only the licensed technology, and thus enabling him to compete with existing competing technologies.



Andrew Sherman

The most prominent regulatory development has been the federalisation of trade secret law in the United States through the 2016 passage of the Defend Trade Secrets Act (“DTSA”). The impact of the DTSA is just beginning to be felt by companies of all sizes and of all industries from both an employment law perspective and in overall trade secret management best practices and protocols. Ironically however, many business leaders and advisors are still unaware of their rights and remedies under the DTSA and it is clearly still in the early stages of adoption and interpretation.



Minoru Kato

Before the National Diet of Japan, a bill to amend the unfair competition prevention law (“law”) is pending (as of end April 2018) and expected to pass very soon. The proposed amendment aims to introduce legal protection against inappropriate exploitation of Big Data. Specifically, once the bill passes, certain acts such as obtaining another party’s Big Data through illegal access and using or disclosing them to a third party will be subject to injunction and liable to damages. Under the current law, trade secrets have been legally protected but Big Data which often fall outside the stringent definition of the trade secret have been left unprotected. The idea behind the new bill is that with the availability of the legal protection those who are interested in commercial transaction of Big Data would feel more secured, leading to activation of such transaction. On the other hand, the reach of the protection for Big Data is narrower than in the case of trade secrets, as it was concerned that too much protection could rather have a chilling effect. It would remain to be seen whether the new law has struck the right balance for the intended purpose.

“The idea behind the new bill is that with the availability of the legal protection those who are interested in commercial transaction of Big Data would feel more secured, leading to activation of such transaction.”

- Minoru Kato -

Q2. Have there been any recent changes or regulatory developments?



Osamu Yamamoto

The Japan Patent Office has prepared draft guidelines on license negotiations for standard essential patents. These guidelines include advice on how to proceed with license negotiation, how to calculate royalties, domestic and overseas litigation cases, and so on. The guidelines are aimed at enhancing the transparency and predictability of licensing negotiations for standard essential patents, facilitating license negotiations between patent holders and implementers, and preventing or quickly resolving disputes over standard essential patents.

Disputes in conventional standard essential patents have mainly related to information communication technology, such as smartphones. However, it is expected that, as standardisation proceeds in various fields with the spread of IoT, similar disputes may increase in the fields of robotics, automobiles, and home appliances. For this reason, it is important for IoT-related companies to keep up with the trends of standardisation and standard essential patents related to IoT.



Steven E. Warner

On 24 April 2018, the U.S. Supreme Court in *SAS Institute Inc. v. Iancu*, No. 16-969, 584 U.S. (2018) ruled that the Patent Trial and Appeal Board (“the Board”) must decide the validity of every challenged patent claim when the Board agrees to institute an inter partes review (“IPR.”) This holding is a departure from the Board’s prior practice that allowed for “partial institution,” in which only certain claims of those challenged were included, by the Board, in the instituted IPR. Although these “partial institution” decisions were issued by the Board in an attempt to streamline the IPR process, the Supreme Court determined that they went against the AIA’s explicit language requiring the Board to “issue a final written decision with respect to the patentability of any claim challenged by the petitioner.” While the exact impact of this court decision is unclear at present, this holding will most likely result in an even greater workload for the Board and more issues for petitioners, patent owners, and related litigants to consider.



Yu-Li Tsai

On 12 December 2017 and 15 January 2018, the TIPO held public hearings for amendments of Taiwan Patent Act and on 27 February 2018, the TIPO published the researching opinion for the records of the public hearings. The amendments under discussions include:

- (i) to relax the period for the claiming international priority from 12 months to 14 months;
- (ii) to relax the applicability of filing divisional applications after allowance to include invention, utility model and design patent applications, and both in the preliminary examination and re-examination stages for the invention patent applications. The time limit for filing the divisional applications is changed from one month to three months after receiving notice of allowance;
- (iii) to accept the restoration of rights within two months after the expiration of the three-year period for requesting the substantive examination for invention applications;
- (iv) to add the types of lawful utilisation of patent application or patent publications, including reproduction, public transmission and translation;
- (v) to extend the term of design patent protection from 12 to 15 years;
- (vi) to introduce an open license system to promote the activation of patents, and encourage the implementation of patent rights and enhance the value of patents;
- (vii) to amend the period for the retention of patent files from permanent preservation to classified and time-specific preservation;
- (viii) to improve the correction system for the utility model patents, and clearly provide that the timing to petition for the correction of a utility model patent is during invalidation proceeding, upon petitioning for a technical report for the utility model patent, and during the pending period of civil litigations, and the correction will undergo a substantive examination. The independent correction petition for a utility model patent will be cancelled;
- (ix) to clearly provide the legal effect of the invalidation petitioner’s overdue supplementary grounds or evidence, the examining period of an invalidation proceeding, and the restriction of correction petitioned by the patentees; and
- (x) to perfect other legal issues.

Q2. Have there been any recent changes or regulatory developments?



Yu-Li Tsai

The TIPO will consider accepting the trademark registration for scent. In particular, on 6 September 2017, the TIPO published the “drafted amendment of the examination guideline for the non-traditional trademarks” after a public hearing.

There will be a significant legislative change on Taiwan Copyright Law. On 20 November 2017, the Executive Yuan approved a drafted amendment of Taiwan Copyright Law which is made by the TIPO. The amendment was described by the TIPO as “comprehensive amendments” and does cover quite a few orientations summarised as follows:

- (i) in accordance with the needs of scientific and technological development (e.g., internet and communication equipment), consolidating and amending the provisions regarding various property rights (e.g., public recitation, public broadcast, public presentation, public performance, public transmission.);
 - (ii) revisiting the rationality and flexibility of the proprietorship of the author (e.g., employer and employee, commissioning entity and commissioned entity);
 - (iii) amending the provisions of the moral rights of a perished legal person to facilitate the utilisation of works;
 - (iv) clarifying the relevant the provisions related to the distribution rights and the rental rights to facilitate market harmony;
 - (v) adjusting the protections for the performers and sound recordings;
 - (vi) amending the provisions related to the restrictions of property rights;
 - (vii) adding the provision related to the compulsory licensing against the work whose property rights owner is unknown and the pledge initiating the registration of property rights;
 - (viii) amending the provisions related to the statutory compensations;
 - (ix) amending the provisions related to the border measures;
 - (x) revisiting and amending the inopportune or inappropriate provisions related to the criminal liabilities.
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Tomasz Targosz

There are changes and new developments on a regular basis. Recent examples include the implementation of the directive on collecting societies, which is already overdue but has been the subject of a heated discussion, mostly because it interferes with many established interests of the collecting societies, copyright users, etc. Another example is a draft law amending the Law on Industrial Property, an act which in Poland gathers under one roof patent, trademark and design law (as well as some other rights such a geographical indications). Here, the main reason seems to be the need to correct past mistakes, for example the misguided regulation of the right of information, measures to secure evidence and other remedies. In the initial version of this draft a provision on indirect patent infringement appeared for the first time in Polish law, but this is a hugely controversial topic, for example for Polish pharmaceutical companies. It is still uncertain what the results of the lobbying and tugging will be. It is, however, perhaps instructive to learn that the written grounds accompanying the draft explained the new provision on indirect patent infringement as “clarifying the scope of patent protection”, which – to put it mildly – was simply misleading.



Zhou Qiang

At the beginning of March 2018, China integrated functions of several regulators, including the State Intellectual Property Office, the State Administration for Industry and Commerce, and the State General Administration of Quality Supervision Inspection and Quarantine. The State Administration for Market Regulation is responsible for the registration and the administration of trademarks, patents and their geographical origin, and guiding law enforcement on trademarks and patent. The comprehensive market supervision team is responsible for the enforcement of trademarks and patent. Another intellectual property reform is the establishment of intellectual property courts in Beijing, Shanghai and Guangzhou beginning in 2014, to promote the specialised trial for IP lawsuits. In the last two years, the Supreme Court approved the establishment of intellectual property divisions in certain local courts to hear intellectual property cases which involve the parties from multiple regions.

Q2. Have there been any recent changes or regulatory developments?



Zhou Qiang

The primary recent development is the amendment of the Anti-unfair Competition Law on 1 January 2018. The main changes are: (i) the addition of unfair internet competition clauses; (ii) significant change to the definition of commercial bribe; and (iii) an increased maximum penalty for administrative punishment. The maximum fine was increased to three million RMB for a confusion act, infringement of a trade secret, commercial bribery, behaviours that damage the goodwill of a competitor, and the network operator infringement behaviour.



Nina Moshynska

Ukraine has seen substantive developments, including:

The Association Agreement between Ukraine and European Union became effective as of 1 September 2017. According to this agreement the Ukrainian legislation, in particular the legislation on protecting of IP rights, should be amended in order to implement the conditions of EU-UA Association Agreement into national law. In general, this change is directed on harmonising of Ukrainian IP law and IP law of European Union.

More than 3,000 geographical indications protected in the EU obtained protection in Ukraine;
The High Court on Intellectual Property matters should be established in Ukraine during 2018-2019. The decisions of this court may be appealed in the Supreme Court. The selection of 21 judges of the High Court on Intellectual Property is currently in progress.

Ukrainian government has initiated a new decree of official fees for IP prosecution. This decree has not been adopted yet but in general it will provide increasing of official fees by 200-400%.



Florence Atuluku

The primary legislations regulating IPRs in Nigeria [The Nigerian Trademarks Act enacted in 1967, Copyrights Act enacted in 1988, Patents and Designs Act enacted in 1971] are all modelled after the English Law. However, none of these legislations have been updated and consequently the Nigerian IP legal regime does not incorporate developments in international intellectual property rights protection practices. Also, as noted above, although Nigeria is a signatory to most international treaties relating to protection of intellectual property rights, it is yet to domesticate these treaties.

Recent notable regulatory development in the IP legal regime is the proposed Intellectual Property Commission Bill currently pending before the National Assembly. The Bill seeks to repeal the Trademarks Act, Patents and Designs Acts and merge all intellectual property agencies [the Trademarks Registry, Patents Registry, Designs Registry and Copyrights Commission] into a single agency to be known as the Industrial Property Commission.

