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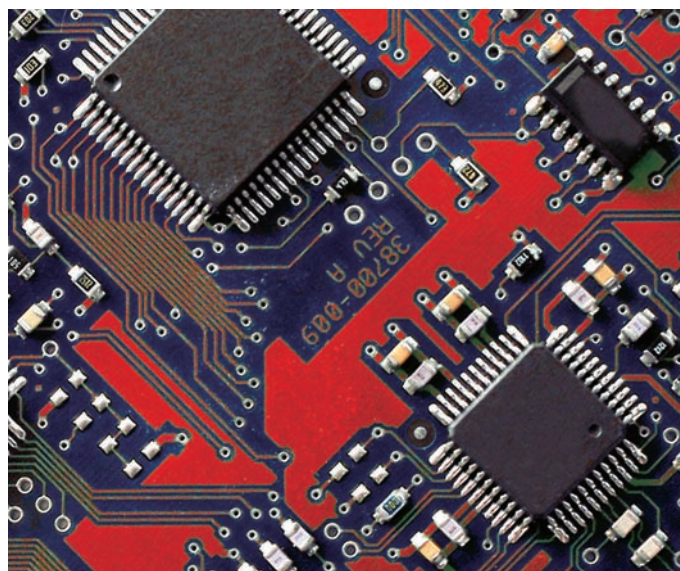
Changes to Singapore's patents system are now in place, bringing the system more in line with patent office practices in other major jurisdiction. Patent attorney **Lee Miles** examines Singapore's shift to a positive-grant system, and what it means for those based outside of Singapore.

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# Asia IP

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# Outbound Investment

Asia comes to the forefront next month, as Hong Kong gets ready to host the first-ever International Trademark Association Annual Meeting in Asia.

It's an important moment for all of us, and one that intellectual property lawyers throughout Asia should be proud of. Holding a meeting as important as INTA in our own backyard reflects the rise of Asian economies and the importance of Asia in the world.

It also comes at a time when Asian nations are investing significant amounts of money and energy in overseas, not just in Europe and North America but in the economies of Latin America and Africa.

Among these destinations, Nigeria and Brazil have received the largest investment from China on each continent, US\$20.5 billion and US\$32.1 billion respectively, according to the China Global Investment Tracker created by the US-based American Enterprise Institute and the Heritage Foundation.

Nigeria, one of the biggest economies in Africa, is also one of the fastest-emerging markets in the world. Chinese and Indian companies have a stake in many sectors of the Nigerian economy, ranging from mining to agriculture, transportation, motor vehicles, household goods, medical care, pharmaceuticals, to entertainment, according to Bankole Sodipo, a partner at GO Sodipo & Co in Lagos, Nigeria.

Over the last few years, there has been more and more cooperation between Asian investors, especially Chinese and Indian companies, and local markets such as Brazil, Mexico and Argentina. From the commercial point of view, Estela Mariel De Luca, an IP lawyer and partner at Gaffoglio, De Luca & Asociados in Buenos Aires, has observed that Asian investment has been favoured within Latin American region due to international expansion policies to encourage outward investment, intergovernmental agreements, tax advantages and public funding, among other factors.

Asian investment, as all foreign investment does, can bring many benefits to the host country, one of which is the technology transfer that results in the acquisition of knowledge for the workforce, and thus raising a better human capital, says Luis José Semprum, a lawyer at Bolet & Terrero in Caracas, Venezuela. He also adds that foreign investment raises the level of competitiveness in the region, which brings high-quality products and better services.

Luiz Felipe Di Sessa, a senior associate at Souza, Cescon, Barriau & Fleisch in São Paulo, Brazil, adds that the Asian investments have been considered an important path for technology development, infrastructure construction and energy in Brazil. Considering that Asian companies focus their international initiatives on the acquisition of strategic assets, as technology and trademarks, such investments are an important portion of the foreign investment in Brazil's economy.

Darren Barton  
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Gregory Glass  
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## CHINA



## China to Disclose IP Cases To Public

In order to improve the business environment in China, the government has announced plans to make information of any IP violation public.

A document endorsed by the State Council has stated that information relating to the making and distribution of counterfeits or substandard products, along with any other IP infringement cases, will be disclosed to the public within 20 business days of an administrative decision.

"Such disclosed information will cover both civil and criminal decisions," says

Johnson Li, an attorney-at-law at China Patent Agent (HK) in Beijing. "As a general rule, all court decisions should be disclosed to the public except for when content of the decisions involves privacy or confidential information that is not proper to disclose."

The action is to enhance government transparency and is expected to help develop a credit services market.

However, the biggest challenge is that such a system faces obstruction from some groups, Li tells Asia IP. "And the establishment of the whole system covering all local governments may take some time."

Case details, penalties and evidence will be made public in all

channels including government websites, bulletins, press conferences, newspapers, magazines, radio and television.

Nevertheless, the information disclosure system includes some rules to protect privacy. "For example, relevant parts of disclosed decisions concerning privacy or confidential information will be removed or [masked], so in most cases, disclosure will not raise privacy concerns for the public," Li says. "But sometimes it could be a challenge for government authorities to find exactly which part involves privacy and which not."