The Bill also seeks to align the Nigerian IPR legal regime with international best practices by making provisions not only for the protection of trademarks, patents and designs, but patentability of computer programmes, protection of plant varieties, animal breeders and farmers' rights, famous and well known marks; restriction of the importation of goods with infringing trademarks by requiring that notice of such goods be made available to the Nigeria Customs Service.

“Unlike the closed innovation approach that upholds patents as monopolistic tools, the open innovation approach upholds patents as tools for access to a third party.”

- Florence Atuluku -

Q3. How does the recent GDPR and Personal Data Protection changes in Europe impact IP practitioners?



Steven E. Warner

IP practitioners are subject to the requirements of the European Union's General Data Protection Regulation (GDPR) regarding the processing of personal data of data subjects residing in the European Union (EU) if those practitioners collect or use the personal data of any EU resident, regardless of whether those practitioners have a presence in the EU and regardless of where the collection or use takes place.

The key changes under the GDPR from the previous privacy law directive include:

Territorial Scope: The GDPR applies to all companies that process personal data of data subjects (i.e., individuals) residing in the EU, regardless of location, and regardless of whether the processing takes place in the EU or not. The GDPR also applies to controllers and processors (i.e., companies that control personal data and companies that process personal data, respectively) whose activities relate to offering goods or services to EU citizens (irrespective of whether payment is required) and monitoring of behaviour that takes place within the EU. Non-EU companies that process the data of EU citizens must appoint a representative in the EU.

Penalties: Breach of the GDPR can result in fines of up to 4% of annual global turnover, or €20 million (whichever is greater). There is also a tiered approach to fines (e.g., a company may be fined 2% (of annual global turnover) for not having records in order, not notifying the supervising authority and data subject about a breach, or not conducting an impact assessment). These rules apply to both controllers and processors, so companies offering cloud services are not exempt.

Consent: Companies can no longer use long, illegible (e.g., fine print) terms and conditions full of legalese. A request for consent must be given in an intelligible and easily accessible form, with the purpose for data processing being attached to that consent. The consent must be clear and distinguishable from other matters, and must use clear and plain language. Data subjects must be able to withdraw consent as easily as they give it.

The GDPR provides a particular set of rights to a data subject, including:

Breach Notification: If a data breach is likely to "result in a risk for the rights and freedoms of individuals," a company must issue a breach notification within 72 hours of becoming aware of the breach. Data processors are required to notify their customers and the controllers "without undue delay" after first becoming aware of a data breach.

Right to Access: Data subjects have the right to obtain, from a controller, confirmation as to whether or not their personal data is being processed, where, and for what purpose. The controller must also provide a copy of the personal data, free of charge, in an electronic format.

Right to Be Forgotten (Data Erasure): Data subjects have the right to have the controller erase their personal data, cease further dissemination of the data, and potentially have third parties halt processing of the data. Conditions for erasure include the data no longer being relevant to the original purposes for processing, or data subjects withdrawing consent. Controllers must compare the data subjects' rights with "the public interest in the availability of the data" when considering such requests.

Data Portability: Data subjects have the right to receive their personal data in a commonly used and machine-readable format, and have the right to transmit that data to another controller.

Q3. How does the recent GDPR and Personal Data Protection changes in Europe impact IP practitioners?



Steven E. Warner

Privacy by Design: A controller must implement appropriate technical and organisation measures in an effective way in order to meet the requirements of the GDPR and to protect the rights of data subjects from the onset of designing a system. Controllers must hold and process only the data absolutely necessary for the completion of its duties (data minimisation), and must limit access to personal data to those individuals needed to perform the processing.

Data Protection Officers: Controllers and processors are now subject to internal record keeping requirements, and a data protection officer (DPO) appointment will be mandatory only for those controllers and processors whose core activities consist of processing operations that requires regular and systematic monitoring of data subjects on a large scale, or of special categories of data or data relating to criminal convictions and offenses.

Impact on IP Practitioners:

The GDPR provides that the exercise of the right of access “should not adversely affect the rights or freedoms of others,” including trade secrets and intellectual property rights (including those covering software). Similarly, because the right of portability is designed to help data subjects switch from one supplier to another, i.e., to a potential competitor, the GDPR provides that the exercise of the right of portability “should not adversely affect the rights or freedoms of others,” including trade secrets and intellectual property rights.

Importantly, EU Directive 2004/48 on the enforcement of intellectual property rights is not changed by the GDPR. Thus, national courts may order infringers or persons involved in the production or sale of infringing goods to disclose information regarding the origin and distribution networks of such goods, without prejudice to the provisions governing the processing of personal data.

Also, if an IP practitioner conducts an investigation to identify potential infringers of a patent, a trademark, or a copyrighted work, they may be collecting and processing personal data of an EU resident, and, therefore, they are creating a conflict between the protection of intellectual property rights and the protection of data. IP practitioners, therefore, should undertake necessary precautions and measures to ensure compliance with the requirements of GDPR.



Tomasz Targosz

I would say in Poland this impact has been rather indirect. It is very common in the Polish legal market that the same law firms that specialise in IP law, are the best specialists in data protection law as well. GDPR has caused a simply enormous increase of workload for data protection experts. I do not recall anything comparable in other areas of law related to IP. This surely proves new EU regulations can be a bonanza for lawyers!



Florence Atuluku

Effective 25 May 2018, the General Data Protection Regulation (“the GDPR”) has become applicable to all member states of the European Union (“EU”) replacing the pre-existing EU data protection law - 95/46/CE Directive (“the Directive”). Key GDPR obligations that legal practitioners should generally avert their minds to include, the extraterritorial application of the GDPR as its scope extends to companies outside the EU that offer or market goods and services to EU residents and international companies that collect and process data of EU citizens. It is also pertinent to note that the GDPR has increased penalties for noncompliance with the EU data protection requirements to financial sanctions of up to 4% of total worldwide annual sales or €20 million, whichever is greater.

Q3. How does the recent GDPR and Personal Data Protection changes in Europe impact IP practitioners?



Florence Atuluku

Some of the GDPR obligations that IP practitioners should note include subject's "Right of Access" to his or her personal data. Pursuant to this right, data subjects can demand and obtain personal data that has been collected about them. The conflict that this right poses for IP practitioners is determination of the limit of information to which a data subject is entitled to retrieve. Specifically, where the data controller's technical know-how was used in processing the personal data for the provision of a service or production of a product, can the data subject validly demand for the technical know-how as part of her data?

Another possible impact of the GDPR on IP practitioners relates to "Portability Right" that gives a data subject the right to collect his or her personal data in a machine-readable format and transfer to another person. The implication of transferring the data in a reusable format [machine-readable format] is that the other person or recipient [possibly a competitor] can use the data. This presents an IPR infringement situation, as the data may contain information relating to the technical know-how or intellectual property rights of the transferor.

Notwithstanding the possible conflict posed by the requirements of "right of access" and "portability right", it is noteworthy that the GDPR provides an exemption to the effect that exercise of these rights "should not adversely affect the rights or freedom of others, which includes trade secrets, technical know-how or other proprietary rights.

Q4. Has there been any noticeable fallout from the on-going IP dispute between the United States and China? To what extent would the proposed unilateral blanket tariffs undermine the World Trade Organization's dispute resolution system?



Andrew Sherman

United States and China are and will continue to be in the foreseeable future, the world's leading economic superpowers. Under the current economic policy regime in China, as well as its own commitment to entrepreneurship and innovation, there is no reason in the world why it is not in the best interest of both countries to be aligned on intellectual property law and policy as well as trade and tariffs. China's articulated goal of being an economic trade partner with the world (through its "Belt and Road Program") will require its intellectual property laws to be harmonised with the western world. But like all evolutionary policy, there will be hurdles and roadblocks and we are unfortunately in the middle of one of them now that has the capability of having a severe domino effect on global trade overall.



Minoru Kato

This bilateral IP dispute does not seem to have yielded immediate fallout in Japan. However, persistent allegations from the U.S. side about insufficient IP protection in China would likely work in favour of reinforcing their IP system, especially in terms of enforcement against infringement of IP rights in China. Although the Chinese IP system in general may now be in much better order than a decade ago, foreign IP owners may still find difficulties in asserting their IP rights locally. If the environments of IP enforcement by the courts, the customs and the administrative agencies are improved in a way to increase promptness, effectiveness and transparency, it would certainly be encouraging not only for U.S. IP owners but also for IP owners of the other jurisdictions.

"China's articulated goal of being an economic trade partner with the world (through its "Belt and Road Program") will require its intellectual property laws to be harmonised with the western world."

- Andrew Sherman -

Q4. Has there been any noticeable fallout from the on-going IP dispute between the United States and China? To what extent would the proposed unilateral blanket tariffs undermine the World Trade Organization's dispute resolution system?



Zhou Qiang

Most disputes over intellectual property between China and the US are in cases in which American right holders sue Chinese companies or individuals for infringement behaviours, although there are also a few cases in which Chinese right holders sue American companies. China has achieved significant progress in the trial of IP disputes. For example, in 2017, the number of intellectual property cases increased substantially. Of these, copyright cases experienced the greatest increase. Civil intellectual property cases of first instance increased by 47.27% in 2017. Copyright, trademark and patent cases increased by 137267, 37964 and 16010 respectively. The dramatic increase of the IP caseload shows that people have realised the Chinese judiciary and litigation are useful and effective channel for them to solve their disputes on IP and seek remedies.

Intellectual property disputes between Chinese and American companies shall be submitted to a judicial system either in China or the US. Based on applicable procedural and substantive laws, the conflicting government policies on intellectual property between China and the US can be submitted to WTO dispute settlement. The unilateral sanction imposed by the US on the Chinese government is a violation of market rules and generally accepted international rules. The unilateral tariff imposed by the US deviates from the spirit of the WTO, and their behaviour will have a negative impact on the operation and development of the multilateral trading system.

Q5. What prominent trends are you witnessing in how companies protect their intellectual property?



Janet Toh

We note with interest that businesses are becoming increasingly proactive with the protection of their IP rights though their involvement in groups such as INTA, BASCAP and UNIFAB. These groups are not only directly meeting and discussing their issues with MyIPO and MDTCC officials, but they are also arranging meetings with several embassies to put pressure on those embassies to forward their IPR protection and business proposals to their Malaysian counterparts to heighten the agenda. Our firm is pleased to be part of this process, and one particular issue that we are championing is the implementation of a system of landlord liability for infringement of IPRs in Malaysia. Presently Malaysia does not recognise landlord liability (and a High Court case arguably confirms the same), but this is exactly the kind of legal change that we, our client businesses, and our partners in the IP groups are working to change.

Increased reliance has been put on statistics which demonstrate the economic contribution of trademark-intensive industries to the relevant country's economy, as well as the loss of income to the national economy caused by the perpetuation of the counterfeit market. To this end, a very useful statistical study had been prepared by INTA in September 2017 covering the contribution of such trademark-intensive industries to the economies of five ASEAN countries, which we are aware has been presented to and discussed with various stakeholders in the region.

We are pleased that MyIPO and MDTCC are responsive to the concerns of businesses. MDTCC had in 2012 initiated a business friendly 'Basket of Brands' scheme, in which Brands may register their goods with MDTCC so that MDTCC may take proactive action to infringing products found on the market as well as expediting the verification processes. As at 26 January 2018, 67 companies have signed up to the scheme, involving over 200 brands. We look forward to the continued growth of this 'proactive' trend by companies, the partnership with ministry officials, and how we as a law firm may assist in the same.

Q5. What prominent trends are you witnessing in how companies protect their intellectual property?



Andrew Sherman

Slowly but surely intellectual property and intangible assets are making their way to the head chair of the business strategy roundtable for both chief legal officers and chief legal officers inside America's most prominent and respected companies. The value of the intangible assets in Venture Capital, Private Equity, Corporate Venturing, and M&A transactions is undisputed well beyond the traditional definition of goodwill. Witness the recent acquisition of LinkedIn by Microsoft for over \$26 billion dollars, when only a tiny fraction of the purchase price could be attributable to tangible assets. These transactional and Capital Market trends will continue well into the future to the point where it will not only be the norm to see such asset ratios in place but will also require a major overhaul in the tax and accounting treatment of intangible assets in the future.



Minoru Kato

One trend is that many Japanese companies are getting more conscious about making distinction between protection by patents and protection by trade secrets. This stems from their increased awareness for the value of trade secrets as IP assets as opposed to the potential downside of publicising technological information as patents. Some high-profile court cases of trade secret violation reported in recent years may likely have influenced their mind-sets. Another trend is that many Japanese companies are steadily increasing the ratio of filing their patent applications abroad. This is reflected by the number of PCT international patent applications filed by Japanese companies which has been growing continuously. The move is in line with their recognition that seeking patent protection only in Japan means allowing their foreign competitors, especially those in Asia, utilise the patent information once published for free.



Osamu Yamamoto

A trend exists in innovation strategies from closed to open. This trend is based on various driving forces; for example, globalisation and intense innovation competition, sophistication and complication of technologies, and importance of scientific knowledge for industrial innovation, particularly in bio-pharmaceuticals. Thus, instead of relying solely on internal intellectual property and expertise, technology development and commercialisation can be simplified greatly, and expedited by incorporating external intellectual property and expertise. Unlike the closed innovation approach that upholds patents as monopolistic tools, the open innovation approach upholds patents as tools for access to a third party.

Many big companies use both open innovation and closed innovation separately and strategically. To generalise, in core technologies, closed innovation and closed intellectual property strategies tend to be applied. On the other hand, in areas for standardisation or in new areas open innovation and open intellectual property strategies tend to be applied.

Activating dormant patents is one possible promising way to provide domestic companies and universities with a variety of open innovation opportunities. For example, licensing dormant patents to foreign companies etc. can lead to expanded opportunities overseas.

“Unlike the closed innovation approach that upholds patents as monopolistic tools, the open innovation approach upholds patents as tools for access to a third party.”

- Osamu Yamamoto -

Q5. What prominent trends are you witnessing in how companies protect their intellectual property?



Steven E. Warner

Since 2012, the U.S. Supreme Court has rendered a few decisions finding that certain types of claimed subject matter are unpatentable under 35 U.S.C. § 101. (See, e.g., *Alice Corp. v. CLS Bank International*, 134 S. Ct. 2347 (2014), which held that certain computer-related claims are ineligible for patent protection; and *Mayo v. Prometheus*, 132 S. Ct. 1289 (2012), which held that various medical diagnostics patents recite unpatentable subject matter.) These decisions have resulted in many companies being unable to obtain patent protection relating to their novel software and/or medical diagnostic procedures. Thus, to protect this type of intellectual property, companies are now pursuing copyrights and/or trade secrets more frequently than they have in the past. Such IP strategies, however, are generally not as powerful and/or effective in protecting this valuable company intelligence. Alternatively, many companies are not investing in or pursuing these types of technologies, due to the difficulties in obtaining patent protection.



Tomasz Targosz

Companies are more and more aware of the importance and role of IP. Unfortunately, it is still easy to observe that foreign companies or their Polish subsidiaries are, as a rule, more likely to enforce their IP and make sure it is adequately protected. Polish companies are catching up though. They are also getting better prepared to stave off legal challenges from global behemoths, e.g. in the pharma sector. It has become more and more common for larger companies to set up a subsidiary entrusted with the management of their IP rights. This is most prevalent with regard to trademark portfolios but not limited to these. It has also become more popular to take advantage of customs measures.

The approaches towards IP protection, though convergent, differ between foreign and Polish companies. For the former it is part of their global policy, implemented on the national level, sometimes with a few necessary tweaks. While this may not always reflect all the peculiarities of the Polish legal and judiciary systems, such policies are generally positive, providing Polish companies and their employees (who may later start their own businesses or change the employer) with a useful template. The latter must start more or less from scratch, but the flow and exchange of information (including experienced law firms) make this task much easier.



Zhou Qiang

More and more enterprises are focusing on the initial protection of intellectual property before expanding their business overseas. Their primary focuses are (i) to conduct surveillance and pre-warning. Before the product, technology or trademark “go out”, the enterprise will hire domestic professionals or lawyers in the target countries to analyse and investigate the intellectual property situation of the product in the foreign market; (ii) to register intellectual property in the target country before the commercial activities are launched, as opposed to registering the intellectual property in the target country after the commercial activities are initiated; and (iii) to protect their legal rights more vigorously and promptly overseas. Quite a lot of companies have strong sense for evidence preservation. Once they find their rights are infringed, they will take legal action against the infringers and seek remedies through legal procedures or arbitration and mediation provided by the World Intellectual Property Organization to protect its own rights and interests.



Hatem Abdel Ghani

Nowadays, the brand owners are becoming keen in protecting their IP Rights. Generally, these companies take active control in stopping the illegal use of their intellectual property by conducting customs recordation – which is in fact, the first line of defence in fighting counterfeits from coming into a country. They are now also active in conducting market studies and/or researches to clearly identify the counterfeiting problem for their brand. Raid actions on retailers, wholesalers, importers, logistics companies, residential flats and villas, desert areas, farms, etc. are also being conducted since the strategies of the counterfeiters varies and are always changing, especially, now that the brand owners are chasing them down.

Q5. What prominent trends are you witnessing in how companies protect their intellectual property?



Hatem Abdel Ghani

Apart from this, brand protection trainings are also organised for the authorities where they are being taught how to identify the genuine from the counterfeit of a specified brand. Through this, they are updated and more equipped in their activities. Also, the brand owners maintain a mutual cooperation with the authorities and meeting with them from time to time to keep a strong relationship and connections with them.

If I may add, brand owners are also concerned on their consumer's welfare. Hence, public exhibitions on malls, universities and other public facilities are organised to also educate the end users of their products. It is also an important measure that they use to reduce the size of the counterfeit.

Q6. Are there any noteworthy case studies or recent examples of new case law precedent?



Janet Toh

In 2017, the Malaysian government exercised its right of compulsory licensing under section 84 of the Patents Act 1983 against the company Gilead to exploit their Hepatitis C drug sofosbuvir 400mg, claiming that such decision "was made after the MOH [Ministry of Health] efforts to be included in the Medicine Patent Pool (MPP) and price negotiations with patent holder were unsuccessful." The last time the Government of Malaysia exercised such rights was in 2004 in respect of antiretroviral drugs to treat HIV infection.

Gilead had reportedly offered Malaysia an after-the-fact voluntary license for the drug but it appears that the Government had rejected the offer. Gilead has since taken the Malaysian Government to court and litigation is still on-going.

The case is interesting in that it brings to the front once again the debate between the state's public health responsibilities versus protecting research and development investment. The decision demonstrates Malaysia's stand in support of the former. On the other hand, Malaysia has only ever exercised this right twice and in both cases, only in situations where it perceives the costs of treatment to be "exorbitantly expensive" making the treatment "less accessible to patients".

As for judicial precedent, the recently decided Federal Court case of *Tan Kim Hock Product Centre Sdn Bhd v Tan Kim Hock Tong Seng Food Industry Sdn Bhd* [2018] 2 CLJ 567 recently confirmed that a Trade Description Order (TDO) may be obtained via ex parte applications. A TDO is an order of the High Court made pursuant to section 9 of the Trade Descriptions Act 2011 in favour of a registered proprietor of a trademark, which declares as false another mark or get up which is similar but not identical to his own trademark. Armed with a TDO, the owner who obtained a TDO can go to the relevant enforcement agency, namely the Enforcement Division of MDTCC to move the machinery of the criminal law under the provisions of the Trade Descriptions Act 2011. The Federal Court in this instance ruled that TDOs may be granted ex parte in favour of the registered proprietor. The Federal Court held that unless a TDO was obtained swiftly through the mechanics of an ex parte application any effort to curtail the problem of imitation goods flooding the market would be seriously hampered.