- Johnny Chan

## CHINA



## Tencent Named in Patent Infringement Case

A local Shanghai company recently sued Chinese IT giant Tencent and two other parties for patent infringement at the Shanghai No. 1 Intermediate People's Court, and demanded half million Renminbi (US\$80 million) in compensation.

The case involved a patent granted to the Shanghai company Kedou in 2013 for a laser light-censoring touchscreen, touch-pen and the table equipped with such technology. Kedou claimed that the interactive projecting device Q Robot, which is jointly developed by Tencent and Shenzhen Ruichen Technology and sold on Yixun infringed its patent.

Of the two other companies being sued, Shenzhen Ruichen Technology has a strategic cooperation partnership with Tencent, while Yixun is a B2C online shopping platform under Tencent.

The Shanghai court recently denied Tencent's application for a review of the right of the court's jurisdiction.

Li Xingwen, chief engineer at Kedou, says the main purpose of initiating this litigation is to clarify the ownership of such technology, and to avoid future confusion as the industry develops.

"Comparing to winning, I'd rather settle the case with the companies. It means the two parties have reached a mutual understanding and consensus," says Li

Li says the technology took the company more than 10 years to develop, and it is the only known remote control of a touch screen.



### A Shanghai company has sued Chinese IT giant Tencent for patent infringement at the Shanghai No. 1 Intermediate People's Court.

Tencent refused comment regarding this case.

Original inventions are the drive for exploiting a new industry which needs the involvement of many companies, says Li, who welcomes Tencent to join the company in developing the technology. "No single company could manage one industry well. We expect more outstanding companies to join us who will receive nice revenue once the industry grows stronger."

According to Shen Li, a partner at DLF Lawyer, it is also the first time that Tencent has been involved in disputes over hardware patents, despite its involvement in some other copyright, trademark and unfair competition disputes.

"This case is a battle between an ant and an elephant. It is the difference in between that shows the faith SMEs have for the IP protection system in China," she says.

China's economy is undergoing a transitional phase from "Made in China" to "Idea from China." Governments have realized the importance of creating an innovation-friendly environment where local SMEs have strong awareness of IP protection, Shen says, adding that consumers also have a basic understanding of the IP system.

From a micro perspective, Shen says purely developing technology is rarely a major means for SMEs to generate revenue, despite China being a giant digital product manufacturer. If the case could lead to a successful patent licensing agreement, such business model would encourage more positive cooperation between SMEs and large companies, Shen tells Asia IP. "More SMEs could then follow the path of technology development, from licensing to re-investment in R&D."

- Amanda Shuai



## INDIA



### US Ambassador Calls for 'Difficult Discussions'

Days before the expected release of the US Trade Representative's (USTR) 2014 Special 301 Report – the result of an annual review of the state of intellectual property rights protection and enforcement in US trading partners – the US Ambassador to India has said that Indian authorities should engage with the United States “to have those difficult discussions on issues such as intellectual property rights and taxation.”

Nancy Powell was speaking at the Annual General Meeting of the American Chamber of Commerce in New Delhi in April.

At the same meeting, Industry Secretary Amitabh Kant responded that India's IP regime is compliant with World Trade Organization rules. “The Indian Patent Act is a comprehensive regulation which is TRIPS-compliant and is rigidly enforced. It is a transparent policy with checks and balances subject to legal scrutiny,” he said.



**The US Ambassador to India has called for authorities “to have those difficult discussions on issues such as intellectual property rights” with their American counterparts.**

The sparring comes at a time when industry leaders in the US have urged the USTR to elevate India's status on the Special 301 Report from the Priority Watch List to Priority Foreign Country designation, due in large part to India's treatment of pharmaceuticals under its patent law, which doesn't allow patents for drugs invented prior to 1995, among other things.

In April 2013, Novartis lost a long-running attempt to patent a crystalline form of its anti-cancer drug Glivec, and in August 2013, GlaxoSmithKline saw one of its Tykerb cancer treatment

drug's patents revoked.

The Priority Foreign Country designation is reserved by statute for countries with the most egregious IPR-related acts, policies and practices with the greatest adverse impact on relevant US products, the USTR says. Ukraine was elevated to Priority Foreign Country status on the 2013 report; it was the first time in seven years that any country had been listed in that category.

- Gregory Glass

## SINGAPORE



### Singapore Enhances IP Protection

Since April 1, 2014, companies and entrepreneurs have been able to enjoy cheaper and faster options to settle IP disputes in Singapore.

To enhance the suite of IP services in Singapore, the Intellectual Property Office of Singapore (IPOS) is collaborating with the World Intellectual Property Organization Arbitration and Mediation Centre (WIPO AMC) to offer a new option for patent disputes filed at a national IP office.

“The WIPO-administered expert determination option for matters of a technical or scientific nature in patent proceedings before IPOS makes sense,” says Joyce Tan, managing partner at Joyce A Tan & Partners in Singapore. “It is pragmatic and reflects an innovative approach to proceedings intended to determine the existence of innovation.”

Patent disputes such as inventorship or entitlement disputes, or patent revocations, often involve complex technical or scientific issues. This new option will allow disputing parties to submit such issues to an expert of their choice to make an assessment instead

of having the Registrar of Patents adjudicate all relevant issues in dispute in patent proceedings.

“It provides faster and cheaper access to dispute resolution in the area of patents which traditionally has been costly and time consuming,” says Chiew Yu Sarn, a partner at Yusarn Audrey in Singapore. “The flexibility of choosing the issues for expert determination, including for the purpose of negotiations, is particularly useful, as this can allow parties to resolve disputes earlier in legal proceedings.”

As part of this collaboration, WIPO AMC will assist with the appointment of a suitable expert, if required, after consultation with the disputing parties. The expert will be chosen from WIPO AMC's global panel of experts who have specialized knowledge relevant to IP issues in a broad range of technical and scientific areas. Some examples of fields from which experts could be called upon are IT, telecoms, pharmacy, engineering and life sciences.

Expert determination is generally confidential and binding. This option is also very flexible as the parties involved can choose the issues for expert determination. Alternatively, the parties could also agree on non-binding

expert determination to guide their negotiations or even rely on the content of the expert determination as evidence for their case at IPOS, if parties cannot resolve the dispute themselves.

Parties enjoy special rates if they opt for expert determination under the auspices of WIPO AMC. The administration fee is reduced to S\$500 (US\$395) and the indicative expert's rates for 20 to 25 hours of preparation and expert determination per case is S\$5,500 (US\$4,350). Hence, parties could see a satisfactory resolution of their dispute at around S\$6,000 (US\$4,750) in terms of fees towards the expert and WIPO AMC. Parties should also enjoy substantial time savings as expert determination takes only 60, 90 or 120 days (as chosen by parties) from beginning to end, as compared to full blown patent proceedings which usually take upwards of a year to conclude.

“Costs for experts and administrative fees are pegged at a relatively affordable rate, and clearly set out. This will enhance the value of IP, as businesses and inventors with patents can more easily deal with each other,” Chiew says.

- Johnny Chan

## TAIWAN



## Pornographic Work under Copyright Protection in Taiwan

The IP court in Taiwan recently ruled that offshore pornographic videos were under copyright protection in Taiwan, setting the precedent for future cases of similar kinds.

Producers of legitimate Japanese pornography claimed that two men selling adult videos in Taiwan had violated their copyright, and filed a lawsuit against the men, who were then prosecuted by the Taipei District Prosecutors Office.

The IP Court found that three seized videos were “soft-core” pornography and that while reasonable measures could be taken to control the distribution of such a work, that does not negate that the works were entitled to copyright protection.

The two men were sentenced to six months’ in prison.

This is the first time that foreign pornographic videos have been protected by Taiwan’s Copyright Act. The IP Court has returned to the normative basis of the Copyright Act, discarding past decisions by the Supreme Court in which violation of public order and good morals had a negative factor on obtaining copyright protection, says Justin Chen, a partner at Chien Yeh Law Offices in Taipei.

It is noteworthy, though that the IP Court rarely releases press announcements for a single case, but did so in this instance, says Peter Dernbach, a partner at Winkler Partners in Taipei. Dernbach adds the IP Court is aware that its decision represents a new legal interpretation in Taiwan and is taken steps to make others, including other judges, aware of this decision.

Moreover, unlike the Patent Act and the Trademark Act, both of which expressly deny protection of subjects in violation of public order or morality, no such provision is expressed in the copyright act, implying it was not the legislators’ intent to outright exclude all works in violation of public order and good moral from copyright protection, Chen tells *Asia IP*. Therefore, the judgment, which affirms that pornographic works with originality shall be protected under the Copyright Act, shall certainly be recognized.

Division-chief judge Ter-Chao Lee said there is a gap between the Supreme Court’s interpretation and



**Taiwan’s IP court has ruled that offshore pornographic videos are under copyright protection in that country.**

the current situation and that the IP court should consider copyright issues separately from whether it is an offense to the social decency.

“The purpose of the judgment is to clarify the elements required for obtaining copyright protection and to prevent abuse of the concept of public order and good moral,” says Chen.

Taiwan’s Supreme Court had pointed out that any work that is harmful to the social order or public interest is not under copyright protection, as it does not help promote the development of the society.

Over the years, the intention of the Supreme Court’s judgement has been followed by each lower court. Thus, in the past, pornography was never considered to be under the protection of the Copyright Act in Taiwan, says Chen.

“We believe that works that might be against social moral standards are copyrightable as long as they meet the originality requirements,” says Yu-Jia Yen, senior attorney at Formosa in Taipei. If a copyrightable work is found obscene, then its dissemination may be regulated or even prohibited according to the Criminal Code and other applicable laws in Taiwan. However, this should not change the fact that such work is copyrightable, she adds.

Society in Taiwan has changed with people being more open-minded with adult film matters. Yulan Kuo, a partner at Formosa Transnational in Taipei, says he has observed over the past few decades that people tend to be more open-minded when facing adult films issues in Taiwan. “This does not mean the general public would find it comfortable if these films were freely disseminated,” he says. “There are strong feelings that certain regulations are necessary to protect minors from accessing these materials.”

Social opinions about what type of content is acceptable change with time. Dernbach says it is difficult to draw too many conclusions about the social impact of one specific decision, but it suggests that there is an increasing acceptance of at least soft-core pornographic works.

This IP Court ruling would encourage adult entertainment producers to take more legal protection actions in Taiwan, despite affecting future copyright cases and adjusting the scope of copyright protection in Taiwan, says Weng.