"Brand owners are also concerned on their consumer's welfare. Hence, public exhibitions on malls, universities and other public facilities are organised to also educate the end users of their products."

- Hatem Abdel Ghani -

Q6. Are there any noteworthy case studies or recent examples of new case law precedent?



Minoru Kato

In 2017, the Supreme Court of Japan (“Court”) issued an important decision clarifying the standard for finding patent infringement under the Doctrine of Equivalents (DoE). When DoE is applied, a product or process that is slightly deviated from the literal protective scope of a patent may still be held to infringe the patent. In Japan, the current standard of DoE was set forth in the landmark decision issued in 1998, in which the Court indicated among others that DoE would not apply when the patentee is deemed to have intentionally excluded the deviation at issue from the literal protective scope of a patent.

Last year’s Court decision addressed a situation where the deviation would have been easily recognisable by a skilled artisan at the time of filing the patent application. The Court held that even when such an easily recognisable deviation had not been written down as a part of the literal protective scope, this fact alone would not amount to the intentional exclusion (as raised in the 1998 decision) to deny the application of DoE. The latest judicial indication appears to work in favour of patentees who might at times make minor mistakes in the choice of wording during a hasty process of preparing patent application.



Osamu Yamamoto

The Supreme Court of Japan handed down a decision on 24 March 2017, in which patent infringement under Doctrine of Equivalent (DOE) was invoked.

In 1998, the Supreme Court of Japan handed down a decision setting a precedent that infringement under DOE may be found in consideration of the following five requirements:

- (i) The feature of the claim that is different from that of the alleged infringing product/process is not an essential part of the invention;
- (ii) even if the feature of the claim is replaced by that of the alleged infringing product/process, the invention can achieve the same purpose, and have the same function and result, as the claimed invention;
- (iii) the replacement was easily conceivable for a person skilled in the art at the time of the infringement;
- (iv) the alleged infringing product/process was neither identical to the publicly known art at the time of filing of the patent application nor easily conceivable for a person skilled in the art at that time; and
- (v) there are no special circumstances in the prosecution history such as an intended exclusion of the alleged infringing product/process from the scope of the claim.

The patent at issue in the case decided on 24 March 2017 is a process for producing a compound claim using a Vitamin D compound having a cis-form as starting and intermediate compounds. The patent at issue does not include any mention on a trans isomer in the description. On the other hand, the alleged infringer used a Vitamin D compound having a trans-form as starting and intermediate compounds. The issue before the Supreme Court was whether or not the fifth requirement, namely the “no special circumstance” requirement, was fulfilled in the case. The Supreme Court held that even if the allegedly infringing product/process could have been easily conceived of at the filing date, and the applicant did not actually include it in the scope of a claim, that fact alone was not sufficient to be interpreted as a “special circumstance.” The Supreme Court concluded that the patentee did not intentionally exclude a trans isomer from the scope of the claim. This decision helps patentees to expand the applicability of the doctrine of equivalents.

“The latest judicial indication appears to work in favour of patentees who might at times make minor mistakes in the choice of wording during a hasty process of preparing patent application.”

- Minoru Kato -

Q6. Are there any noteworthy case studies or recent examples of new case law precedent?



Steven E. Warner

There have been several recent cases centred on a brand name company's ability to protect its trademarks from generic companies, with some significant decisions being rendered in 2018.

Adidas, a company known for aggressive enforcement of its trademarks, won a victory at the European Union General Court on 1 March 2018, against generic company Shoe Branding Europe^[1]. Shoe Branding applied to register two footwear trademarks with the European Union Intellectual Property Office ("EUIPO") for two stripes down the side of a shoe. Adidas asserted that Shoe Branding's marks take unfair advantage of the reputation of its iconic three-stripe shoe mark, and that this similarity will cause confusion with the relevant public.



Mark sought to be registered by Shoe Branding Europe



Mark relied on by Adidas to oppose the applications from Shoe Branding Europe

See Press Release No. 24/18

In the latest decision in a years-long battle, the General Court sided with Adidas and a previous decision from EUIPO, finding that Shoe Branding was attempting to take unfair advantage of Adidas's mark, and that Shoe Branding had not demonstrated the existence of due cause for the use of the marks for which it had applied. This decision allows Adidas to oppose Shoe Branding's trademark registrations.

Converse, a well-known shoe brand owned by Nike, Inc., is set to hear from the U.S. Court of Appeals for the Federal Circuit in 2018 on whether it can block other shoe companies from making sneakers that look like its famous Chuck Taylors^[2]. Converse claims that companies such as Wal-Mart, Sketchers, New Balance, and others have been using certain essential elements of its "Chucks" design, such as a toe cap and side stripes, which it argues constitute protected trade dress under the Lanham Act.

¹ *Press Release No. 24/18*, Judgment in Cases T-85/16 and T-629/16, General Court of the European Union, Luxembourg (March 1, 2018) <https://curia.europa.eu/jcms/upload/docs/application/pdf/2018-03/cp180024en.pdf>.

² *Trademark Cases to Watch in 2018*, Bill Donahue, LAW 360 (Jan. 1, 2018) <https://www.law360.com/articles/996703/trademark-cases-to-watch-in-2018>.

Converse, a well-known shoe brand owned by Nike, Inc., is set to hear from the U.S. Court of Appeals for the Federal Circuit in 2018 on whether it can block other shoe companies from making sneakers that look like its famous Chuck Taylors."

- Steven E. Warner -

Q6. Are there any noteworthy case studies or recent examples of new case law precedent?



Steven E. Warner



Converse

Photo from converse.com



Walmart

Photo from walmart.com



FILA

Photo from fila.com

See, How does Nike recognize the costs of suing 31 companies over Chuck Taylor trademark infringement, Dr. Wendy Tietz, Accounting in the Headlines (29 Oct. 2014) <https://accountingintheheadlines.com/2014/10/29/how-does-nike-recognize-the-costs-of-suing-31-companies-over-chuck-taylor-trademark-infringement/>

In 2016, the U.S. International Trade Commission (“ITC”) rejected Converse’s argument, finding that “Chucks” did not have the “secondary meaning” necessary for trade dress protection and pointing out that other companies had been selling similar shoes for years without opposition. On appeal, Converse argues that the relevant question is what the impact on secondary meaning is in the minds of today’s relevant consumers, not what shoes were being sold in the past.

Finally, the *Tiffany & Co. v. Costco Wholesale Group* saga continues in 2018, as the Second Circuit will hear an appeal by Costco of a 2016 damages decision finding Costco liable for over \$19 million in profits and punitive damages³. Costco was found liable for trademark infringement and counterfeiting in 2015 due to its use of “Tiffany” on diamond engagement rings, but the amount of damages ordered by a New York federal judge in 2017 was seen as uncommonly high. The Second Circuit’s handling of this award – especially of the notable fact that the profits award was trebled by the New York judge – will be closely scrutinised, and it could affect how future trademark damages are calculated.

Overall, 2018 will be an interesting year for trademark cases involving battles between brand name and generic companies.

³ See *Trademark Cases*, Donahue (Jan. 1, 2018); *Costco Owes Tiffany More Than \$19 Million, Judge Rules*, Christina Caron, NEW YORK TIMES (Aug. 15, 2017) <https://www.nytimes.com/2017/08/15/business/costco-tiffany-rings.html>.

Q6. Are there any noteworthy case studies or recent examples of new case law precedent?



Yu-Li Tsai

On 29 June 2017, an appeal tribunal of the IP Court handed down a Civil-Patent-Appeal No. 24, 2016 judgment on the *Koninklijke Philips N.V. v. Gigastorage Corporation* case. In the preceding Civil-Patent-Sue No. 38, 2014 instance, the Plaintiff Philips sued Defendant Gigastorage for infringing its patent related to DVD-R techniques and claimed an amount of NT\$ 1,050,000,000. The original instance of the IP Court rejected the Plaintiff's claims, but the appeal court reversed the decision and held the Defendant shall compensate for the Plaintiff the full amount of NT\$ 1,039,500,000.

There are some important facts here: (i) the period used for calculating the compensation is from 1 January 2000 to 14 February 2015; (ii) the Plaintiff knew that the Defendant manufactured the infringing products at least from 2003 but did not sue the Defendant until 28 April 2014, which is 14 years after 2000; (iii) the Plaintiff had sued the Defendant according to the patent for the same invention in Italy in 2004 but was rejected by the courts in Italy; (iv) the Plaintiff claimed the compensation based on three distinct legal theories, i.e., infringement under Patent Act, unjust enrichment under Civil Code and *negotiorum gestio* under Civil Code; (v) the Plaintiff claimed a reasonable royalty rate US\$ 0.06 per disk of DVD-R, and the rate is based on a previous bundle license agreement involving 199 patents. In addition, US\$ 0.06 is 42.8% to 54.5% of the ex-factory prices (US\$ 0.11 to US\$ 0.14) per disk of DVD-R.

The appeal court finally held that (i) because the Plaintiff had been silent about the infringement for over 10 years and the cases in Italy decided in favour of the Defendant, the Defendant did not have intention or negligence, and thus the Defendant did not infringe the patent; (ii) the Defendant, however, had unjust enrichment under Civil Code, where the unjust enrichment claim has a statute of limitation of 15 years from the date the claim became available; (iii) the issue of the *negotiorum gestio* under Civil Code is not important in this case; and (iv) the US\$ 0.06 in the bundle license agreement involving 199 patents is a reasonable royalty rate for the present case even though only one patent was infringed by the Defendant.