However, whether pornographic videos are “copyrightable works” in spite of social moral standards still depends on the standards of “hard core” and “soft core.” It is important to remember that only three soft core videos were deemed protected works in this ruling. Hard core videos that contains violence, sexual abuse, bestiality and other obscene images without artistic, medical or educational value are not protectable.

Since almost all copyright cases in Taiwan are reviewed by the IP Court, it is possible that most judgments will follow the reasoning of this case and that adult films that are original will be protected by the Copyright Act, Yen says.

Chen says the judgment will have no binding power on other judges, so it remains to be seen how substantial the effect of the judgment will have on future practice.

On the civil copyright infringement claims, Dernbach expects to see an increase in such claims from the copyright holders of these works as there is now a decision from the IP Court that supports that these works are protected by copyright. On the criminal end, it still remains uncertain because the ruling has not been appealed to Supreme Court, Weng says.

- Amanda Shuai



## CHINA



➡ Michael Shu has joined **Zhong Lun** in its Shanghai office as a partner in its IP practice.

Shu joined from Wan Hui Da, where he was a senior partner. Previously, he served as IP counsel and general counsel at Gillette China and general counsel at Adidas Greater China. Corporate partner Edward Li also joined the firm from King & Wood Mallesons.

## HONG KONG



⬆ Bird & Bird has promoted Hong Kong-based Ted Chwu to partner. Chwu focuses on complex cross-

border IP litigation and has managed teams of lawyers spread across China, Hong Kong, India, Japan, South Korea and Taiwan in high value patent infringement and invalidation actions. He also advises on personal data protection and anti-competition issues.

## INDIA



➡ Former Luthra & Luthra managing associate Ashwin Sapra has joined **Clasis Law** as head of the firm's IP

and healthcare practice group. Prior to Sapra's work at Clasis, he worked in the United States at Ascend Therapeutics, where he was a senior manager for legal affairs, at US law firm Greenblum and Bernstein and at Mayer Brown Rowe & Maw. Sapra will work from the firm's Delhi office.



**Economic Laws Practice** in Delhi has named Jyoti Pawar head of its telecommunications, media and technology practice. Pawar joined the firm from telecommunications company Bharti Airtel, where he served as legal and regulatory director for India and South Asia. She is a former member of Mulla & Mulla Craigie Blunt & Caroe in Mumbai and GE Capital India, where she was vice president –

legal and compliance. "Jyoti has built an outstanding reputation as a legal professional, and as a real force in the telecom sector," says ELP managing partner Rohan Shah.

## SOUTH KOREA



➡ Taeck Soo Kwon, former presiding judge of the Seoul High Court, has joined **Bae Kim & Lee** in Seoul

as a partner. Kwon has served as a judge for some 30 years, and was a founding member of South Korea's Patent Court in 1998. In addition to extensive experience in Korean

IP law, he was a visiting scholar at Tokyo's Waseda University and is noted for his knowledge of Japanese IP law.



➡ Yulchon has named former intellectual property judge Dong Soo Han as a partner in its Seoul office. Han

has 16 years experience as a judge in Korean courts focusing on IP and patent-related matters including stints as a judge at the Patent Court of Korea (2005–2008), as a research judge at the intellectual property unit of the Supreme Court of Korea (2008–2010) and, most recently, as presiding judge of the Civil Appellate Court in Suwon, Gyeonggi-do province.

## MALAYSIA



Linda Wang



Su Siew Ling



Cheah Chiew Lan

■ ZICOLaw has established an intellectual property practice in Kuala Lumpur under the leadership of former Tay & Partners lawyers Linda Wang, Su Siew Ling and Cheah Chiew Lan, supported by a team of associates and paralegals. The team will provide a full range of IP law services encompassing both contentious and non-contentious aspects of IP rights – trademarks, patents, designs, copyrights and emerging rights – with in-depth knowledge and understanding of various sectors and industries.

Wang and Su are also accomplished IP litigators with extensive trial experience and have argued technical and complex IP issues before the

apex courts in the country. One of their strengths is the IP enforcement through criminal procedures with tailored anti-piracy and anti-counterfeiting programmes. The IP team will be based in the firm's Kuala Lumpur office, under Zaid Ibrahim & Co.

Wang tells *Asia IP* that she is excited about the future at ZICOLaw. "There are real possibilities of growth and development, not only for our practice but also personally for us, as professionals and lawyers. We are keen to realize the future for our practice and our clients as we envisioned it, and that must be a good place to start."

Su says the move will allow her team to "reach out regionally" through the existing platform and structure of ZICOLaw. "ZICOLaw is uniquely ASEAN and has offices in Singapore, Cambodia, Indonesia, Myanmar and Thailand. Growing the practice regionally and providing clients with services which are seamless across the region will be our next big challenge," she says.

The move precipitated the announcement by **Tay & Partners** late last month that Lim Bee Yi had been named a partner in its IP and technology practice. Lim, who joined from Shook Lin & Bok, has extensive experience in dealing with intellectual property rights.

More moves are expected.

## TAIWAN



**K&L Gates** has added Jim Wu, a former general counsel with Yahoo! Asia Pacific, as a corporate partner in its

Taipei and Palo Alto, California, offices. Wu's corporate practice is expected to focus heavily on technology companies. He was a founding partner in the firm's Taipei office, where he also served as managing partner, and the San Francisco office of K&L Gates predecessor firm Preston Gates & Ellis, which combined with Kirkpatrick & Lockhart Nicholson Graham in 2007 to create K&L Gates.

known," says Mark Pinder, the firm's managing partner in the Middle East.



**Bird & Bird** has promoted Melissa Murray, who is based in the firm's Abu Dhabi office, to partner.

Murray provides advice to international businesses on commercial, corporate and general litigation matters relating to their operations in the UAE and the wider Middle East region. Her experience includes advising on hospitality, IT, IP, franchising, media, data protection, privacy, consumer protection, food, sports, healthcare, and regulatory matters.

as well as energy, infrastructure, and construction projects.

Prior to his appointment, Huebner spent two decades in international law practice in the Asia Pacific region, most recently heading the international dispute resolution and China practices from the Shanghai office of Sheppard Mullin Richter & Hampton. His work has included the representation of governments and corporations in the technology, entertainment/media, telecommunications, natural resources, pharmaceutical, and government contracting sectors.

## UAE



**Bird & Bird** has appointed Kelly Tymburski as a partner in its Middle East practice. Tymburski, who will

work from the firm's UAE offices, has significant experience in the Middle East TMT legal market, having worked in private practice in the region since 2007. She has done extensive work for both private and public sector clients, with an emphasis on advising clients in the communications sector and with strengths in both TMT commercial and regulatory matters. A key aspect of her role will be spearheading the firm's push into the Middle East and African telecommunications sector. She is based in Abu Dhabi.



**Bird & Bird** also hired of Saarah Badr, who has joined its Middle East practice as a senior associate. Badr

has extensive regional experience, having previously worked as Legal Counsel to the Abu Dhabi Media Zone Authority from 2009 to 2013. She boasts significant expertise advising on regional IP, media and entertainment matters. She is based in Abu Dhabi.

"We have been looking to develop our telecommunications capabilities in the Middle East and to capitalize on those opportunities in the region which are closely aligned to this area of expertise, for which we are traditionally

## US



**Arnold & Porter** has announced that David

Huebner, the outgoing US Ambassador to New Zealand and Samoa, has joined the firm as a partner in its international arbitration, public international law, and national security practices. From the firm's Los Angeles office, he will focus on international commercial arbitration, trade, and investments with an emphasis on intellectual property-intensive industries

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### MPA Names McCoy New EMEA SVP



Stanford McCoy has joined the **Motion Picture Association (MPA)** Europe, Middle East and Africa as senior vice president and regional policy director. McCoy will provide strategic policy advice on copyright-related matters, focusing in particular on bringing about more responsibility on the internet while ensuring that copyright continues to respond to the opportunities and challenges of the digital world. He will assist MPA in promoting greater respect for creativity, and innovative approaches to online content protection, and will oversee MPA's efforts to work cooperatively with stakeholders across the region.

"Stan is one of the leading experts in intellectual property and innovation,"

said Chris Marcich, president and managing director of the MPA. "We are in the midst of sustained efforts to critically review copyright and intellectual property protection that has been the cornerstone of the global film industry. Having someone with Stan's knowledge and expertise join the Brussels team at such a crucial time is a privilege."

Prior to joining the MPA, McCoy served as Assistant US Trade Representative for Intellectual Property and Innovation in the Office of the US Trade Representative. Before joining USTR, he worked at the law firm Covington & Burling in Brussels and Washington, where he focused particularly on international intellectual property enforcement and international trade law.





# The Amazing Enforce-Men

In comics, Spider-Man fights off villains all by himself, but in reality, IP enforcement is not done by one person or unit – it includes customs, police, companies, lawyers and individuals worldwide. Lawyers share their perspectives with **Johnny Chan**.

**D**ealing with IP enforcement is already challenging. When enforcement requires work outside of your jurisdiction, it's an even worse nightmare.

difficult, says Linda Wang, a partner at Zaid Ibrahim & Co in Kuala Lumpur.

Lawyers also find it particularly challenging when there is inconsistency between legal forums, says Michael Lin, a partner at Marks & Clerk in Hong Kong.

Besides inconsistency, lengthy court proceedings is among the major enforcement challenges in the Philippines, says Susan Villanueva, a partner at Cruz Marcelo & Tenebrancia in Manila.

In China, "proceedings in big cities including Shanghai, Beijing and Shenzhen are relatively easy to handle because of experienced and educated judges," says Jan Dombrowski, a counsel at CMS Hasche Sigle in Berlin. "However, proceedings in less developed provinces are not nearly as predictable – a particular kind of a lucky draw."

The number of Chinese enforcement officials is significantly less than those in Europe and the US. "This is a big issue considering China's enormous population and its many enforcement issues," says Michael Mangelson, a partner at Stoel Rives in Salt Lake City, Utah.

“



**Proceedings in big cities including Shanghai, Beijing and Shenzhen are relatively easy to handle because of experienced and educated judges. Proceedings in less developed provinces are not nearly as predictable.**

- Jan Dombrowski, counsel,  
CMS Hasche Sigle, Berlin

”

Counterfeiting in a number of industries is highly syndicated, which makes enforcement not only dangerous but also very

population and its many enforcement issues,” says Michael Mangelson, a partner at Stoel Rives in Salt Lake City, Utah.