There are three important legal issues involved in this case: (i) whether the unjust enrichment under Civil Code may be applied in the patent law regime when it substantially prolongs the statute of limitation for monetary remedies for unjust exploitation of patents from two years to 15 years; (ii) whether the royalty rate of a bundle license agreement may be directly used as a basis for the reasonable royalty rate in calculating monetary compensation for unjust exploitation of patents; and (iii) if the first holding in the preceding paragraph is correct, whether (a) there still is an unjust exploitation of patents and (b) the fourth holding based on "even though only on patent was infringed by the Defendant" is viable.

The Defendant will appeal this decision to the Supreme Court. Therefore, it will be very interesting to see how the Supreme Court will address these issues.



Tomasz Targosz

There are unfortunately relatively few cases that could be presented as ground-breaking and legally interesting for lawyers from other jurisdictions. It has to be said that the general standard of court decisions in IP cases is rather mediocre, which may be partly attributed to the fact that Poland has no specialised IP courts and very few specialised IP judges. One of the decisions that may be found interesting is the judgment of the Appeal Court in Kraków in the *Chomikuj* case delivered in September 2017. The main issue was whether and to what extent hosting providers may be subject to limited monitoring obligations, especially of the "stay-down" variety. The unusual part of the decision was that the court found the defendant directly liable for copyright infringements, inter alia because of the applied method of payment for downloads. The decision seems to grapple with what some authors label as 'false hosting providers', i.e. hosting providers whose services seem to encourage infringements and who disproportionately profit from them.

Q6. Are there any noteworthy case studies or recent examples of new case law precedent?



Zhou Qiang

We would like to introduce two high profile cases recently tried by the Chinese Supreme Court.

Case one is relating to unauthorised use of specific package and decoration of famous commodity between the Appellant Guangdong Jiaduobao Drink & Food Co., Ltd and the Appellees Guangzhou Pharmaceutical Holdings Limited as well as Guangzhou Wanglaoji Health Industry Co., Ltd. in which the Supreme Court established that:

The “commodity” and “package and decoration (trade dressing)” referred to in the specific package and decoration of famous commodity shall have specific points of relationship. The Supreme Court indicated that “famous commodity” and “specific package and decoration” stipulated in Item 2 of Article 5 of the Anti-Unfair Competition Law are mutually inside and outside and they are inseparable. Only the commodity with the specific package and decoration could be the regulated object of the Anti-Unfair Competition Law. An abstract commodity name or commodity concept with an uncertain meaning is not a specific commodity on which package and decoration depend and therefore Item 2 of Article 5 of the Anti-Unfair Competition Law should not apply to this use.

With regard to considerations of the ownership of rights and interests of specific package and decoration of famous commodity, the Supreme Court indicated that when determining the ownership of rights and interests of specific package and decoration, the court shall not only encourage honest work under the principles of honesty and credibility, but also respect of the customers’ cognition of commodity source objectively formed based on the distinguishing features of the package and decoration itself.

Case two is about administrative disputes over trademarks between Mr. Michael Jordan (US NBA Star) and the Trademark Review and Adjudication Board of the State Administration For Industry and Commerce as well as Jordan Sports Co., Ltd, in which the Supreme Court emphasised the importance of the principles of honesty and credibility when regulating trademark application and registration. The application of law for the protection of the “prior right of name” has an important influence on considerations in such cases. Registration of the name as a trademark without permission of the original owner is an injury to the name owner’s prior right of name and a violation of Article 31 of the Trademark Law, if such trademark easily misleads the public into thinking the goods or services marked with that trademark have specific connections with and the endorsement or license of the owner.



Nina Moshynska

Ukrainian laws have not been harmonised with the EU laws according to Association Agreement between Ukraine and European Union courts, yet the Ukrainian courts and governmental institutions have commenced the direct application of the agreement. For example: Ukrainian law requires three years of non-use of the trademark for cancellation action, but courts demand the five year term according to the agreement; the Ukrainian Ministry of Economic development and Trade of Ukraine requires reducing the term for extension of patents for drugs by five years according to the agreement. In addition, on 15 December 2017 Ukraine adopted three new Codes (Civil Procedure Code, Code of Commercial Procedure, Code of Administrative legal proceedings). These developments provide new court practice and procedures.

“Ukrainian law requires three years of non-use of the trademark for cancellation action, but courts demand the five year term according to the agreement; the Ukrainian Ministry of Economic development and Trade of Ukraine requires reducing the term for extension of patents for drugs by five years according to the agreement.”

- Nina Moshynska -

Q6. Are there any noteworthy case studies or recent examples of new case law precedent?



Hatem Abdel Ghani

Our company, The Legal Group – Advocates and Legal Consultants, has handled a precedent case where we were able to cancel a trademark that has been registered for over five years without any contest from anyone. Our client, on the other hand, has been in the industry since 1971 and is registered since 2003. Their trademark has been infringed by another party who registered a look-a-like trademark in the same class.

Through us, the client has filed a Civil Law Suit in order to cancel the infringer's trademark. Later on, we obtained a favourable judgment for our client from the First Instance Court. An appeal has been made by the defendant but the Court of Appeal supported us and upheld the judgement from the FIC.

It has been made known to us that this is a Judicial Precedent in the UAE Courts, in consideration to the facts of the case, that a trademark registered for more than five years is cancelled. An article on this case has been published and can be read on this [link](#).

Q7. What is the key to effectively managing large trade mark portfolios?



Janet Toh

The key to managing large trade mark portfolios is to be strategic and wholistic and to concentrate on the acquisition/creation, maintenance and enforcement of trademark rights.

(i) We recommend to first create an inventory.

(ii) It is important to conduct routine audits of one's trademark portfolio regularly, to identify the number and nature of the marks in the portfolio, the goods and services they are registered, and the jurisdictions of the registrations. It should also include a review of all aspects of a firm's existing and planned operations (products, services, packaging, marketing, business plans), and all types of potential trademarks (both traditional and non-traditional trademarks).

(iii) The audit should then be sure to identify a full range of information about each trademark, including any different versions of the mark that are used, the products and services for which the mark is used, the manner in which the mark is used, if the mark is used, when the mark was first used.

(iv) When new trademarks are created, legal availability searches must be carried out in order to ensure that the marks created in the course of the project are in fact available for registration and use. Where necessary, searches should extend beyond the trademark registers.

(v) In order to maintain the trademark rights, it is important to docket for annuities, renewals, affidavits and use requirements to prevent rectification of trade marks on grounds of non-use.

(vi) Finally the key to managing large trade mark portfolios is also to have an enforcement strategy. It is useful to have a handbook detailing the following considerations:-

- Whether to adopt an aggressive or conciliatory approach;
- The budget to be allocated for the potential infringement action;
- Will it work with local counsel to seek out counterfeiting and infringement problems, or only take action when absolutely necessary?

Q7. What is the key to effectively managing large trade mark portfolios?



Florence Atuluku

Considering the amount of investment that goes into branding a business, it is advised that businesses take steps to maximise their investments through the establishment of an effective trademark management system that ensures consistent and proper use of trademarks in commerce; efficient exploitation of their rights through trademark licencing and assignments; effective monitoring and enforcement strategy.

The key to effective management of a large trademark portfolio is periodic audit. An effective trademark audit would help a business ascertain whether its activities align with its set goals and objectives and whether resources are being deployed appropriately in the development, maintenance, exploitation, monitoring and enforcement of its trademarks. Specifically, trademark audit would disclose the status of all the trademarks owned by a business, the compliance status of each trademark; identify trademarks that are no longer in use, identify potential risks to the trademarks from non-use, improper use and infringement issues; possible extension of protection coverage that may necessitate new filings; ascertain the actual cost on developing, maintaining, exploiting, policing and enforcing the trademark rights vis a vis return on investment.



Hatem Abdel Ghani

The current trend in effectively managing a trademark portfolio (regardless of size) is having a full team with a wide understanding, not just in registering trademarks, but also in the enforcement and brand protection side. Having a trademark agent is good. But having someone who understands what's going on in the market is a key factor in the industry. Someone who understands that registering a logo or wordmark is not enough because counterfeiters also imitate the packaging in the attempt to confuse consumers. Packaging is part of a company's branding that has to be distinctly protected as well.

Q8. How do you determine where to file a trademark or patent?



Janet Toh

I will confine my analysis here to trademarks as it makes for simpler explanation. The prevailing consideration would of course be economics. If the client is going to invest some money in protecting their trademark, it should be in relation to a country where the market for their goods or services not only exists but is also thriving, as this will ensure that the returns to their investment would be more worthwhile.

However, filing only where there is a thriving market is perhaps a limited analysis. A problem arises in cases where the client desires to expand their market and sell their goods and services in a new country. Too often our clients discover to their chagrin that another trader has already secured registration of their identical or similar mark, often in bad faith with a view to forcing the rightful owner to enter into an assignment agreement for cost. Or perhaps those opportunistic traders wish to retain the mark for themselves, and wish to ride on the client's goodwill. The case is worse still in jurisdictions where "first-to-file" is the operative principle – the only way to assert your right over a mark is to file an action to cancel the mark for reasons of bad-faith or non-use, which adds a lot of costs to the client.

The instinctive reaction to this legal background is to advise the client to file an application everywhere, which although sounds like a little unfeasible, also makes economic sense. At the end the day, the money being used to the goods of another trader who has successfully misled the public into thinking those goods are the clients', is diverted revenue from the client. In light of this, it is practical to consider that filing an application a country in which an International Registration is possible, so that filing everywhere (at least in countries signatory to the relevant international treaty) is actually a possibility.

Q8. How do you determine where to file a trademark or patent?



Minoru Kato

To determine where to file a patent, you have to take various factors into account. Typically, the first point to consider is the likelihood that the invention will be used in candidate countries/regions. Nobody knows for sure about the future, but still you should try to make the best estimate as it would be a waste if the invention ended up not being used at all. Another point to consider is the size of the market where the invention is potentially used. The sale of a patented product may count several millions in country A, while the same may be just several tens of thousands in country B. Even though the difference in the market size could be significant, the cost of obtaining the patent registration in each country is often within the same order. Thus it is important to have a perspective of cost efficiency. A further point to consider is the maturity of the IP system of respective country/region. One side of the maturity is manifested by the effectiveness of the granting of IP rights.