"The shortage is more obvious in the patent arena where higher expertise is necessary."

China is also very bureaucratic in terms of giving evidence during proceedings, says Ulrich Blumenröder, an attorney-at-law at Grünecker in Munich.

“



**I expect an increase in Chinese IP owners taking the offense worldwide and beginning to enforce their IP in non-Chinese jurisdictions.**

- Michael Lin, partner,  
Marks & Clerk, Hong Kong

Another challenge relates to cultural differences, in particular a different attitude towards originality and imitation, says Robert Klinski, managing partner at Patentship in Munich.

"Language can also be an issue, especially if clients want to do their own research to learn more about the foreign jurisdiction," says Jonathan Mesiano-Crookston, a partner at Goldman Hine in Toronto.

It has also been proven difficult to identify the identity and location of the infringers, says Petra Fernandes, an associate at Baptista, Monteverde & Associados in Lisbon, Portugal.

"I find it particularly challenging to find the right partner firms for enforcement dossiers in Asia," says Pieter Callens, an associate at Eubelius in Kortrijk, Belgium. To find the right partner firms for enforcement dossiers in Asia, Callens suggests gathering information from other IP attorneys who have worked with Asian firms.

If no familiar contacts are nearby, INTA is perfect for networking, says Fabrizio Miazetto, a partner at Salvador Ferrandis & Partners in Madrid.

Language issues, limited knowledge of local market and supply, and geography can then be resolved, says Gualtiero Dragotti, a partner at DLA Piper in Milan.

There might be international firms providing "one-stop shop"

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enforcement services, but the same can be obtained at a much lower cost by using reliable local firms, says Chris Rourk, a partner at Jackson Walker in Dallas.

Singapore and Vietnam, says Christina Cavallaro, an associate at Eakin McCaffery Cox Lawyers in Sydney. "Obtaining international registration considerably assists in enforcement."

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**Bias in rulings may happen anywhere due to the temptation to protect the local industry, but the more specialized the court, the lesser the risk.**

*- David Pellisé, managing partner,  
Pellisé Abogado, Barcelona*

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The virtual environment is no less challenging, as there is an overwhelming number of infringing product listings on the Asian e-commerce websites.

What makes matters worse is that reporting infringement on some of the Chinese websites is more time-consuming and cumbersome than for websites elsewhere. "For example, some require brands to not only provide the Chinese trademark registration numbers but also comparison photos of the non-authentic items and the genuine products with detailed explanations regarding why the products are infringing," says Stacy Papachristos, president at IPAssure in Stratford, Connecticut. "In addition, some of the websites do not remove all of the reported listings."

Before seeking help from local firms, foreign lawyers can first, at their IP offices, apply for registrations on international IP agreements such as the Madrid Protocol, which cover countries including China, India, Japan, Korea, Mongolia, Philippines,

overcome the aforesaid challenges is to have brand owners continually report infringements and ensure removal of infringing product listings. "Brand owners should also attempt to identify the manufacturers," says Papachristos.

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But IP enforcement alone cannot eradicate counterfeiting. It requires a whole package of remedies, including a strong government will, close collaboration between the enforcement

statistics released by the Motion Picture Association of America, which confirm that China has outrun Japan to be the second-largest box office worldwide, and the largest outside the US. A

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**It would be prudent for a foreign party to ensure that it has adequately protected its rights before commencing enforcement in China.**

- John Cox, partner,

Eakin McCaffery Cox, Sydney

report by Ernst & Young has stated that at the current expansion rate, the Chinese box office could pass the US in a mere seven years. The Chinese audience will be the winner with more choices, but amongst local filmmakers, more disputes are expected as the stakes rise and the value of the business grows.

As the Chinese movie business grows, Lin expects cases to increase not only in size, but in complexity as well. “I expect an increase in Chinese IP owners taking the offense worldwide and beginning to enforce their IP in non-Chinese jurisdictions.”

”

Nevertheless, Asian filmmakers tend not to attack each other on their home markets, compared to European and American filmmakers, says Callens.

agencies and brand owners, better education and a good economy, says Wang.

### Chinawood

China's influence on Hollywood has been highlighted by

Economically, the growing entertainment industry will drive economic reforms within and beyond Chinese borders, given the prevalence of the use of the Chinese language, says Keri Johnston, managing partner at Johnston Law in Toronto.

It's not just the entertainment industry that should be gearing

### True Stories

*History should prevent us from making the same mistakes others made in the past, so the following real-life stories about intellectual property rights enforcement actions should give you an upper-hand in your future handling.*

A client of Salvador Ferrandis & Partners, active in the fashion field, has huge problems with illegal imports of fakes from China, Vietnam and India, says Fabrizio Miazetto, a partner at the Madrid-base firm.

The illegal imports were manoeuvred by an organized criminal entity with a diversified company structure aimed to minimize risks. Actions were initially taken against local manufacturers, but the criminal organization had enough resources to change manufacturing locations, swiftly and on demand, when any problem arose.

Nonetheless, the firm managed to implement a mixed strategy to track the locations, entities and people involved. It collaborated with Spanish Customs to prevent boarding of suspected infringing goods or, at least, for knowing the destination ports and the name of the legal entities and people involved with the illegal import; police raids and following judicial actions, where necessary, against local manufacturers; and negotiation of agreements with local manufacturers, where not directly linked to the criminal organization, in order to reduce the availability of manufacturing locations.

In parallel, the firm was prosecuting – in both criminal and civil jurisdictions – actions against the illegal Spanish entities.

The fight is still ongoing, but the detrimental effects of the illicit production and importation of the counterfeits have been reduced consistently. Chinese, Indian and Vietnamese authorities, all of whom were reluctant to work with the IP owner or the law firm at the beginning, are now more cooperative, says Miazetto.

In another case, an American company that organizes creative running events worldwide has discovered that its events in China were being duplicated using all of its IP, including branding, trade dress, advertising and photos.

“Even with registered trademarks in China and Chinese copyright protection under the Berne Convention, these problems are difficult to achieve prompt results,” says Michael Mangelson, a partner at Stoel Rives in Salt Lake City, Utah. “When dealing with this type of infringer, typical western practices of cease and desist letters and threats of lawsuits are ineffective, so we are exploring options with local IP counsel, the State Administration for Industry and Commerce and civil courts.”

A Norton Rose Fulbright client has manufactured its goods in China for many years, for the purposes of exporting those goods for sale in countries outside China such as Australia and the UK, says Frances Drummond, a partner at Norton Rose Fulbright in Sydney. After shipping its goods out of one particular port for a long time with no issues, the client began shipments out of a different port.

The first shipment of goods out of the new port was seized by the local authorities on the basis that the goods bore a trademark registered to a Chinese entity, Drummond says.

While the goods bearing the relevant mark were manufactured



up for litigation as China's economy develops, says Bartosz Krakowiak, deputy manager of trademark department at POLSERVICE in Warsaw. More legal disputes are expected in other sectors as well, he says.

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**It is the inevitability of liability, not the severity of penalty, that makes enforcement effective.**

*- Bartosz Krakowiak, deputy manager, trademarks,  
POLSERVICE, Warsaw*

”

Blumenröder concurs: during the last 15 years, Chinese entities have been increasingly suing European companies in both China and Europe.

### Pride and Prejudice

Many western countries might be proud of the entirety of their

IP legislations, but rising economies such as China have only had the concept of intellectual property for the past 30 or so years – some even less. That translates into very different rulings from Chinese courts.

European companies certainly have the impression that legal protection is weaker for foreign parties in Chinese courts, says Callens. Mesiano-Crookston says that Canadians also generally believe that they will not get a fair hearing in China.

Such impressions are not only held towards Chinese courts but American courts, too. “I would not say that legal protection is weaker for foreign parties in Chinese courts, at least not to an extent which would ‘deteriorate’ the situation compared with certain regions in the US,” says Heinz Goddar, a partner at Boehmert & Boehmert in Munich.

Bias in rulings may happen anywhere due to the temptation to protect the local industry, says David Pellisé, managing partner at Pellisé Abogado in Barcelona. “But the more specialized the court, the lesser the risk.”

While protectionism may play a role in certain local courts, the bigger problem is that foreign parties often do not understand the Chinese court system before taking actions, so they are often

in China, they were never sold in China. “Our client’s experience demonstrates the differing views of the regional authorities as to what amounts to ‘using’ a trademark in China,” says Drummond.

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**When dealing with infringers, typical western practices of cease and desist letters and threats of lawsuits are ineffective, so we are exploring options with local IP counsel, the SAIC and civil courts.**

*- Michael Mangelson, partner,  
Steel Rives, Salt Lake City*

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“Unfortunately, the relevant authorities have not been particularly cooperative and we are still in negotiations to resolve this issue some five months later.”

Norton Rose Fulbright has also recently represented Lonsdale

against Paul’s Warehouse, a discount retail chain which imported Lonsdale-branded goods into Australia which had been manufactured by its German licensee and sold outside of its licensed territory.

Lonsdale was successful at trial and on appeal, with the Full Court of the Federal Court of Australia unanimously deciding (after an expedited appeal) that the Australian-registered Lonsdale mark had been applied to the imported goods without the consent of the Australian owner of the mark. The Court dismissed the concept of an exhaustion principle in Australia and focused instead on whether the defendant has established the “consent” of the trademark owner as required by the relevant statutory defence.

This decision, which is now the leading case on parallel importation in Australia, provides considerable scope for combating parallel importation into Australia, Drummond says. “Parallel importation has been a high profile issue

here recently.”

*- Johnny Chan*

unprepared for bureaucratic, evidentiary and process-related issues, deadlines and matters that arise, Lin says. "As such, they often fail to fulfil the administrative requirements and lose on those matters, not the substantive matters," he says.

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**Local protectionism and limited resources are other factors that hinder enforcement and make piracy widespread in China.**

- Stacy Papachristos, president,  
IPAssure, Stratford, Connecticut

Before initiating any enforcement action, a foreign party must ensure that its right is registered for protection in China, as the country relies heavily on registration, based on recent cases covered by media.

"It would be prudent for a foreign party to ensure that it has adequately protected its rights before commencing enforcement

in China," says John Cox, a partner at Eakin McCaffery Cox in Sydney.