In some jurisdictions it may take just a year or two to have the patent granted and registered, while in other jurisdictions it may take more than 10 years. Would it make sense to wait more than 10 years before having the patent finally registered? Also, even though you may obtain the registered patent in a certain country, its practical value would be quite limited if the local authority (such as the court, the police, etc.) in charge of IP enforcement does not function properly. That is another side of the maturity that matters.



Osamu Yamamoto

There is no single answer to this question, since it depends on the purpose. With respect to patents, there are cases where the purpose is to protect a company's products and exclude other companies, to aim for profit by patent license, or to cross-license, etc. In a case of protecting a company's products and excluding other companies, it is necessary to consider many factors such as countries where the product will be manufactured, countries where the product will be sold, countries via which the product will be transported, countries where competitors exist, and countries where the manufacture of counterfeit goods is a concern.

Generally, it is difficult to escape patent infringement only by patenting the technology developed by a company. This is because many technologies are used for one product or service, and some of them may be patented by other companies. It is important to have a bundle of patents to cross-license in case of allegation of infringement. To do this, it is necessary to have patents that are desirable to competitors, so it is important to have effective patents in the market of competitors as well as in their own markets.

The ratio of foreign applications filed by Japanese companies is increasing. In addition to the US, Germany, and China, in recent years the importance of Asian countries such as India, Thailand, Indonesia and Vietnam is increasing.



Hatem Abdel Ghani

Many of our clients will file patents first in their principal or home jurisdiction, for example, their principal markets or where manufacturing facilities are located. Often their principal jurisdiction will also be the location of the innovators. When deciding where to file for additional patent protection, many different business considerations come into play and intertwine with legal considerations.

An initial question to consider is whether a particular innovation is a significant enough driver of consumer demand or other competitive advantages that it warrants the potentially significant costs of filing internationally. We find that the greater the competitive advantage, the greater the likelihood that a client will file internationally. This also drives the number of jurisdiction in which they will file. For some innovations, the competitive advantage may not be clear at the outset, and therefore, we recommend filing an application under the Patent Cooperation Treaty, which provides an additional eighteen months in which to determine the value of the innovation and competitive advantage.

Q8. How do you determine where to file a trademark or patent?



Minoru Kato

In determining which jurisdictions to file, we counsel clients to consider not only where their expected sales would be, but also those of their competitors. Where sales are widely distributed across many jurisdictions, the manufacturing of the particular innovation may be less distributed, and we counsel clients to consider filing in countries where they or their competitors manufacture the items in question, in order to gain efficiencies in potential enforcement. These considerations have to be balanced with the scope of protection. When the innovation is a method of manufacturing, sales may be less of a factor in determining where to file. In contrast, when the innovation relates to a method of use, manufacturing considerations tend to be less of a factor.

Other legal considerations that should be considered include the jurisdiction's laws and precedent on innovations that can be protected and the ease of enforcement. For example, it may be difficult to obtain patent protection for innovations involving software in some jurisdictions, but not others.



Yu-Li Tsai

Regarding patent rights, it is a general rule that the patentee has an exclusive right to prevent others from exploiting the invention, creation or design without the patentee's consent. If the invention, creation or design is a product, its exploitation means the acts of making, offering for sale, selling, using, or importing that product for the aforementioned purposes. In addition, if the invention is a process, its exploitation means the following acts: (i) using the process; and (ii) using, offering for sale, selling or importing for these purposes the product obtained directly by that process.

We can conclude that to ideally protect the patent rights of a patent, the patentee should file patents in the countries where the infringers may infringe the exclusive rights of the patent, such as the places of manufacturing, selling, using, or importing the infringing products, or the places of using the process or using, selling or importing the product obtained directly by that process.

Regarding trademark rights, it is a general rule that in the course of trade and without consent of the proprietor of a registered trademark, the following act constitutes infringement of the right of such trademark: using a mark which is identical with/similar to the registered trademark and used in relation to goods or services identical with/similar to those for which the registered one is designated, and hence there exists a likelihood of confusion on relevant consumers.

We can conclude that to ideally protect the trademark rights of a trademark, the trademark owner should file trademarks in the countries where the infringers may infringe the exclusive rights of the trademark, such as the places of using a mark which is identical with/similar to the trademark owner's trademark and used in relation to goods or services identical with/similar to those for which the trademark owner's trademark is designated.



Nina Moshynska

Ukrainian legal entities and natural persons must start patenting by filing a national patent application. If UA PTO does not have objections, the Ukrainian applicant may file the application abroad. On the one hand, intellectual property must be protected in each country/territory where the client has an interest and on the other hand, the owner should avoid excessive expenses. Term for filing a patent application to other countries is limited by Paris convention and Patent Cooperation Treaty and priority term for trademark application is also limited by Paris convention. Thus in each case, the owner should find optimal balance between interest and expenses, however the factor of interest is more important than factor of expenses when making a decision on choosing the countries/territories.

Q8. How do you determine where to file a trademark or patent?



Florence Atuluku

Trademark and Patent rights generally are territorial in scope and it is therefore possible for a trademark or patent to be registered in different countries by different owners. In the circumstance, the best advised practice is that businesses secure protection for their marks or inventions in all countries or regions of interest in order to ensure adequate protection of their rights in the marks or invention and prevent others from obtaining or using them. Specifically, a business should take steps to register its mark or obtain patent on its invention in any countries or territory where it (i) sells or markets its products or services using the mark or invention; and (ii) in those countries/territories where it intends to use the mark [for its products or services in the future] or exploit the invention.



Hatem Abdel Ghani

Registering a trademark can be done in any country where the brand is being sold. Generally, trademarks are important to be registered in all countries as it is easy for traders to use it in bad faith. Patents, on the other hand, are commonly registered in countries where manufacturing is available. For instance, it is not necessary to register a patent in UAE or in Jordan as these countries are dominated by consumers. It is also important for Patents to be registered if there are factories for medicine, body care products, etc. in certain countries.

Q9. Can you overcome the challenge of implementing intellectual property in multiple jurisdictions?



Janet Toh

Our key recommendations in overcoming such challenges of implementing intellectual property in multiple jurisdictions would be first would be to select the countries for protection of the relevant intellectual property and conducting the necessary clearance or freedom to operate searches. The next step is then to select local counsel in the jurisdictions of interest. It is also useful to consider implementing a database for docketing essential information concerning these intellectual properties worldwide. Finally, it is also useful to keep a precedent for the creation of the essential forms used in the relevant jurisdictions.



Steven E. Warner

One factor that we find helpful in seeking and enforcing patents across multiple jurisdictions is working to obtain a similar scope of protection in each jurisdiction. Although foreign decisions, whether adverse or favourable, are not binding on another jurisdiction, we find that they can be persuasive. For example, if a patent can be quickly granted in one jurisdiction, we have had success in quickly obtaining patent protection in other jurisdictions using the multi-national Patent Prosecution Highway Program (PPH). Another option in the U.S., to obtain early and potentially favourable examination on the merits, is to request expedited examination in an application under the Track One program, and then if that application is allowed, file under the PPH program in other participating countries. We have also found that it is beneficial to maintain an application pending in the multiple jurisdictions, when allowed by local law and the client's budgetary considerations. Thereby, if you receive an adverse decision on a patent or application, you have the option to amend the pending (related) application to avoid the adverse decision in other jurisdictions.

Q9. Can you overcome the challenge of implementing intellectual property in multiple jurisdictions?



Yu-Li Tsai

The interested party should establish a team with members having expertise in IP-related law, e.g. patents, trade secrets, plant varieties, or lay-out designs for integrated circuits. The team should include members having relevant technical backgrounds, and has abilities to develop effective strategies, deploy and manage its global IP portfolios, negotiate global IP assignment or licensing, mobilise its resources to periodically conduct global market investigations, and maintain proper cooperation with local counsels.

The team should also undertake general preparations and procedures such as (i) make sure the IP rights are valid with a certain level of invincibility, preferably confirmed by a local counsel; (ii) identify which IP rights are infringed with at least a preponderance of evidence, preferably confirmed by a local counsel again; (iii) collect sufficient evidence before filing a lawsuit; and (iv) maintain effective communication with the local counsel to ensure consistent information.



Tomasz Targosz

There are limits as to how you can overcome the obstacles posed by the territoriality of IP rights. No solution will be ideal, and these issues simply have to be taken in their stride. Contrary to popular belief, even vast harmonisation of substantive law will not make all the barriers disappear. The same provisions can be interpreted in different ways and the quirks of national procedures (let alone different languages and different legal education) still make local representation the most effective solution. It is therefore crucial for us to build contacts and networks with lawyers and law firms from other jurisdictions, especially those in which our clients are most likely to be active in. A concept that we have found most useful is a legal hub, where one law firm coordinates the work of a network of local law firms in a given area. This way it is possible to maintain a coherent approach to the extent made possible by various national laws (which is important for large, multinational clients), while being always able to adapt to exceptional circumstances in each single jurisdiction.



Zhou Qiang

We suggest companies apply for IP registration in target countries before actually expanding their business into the overseas market. For patent issues specifically, companies should make the most of “priority” and “prior application” rules, apply for and protect their international patents through various measures including the Patent Cooperation Treaty and the Paris Convention. A company might also jointly apply with its subsidiaries or partners in the host country and form patent pools based on its specific circumstance.

With regard to the trademark issues, we also suggest a company make full use of big data for information retrieval and rights checking, in order to develop a comprehensive knowledge of trademarks which are identical or approximate to the company’s trademark on the same or similar goods and service in the specific overseas market. They should also understand the concrete contents of the trademarks and the scope of the trademarks’ rights to avoid potential conflicts with already registered trademarks.



Nina Moshynska

WIPO provides systems of international filing and registration. The Madrid system allow managing the trademarks quite easily by designating countries during filing of international application or by further subsequent designation. The Hague system also provides international registration of industrial designs. The PCT system provides 30-31 months (on average) for making a decision on choosing the country for entering into national phase a patent application and allow avoiding formal objections from national offices. These systems facilitate the protection of intellectual property in multiple jurisdictions. Cooperation between attorneys from different jurisdictions, international registration/filing systems and harmonisation of laws allow strong protection of IP rights.

Q9. Can you overcome the challenge of implementing intellectual property in multiple jurisdictions?



Florence Atuluku

For effective implementation of IP rights in multiple jurisdictions, it is advisable that businesses take some basic preliminary steps which includes developing an appropriate IPR implementation strategy, establishing an IPR exploitation policy for licencing, assignment and subcontracts; conducting due diligence on potential foreign partners; registering trademarks, patents and copyrights in countries of interest including defensive registration in countries known for high incidence of infringements.

As patent and trademark rights are territorial, it is important that businesses register these rights in countries or jurisdictions where it seeks protection. To reduce costs, it is advised that businesses take advantage of international and regional filing systems, which has greatly streamlined filing processes. In this regard, the Patent Cooperation Treaty (PCT) simplifies the process of filing patents in multiple countries. By filing one patent application in a member country, an inventor or applicant can concurrently seek protection in all PCT member countries. Under the Madrid Protocol, one filing in a member county affords protection in all constituent member states.

For protection in countries not covered by the international filing systems, applicants will have to secure protection by direct patent or trademark filings in such countries.

Copyright registration is not required in countries that are members of the Berne Convention (an international treaty on copyrights). The convention provides automatic protection to copyrights from member states. However, registration can provide additional benefits such as proof of ownership and in some instances as in the United States, condition for claiming statutory damages and attorney's fees.

Q10. What steps should be taken if it is believed that your intellectual property has been breached?



Minoru Kato

Resolution of IP disputes calls for a case-specific approach. There is no one-fit-for-all type of measure. For example, you may send a warning letter to who you believe is breaching (infringing) your IP right, and then try to negotiate just between two parties, or you may bring the case immediately to the court to seek judicial review. The choice may be affected by who is the suspected infringer – is it an existing competitor or a new entrant in the market? How big is their relevant business? Have there been other conflicts with the same party before? Also your own business situation may need to be taken into account – is your product that uses the IP suffering loss of the sales due to the infringement? If it is, how hard is the situation?

Also, the place where the suspected infringement is occurring may be influential as it could be prudent to observe the local practice relating to IP disputes. For example, in some countries, it is more common to promptly file a complaint to the court without sending a warning letter, while in other countries it is more common to send a warning letter before resorting to the court. In some countries, it may even be more effective to rely on the police, rather than the court, to assert your IP right against infringement. In any event, it is recommended to be flexible and open to changing your strategy as appropriate. Even after starting a legal fight, you should not foreclose the possibility of getting back to the negotiation table to seek settlement between the parties.

Q10. What steps should be taken if it is believed that your intellectual property has been breached?



Osamu Yamamoto

The most effective way for an owner to enforce a right is through civil litigation. Mediation or arbitration proceedings may also be considered. Alternatively, an owner can apply to the Customs Office for an import suspension against counterfeit goods, including patent infringements.

In Japan, although it is not required to send a warning letter to commence infringement litigation, it is common practice to do so, since it is considered prudent to conduct negotiations before going to court. If there is a need for an immediate remedy, it is possible to file a petition for preliminary injunction either before formal court proceedings or at the time of initiating formal court proceedings. In case of patent infringement, the plaintiff bears the burden of proof. Extensive discovery is not available in Japan and thus it is preferable for a plaintiff to obtain sufficient evidence of infringement before filing suit.



Yu-Li Tsai

(i) Immediately start to collect evidence of infringement. For example, for the products publicly sold on the market (preferably through a credit agency) or the product specifications from which an infringement can be directly and unambiguously inferred. The receipt or invoice for buying the infringing product should be carefully kept to firmly prove the facts of infringement.

(ii) Make an infringement identification report. For example, if the patent right is infringed, one should prepare a report, either made by oneself, an outside counsel or professional organisation, to analyse why the patent is infringed, and preferably, a detailed claim chart analysis based on the laws of literal infringement, doctrine of equivalents, file wrapper estoppel, etc. should be presented.

(iii) Send out a warning letter to the infringer before taking legal actions. One can state in the warning letter one's statutory rights to sue, one's knowledge of infringing conducts, one's demands, settlement conditions, required royalties, and/or claimed damages.

(iv) Move for preservation of evidence if it is likely that the evidence may be destroyed or its use in court may be difficult. The important evidence which may need to be preserved include: infringing products, semi-finished product, raw materials, accounting book, etc.

(v) Move for an injunction maintaining the temporary status quo before the infringement proceedings. The plaintiff shall explain why it is necessary to prevent material harm or imminent danger or other similar circumstances through such motion. The practical standards may be understood as those implemented in the U.S., i.e., (1) that there is a likelihood of irreparable harm with no adequate remedy at law; (2) that the balance of harm favours the movant; (3) that there is a likelihood of success on the merits of the case; and (4) that the public interest favours the granting of the injunction.

(vi) Initiate a law suit at the court within the statutory limits if one completes preparing sufficient evidence and infringement identification report. One should file a complaint with the basic contents including: the claims for damages, excluding or preventing infringement, and/or destroying infringing products, raw materials, or manufacturing machines, etc.; the important facts of the case; and the reasons justifying one's claims.

Q10. What steps should be taken if it is believed that your intellectual property has been breached?



Tomasz Targosz

This depends on so many factors it is hard to name them all. The relevant questions will be: what type of right has been infringed; is the infringement clear-cut or open to doubt; how important time is; are we primarily interested in injunctions or damages, how do we expect the infringer to react, and many more. While I do not think I could recommend a one-size-fits-all approach, it is common in Poland to start with a cease and desist letter or, if the infringer is unlikely to comply, a request for a preliminary injunction. Preliminary injunctions are relatively often granted, also in patent law, so it is usually worthwhile to apply for one as it provides swift protection and may render the infringer more inclined to settle.



Zhou Qiang

There are three kinds of remedies if your intellectual property has been breached in China:

- Self-help remedy: You can send a warning letter to the infringer advising him of his act of infringement.
- Administrative remedy: You can make a complaint alleging infringement of the trademark, patent or copyright to the local administration for industrial and commercial, local patent office or local cultural market administrative enforcement department in the region where the infringer is domiciled or the infringing acts take place, demanding an administrative penalty be imposed against the infringer.
- Judicial remedy: You can bring a lawsuit with the local people's court in the infringer's domicile or the region where the infringing acts take place, requiring the infringer to stop the infringement and provide compensation for damages. You can also accuse the infringer of a crime with local public security bureau if his act conforms with the provisions of the Criminal Law regarding trademark, patent, copyright or trade secret.

We suggest you prepare three types of evidence taking legal action:

- Proof of entitlement: including subject qualification certificate, ownership certificate of the intellectual property, and appraisal report issued by the patent office if your utility model or design is infringed;
- Proof of infringement: As a general rule, the process of purchasing the infringing product as well as the purchased infringing product itself should be notarized to prove the infringement;
- Proof of loss: You are advised to collect either the evidence proving your losses from the infringement or proof of the profit gained by the infringer as a result of the infringement to determine the amount of compensation owed.



Nina Moshynska

The following steps are recommended in case your intellectual property has been infringed:

- Make an audit of your intellectual property in the jurisdiction where infringement occurs. Determine all protected and registered properties, determine all types of infringement as per the local legislation;
- Prior to taking any steps against the infringer, prepare an enforcement strategy. Gather evidence of infringement based on the local legislation and practice. Make steps for preserving the evidence and/or seek preliminary injunctions in order to preserve evidence. Determine the defences and counterclaims that the infringer may raise. Estimate the chances of success in every available type of legal action;
- Once the list of recommended legal actions is determined, approach the infringer with the warning letter. Negotiations and amicable settlement may become beneficial for both of the parties;
- In case negotiations with the infringer are not successful, consider taking further legal actions. In Ukraine, the further actions may include unfair competition action, administrative or criminal action, civil court action, the border control measures, or a combination thereof.

Avoiding enforcement of intellectual property rights in case of infringement may have negative consequences such as:

- Continuation of infringing activities, increase of number of infringers/infringements, at the market;
- Decrease of reputation of your intellectual property and your products, at the market;
- Dilution of your IP assets;
- Decrease of sales and profits gained from selling authorised products.

Q10. What steps should be taken if it is believed that your intellectual property has been breached?



Hatem Abdel Ghani

It is important to study the case file and relevant IP registrations first, as well as to investigate the matter. If enough evidence of breach is presented, we have an option to send a legal notice so that a possible amicable settlement can be made instead of going through a long trial immediately. However, in case the prior does not work and the other party does not cooperate, then, a complaint to the relative enforcement authorities can be made and proceed with a law suit.

Nevertheless, an important point to be noted is that decisions on how to proceed are determined on a case-by-case basis. Decisions may depend on the type of counterfeiter as well as the option to choose which enforcement authority will take on the matter. There are times when the type of product is also considered as it may cause great danger to its consumers – then, if this is the case, an immediate raid has to be done.

Q11. To what extent has (i) technology, (ii) globalisation and (iii) the increased connectivity between countries through improved transport links impacted IP?



Janet Toh

The largest trend we are seeing is the rise of e-commerce, which is of course a conflation of all of the above global developments of technology, globalisation and increased connectivity. South East Asia collectively is home to the one of the highest number of digital consumers in the world, reaching an estimated 200 million consumers in 2017. Participation in e-commerce may be via (i) companies' own online stores; (ii) trade platforms such as Alibaba.com, Tao-Bao, Lazada, Carrousel; or (iii) individual sales conducted through social media networks like Instagram and Facebook.

Our firm recently conducted a survey amongst our South East Asian colleagues and found that the rise of e-commerce is a shared concern among IP practitioners. In particular, it is difficult for our clients to monitor on a micro level all of the transactions involving counterfeits occurring on those sites. It is comparatively easier to instruct a physical raid and seize infringing goods in one country – we know which enforcement body to ask, and we can target specific notorious infringers. Online, however, it becomes much less straightforward. The current common practice on trading platforms is take-down policies, such as the ones available on Lazada and Alibaba.com's websites. While positive, this does not allow our clients the ability to seize and destroy the infringing goods. The seller would still be able to channel the counterfeit items elsewhere, and they may well pop up on the same trade platforms under a different seller ID. We imagine a solution would be where the ISP of the seller is traced and physically tracked down, but such an exercise is generally unfeasible in the case of small scale sellers.

Another concern is the Digital Free Trade Zone which was just recently set up in Malaysia, whose trade platform is linked to the Chinese giant Alibaba Group. It is no secret that China is one of the largest global sources of counterfeit goods, but South East Asian countries are also known producers of certain counterfeit goods e.g. Singapore with wines, Malaysia with lubricants, Vietnam and Thailand with apparel. As these potentially counterfeit items travel through expedited customs clearance at its centralised e-fulfilment hub in Port Klang (one of the key selling points of the DFTZ), the worry is that small volumes of these counterfeit items may not be effectively caught by customs.

"It is comparatively easier to instruct a physical raid and seize infringing goods in one country – we know which enforcement body to ask, and we can target specific notorious infringers"

- Janet Toh -

Q11. To what extent has (i) technology, (ii) globalisation and (iii) the increased connectivity between countries through improved transport links impacted IP?



Minoru Kato

With the advancement of ICT (information & communications technology), it is now getting much easier to obtain IP-related information globally. A patent Examiner in an IP office could easily confirm before he/she examine a new patent application at hand, whether there are any counterpart application filed in parallel before IP offices in other countries/regions. He/she could also easily extract information regarding whether patent Examiners in those countries/regions have already referenced any prior art documents against the counterpart application, and have judged the acceptability thereof. It is true that the IP office of the respective country/region has an authority to independently determine the acceptability of patent applications. But in practice, the ease of sharing and exchanging information would certainly work to reduce the repetition of similar work processes, resulting in enhanced productivity of IP offices and benefiting public members including patent applicants.



Tomasz Targosz

It goes without saying that all three mentioned factors have been hugely important. Technology is of course instrumental for patent law, but the field of IP that has been affected the most is probably copyright. Technology has created new forms of exploitation and, at the same time, an unprecedented scale of infringements. There are grave problems with efficient enforcement, the role of intermediaries, liability safe-harbours, etc. This is on one hand nothing new (copyright law has been always very sensitive to technological innovations), but the sheer scale of the changes brought about by the digital revolution does seem unprecedented. Globalisation means more interaction, more trade and more exchange. I think globalisation is, first, responsible for a much faster trend to harmonise IP law and ensure minimal standards of protection (e.g. TRIPS) and, second, for the growing significance of cross-border issues. Paradoxically, IP is both extremely affected by these trends and already used to them. The reason is that international aspects have always featured strongly in IP law (starting with the Berne and Paris Conventions). Unlike typical contract, property or tort lawyers, IP lawyers were exposed to the forerunners of globalisation quite early in the game. Still, the developments that have taken place in IP have been quite revolutionary. While you may still enjoy a physical thing more or less in the same way as in, say, the 19th century, you may use IP subject matter (e.g. copyright works) in ways that could not have been imagined 20 years ago while even more ground-breaking developments (think AI!) are on the horizon.



Zhou Qiang

Technology, globalisation and the increased connectivity have brought new challenges for the development and reform of IP regimes, resulting in IP legislation stepping into a new historical stage, in which the IP regimes in different countries have evolved towards integration, internationalisation and assimilation. Countries are required, through dialogues and communication, to establish IP rules that are compatible globally, so IP regimes can be coordinated to deal with globalisation.

The impacts of globalisation on IP rights in China have been particularly obvious. The impacts reflect in many aspects. For example, China actively participates in the international governance practice of IP rights and contributes Chinese experience and wisdom. China promotes international communication and cooperation. China also strengthens the principle of equal protection and further stresses the dominant role of juridical protection. Specifically, the Supreme People's Court has signed a MOU with the WIPO for the purpose of working together to strengthen IP rights protection. A Chinese Court Intellectual Property Right Judicial Protection International Exchange Base (Shanghai) was founded for international communication and cooperation. Moreover, China has held various important events such as the IP and International Trade Forum, China-EU Judges' Forum, in order to discuss the frontier issues concerning juridical protection for IP rights. China has also actively participated in the China-US IP rights judicial protection exchange program, the 10th anniversary conference for the China-EU IP Dialogue Mechanism and so on.

Q11. To what extent has (i) technology, (ii) globalisation and (iii) the increased connectivity between countries through improved transport links impacted IP?



Hatem Abdel Ghani

Technology, globalisation and increased connectivity through improved transport links, today, plays a vital role in businesses. Both good and bad. Generally, it made the world like a small village because it became easier to connect with consumers, government officials, etc. and vice versa. There has been a better exchange of goods and a more open communication between parties. There are a lot of great effects on the improvements we've seen around the world. However, this also comes with a negative impact in the industry. To name a few are the easy access in copying genuine marks through internet searches, online selling of counterfeit products, and easier transport of counterfeit goods from one country to another.

Q12. In an ideal world, what would you like to see implemented or changed?



Janet Toh

We are pleased to note the continued cooperation of ASEAN members in enhancing the IP infrastructure within and between countries. For example, on the e-commerce front, the ASEAN Working Group on IP Cooperation (AWGIPC) has indicated within the ASEAN Work Programme on Electronic Commerce 2017-2025 that it has developed a coordination mechanism to "enhance enforcement of intellectual property rights in the digital environment". What this means in practice is yet to be seen or elaborated in much detail to the public.

While commendable in principle, such regional cooperation is usually very limited (because of low national and international priorities, which translates to lower funding for joint IP initiatives), and not always very tangible in outcome. For example, the relative ease through which cross border (land and sea) movement of counterfeit goods in South East Asia occur should prompt heightened customs cooperation between ASEAN countries. The ASEAN IPR Enforcement Action Plan 2016-2025 prepared by AWGIPC does address customs cooperation and envisions a system in which movement of those goods would be monitored and reported via a shared ASEAN database. However, it notes the challenges faced in light of each states' limitations of its customs recordal systems. In the interim, the AGWIPC proposes to hold further regional seminars and workshops and establish links with international bodies and agencies involved with in enforcement – which is important, but without more, unfortunately lacks teeth.

If resources and national and international priorities were not in issue, it would certainly be ideal to have a joint customs cooperation programme implemented, in which a uniform recordal system is implemented across the different ASEAN countries and that information is immediately shared between countries via an online database.



Minoru Kato

The IP system, particularly patents and trademarks, is designed to promote economic development. While global economy is getting more and more borderless, unfortunately the IP system in the world is still mostly divided by borders. Each country/region has its own IP laws and rules that may be distinct from others. Mindful of a long-lasting call for harmonisation, the IP community including IP offices and IP users of major countries have been discussing and making efforts to standardise IP laws and rules to reduce the degree of differences little by little, item by item. One notable example is the abolishment of the "first-to-invent" doctrine of the U.S. patent law in 2013, which brought the U.S. system much closer to the rest of the world. It would take long years of such coordination as a whole, but ultimately the IP system should be globally harmonised in a way to better serve the well-being of all humans.

Q12. In an ideal world, what would you like to see implemented or changed?



Tomasz Targosz

From a practitioner's perspective, especially one often involved in litigation, most desired changes would probably concern court procedures and the quality of court decisions. I think the current approach of Polish courts towards preliminary injunctions in IP matters is dysfunctional. Courts rarely take specific features of various IP rights into account, which results, depending on the case, in overprotection or underprotection. While the idea of specialised IP courts is not universally praised (some argue they may lose the common touch and a sense of perspective), it is becoming more and more difficult for non-specialised courts and judges to adequately handle complex IP disputes.

As for substantive law, I have two (unrealistic) wishes. The first would be to critically overhaul CJ EU's jurisprudence on the communication to the public right. I think it has become inconsistent and confuses indirect (secondary) and direct infringements. The other would be to require a higher standard of originality in copyright law. The current approach, under which almost anything may be a copyright work, has departed too much from the roots of copyright law and causes unnecessary (and complicated to resolve) overlaps with other IP rights.



Zhou Qiang

The expected implementation and changes of IP protections in China are as follows:

- The punishment for IP infringement shall be strengthened, and the cap on statutory damages shall be increased. Moreover, a system of punitive damages for IP infringement, including patent and copyright violations, shall be established.
- The punishment for unfair competition acts shall be strengthened, and the burden of proof for trade secret holders shall be reasonably alleviated. Meanwhile, the protections for well-known trademarks shall be increased, and retail markets shall be rectified.
- The mechanism for IP adjudication shall be improved, in order to promote the adjudicative integration for civil, administrative and criminal IP cases.
- Both the number and the quality of judges for IP cases shall be increased, to cope with the increasing number of IP cases in China, and to reduce the trial duration for IP cases with foreign elements.
- A nationwide system for collecting information regarding sources of counterfeit goods shall be established, and IP infringements shall be incorporated into enterprise and personal credit records.



Hatem Abdel Ghani

In an ideal world, it would be good to see a significant improvement by different jurisdictions in terms of giving stronger punishments on counterfeiters. A fine and destruction of counterfeit products is a positive step, but personally, I do not see a substantial setback on counterfeiters since they know that it will be easy to regain what they have lost. Also, in terms of repetitive crimes, I would like to see a permanent closure on their businesses, especially on counterfeiters dealing with fake medicine, food, and other fake products that can directly kill its consumers. I believe that counterfeiters of such products, whether repetitive or not, should be put in jail as well.

“A fine and destruction of counterfeit products is a positive step, but personally, I do not see a substantial setback on counterfeiters since they know that it will be easy to regain what they have lost.”

- Hatem Abdel Ghani -

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