Despite the bad perception, recent decisions of the Chinese courts suggest that more local companies are being penalized upon being found guilty, says Frances Drummond, a partner at Norton Rose Fulbright in Sydney. "The whole system is getting better for everyone."

Part of the improvement is likely due to increased activity in Chinese courts by foreign companies. "The more [foreign] entities appear before Chinese courts, the smaller the disadvantage will be," says Blumenröder.

### Administrative v. Criminal

With piracy rampant across the globe, are criminal measures in place to contain that and if so, should administrative measures be less used in order to create a deterrent effect? Lawyers have different views.

Administrative measures in Canada are generally less harsh than criminal unless backed by significant personal penalties against corporate directors and officers, Mesiano-Crookston says. "At least in Canada, it is fair to say that people take the threat of criminal sanctions more seriously than the threat of administrative penalties."

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Penalties attached to civil actions in China are also too low to be sufficiently deterrent, says Drummond.

But there has already been an increase in cooperation between different political entities as well as an increase in the

Partners in Beijing.

Callens doubts whether criminal measures have more of a deterrent effect than administrative measures. “In theory, [criminal measures are more deterrent], but it all depends on how they are applied. In Belgium, for example, IP infringement is sanctioned by severe criminal measures, but in practice, criminal measures are rarely applied, so it does not matter what kind of measures you install – what’s important is how they are used by the authorities and right holders.”

“It is the inevitability of liability, not the severity of penalty, that makes enforcement effective,” says Krakowiak.

Effective enforcement must tackle the responsible people of the organized entities rather than those who are reselling the counterfeit products, as entities tend to use small players who can be “sacrificed” without any consequences, says Miazetto.

Criminal measures may not always be a suitable punishment for counterfeiters. Instead, a well-thought out combination of both criminal and administrative measures is essential and may ultimately provide an increased deterrent effect

“I would only want criminal sanctions in the most extreme cases, or where cases put lives at risk,” says Johnston.

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**The onus is on the importer to claim the seized goods within a specified timeframe, failing which the goods will be forfeited.**

- Greg Ross, partner,  
Eakin McCaffery Cox, Sydney

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number of cases that are referred to the local prosecutor by the administrative offices, Lin says. “As time goes on, we will likely see more emphasis on criminal prosecution of IP infringement matters.”

Nonetheless, administrative measures cannot be replaced by criminal measures, says Frank Liu, a partner at Chang Tsi &



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But regardless of the enforcement mechanism, there will always be individuals who do not care about the penalties involved, says Papachristos.

### Causes of Widespread Piracy in China

Putting aside, for the moment, China's laws and courts, are corruption, limited training of enforcement officials, and

Krakowiak acknowledges that, yes, this is a rhetorical question. Everyone knows corruption is being practised but nobody likes to discuss or acknowledge it, says Wang.

But it isn't just corruption. "Local protectionism and limited resources are other factors that hinder enforcement and make piracy widespread in China," says Papachristos.

Training of State Administration for Industry and Commerce (SAIC) officials is in dire need, lawyers says. "For instance, recently, an official was of the opinion that, in order to grant protection, the IP must be registered exactly for the goods for which the infringing sign is used," says Ralf Hackbarth, an attorney-at-law at KLAKE in Munich.

"Training is everything. We even see this in Germany," Goddar says. "If we provide better training for customs and public prosecutors in China, piracy might be avoidable in many instances."

The containment of piracy would be more successful if there were more resources devoted to this spread across a wider area. The sheer geographical size and population of China makes it

insufficient public education the causes of rampant piracy in China today?

easier for piracy to go undetected, says Drummond.

With new trademark laws being effective May 1, 2014, China is

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**Italian customs authorities tend to pay more attention to the manufacturing countries, including India, China, Vietnam and the Philippines.**

- Gualtiero Dragotti, partner,  
DLA Piper, Milan

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expected to provide better protection for right owners, says Cox.

### Counterfeit Pedigree

While counterfeits are seen almost everywhere around the world, they are not always manufactured locally – they are often, but not always, imported.

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**Increasingly, I have seen a lot of efforts in China to educate customs officials and other people on counterfeit examination.**

*- Heinz Goddar, partner,  
Boehmert & Boehmert, Munich*

Counterfeits are imported in Belgium because local production costs are high, so little production is done, Callens says. “This goes for both authentic and fake products.”

Canada also has very little local manufacturing, so counterfeits are primarily imported from foreign countries, says Johnston.

In 2012, German customs seized over 3 million counterfeits, Klinski says. “The domestic economic damage is estimated to exceed €30 billion annually (US\$41.5 billion).”

Counterfeits in Italy, on the other hand, could be made locally or imported, says Dragotti. Poland faces locally-made counterfeit perfume, apparel, spirits and chemicals, says Krakowiak.

In Portugal, clothing is usually locally manufactured and recently, the Authority for Economic and Food Safety (ASAE), a specialized anti-counterfeiting police force, has dismantled an international organization which makes counterfeit clothing here and exports to Spain, Fernandes says. “Other goods like technology equipment are often imported.”

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Fakes are mostly imported in Spain but local production serving domestic and foreign markets is rising due to the economic crisis. “The lowered purchasing power of the population, especially the middle class, is making many small companies and individuals to do whatever necessary to survive,” Miazzetto says. “Counterfeiting is one of the least

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risky in terms of consequences, so criminal organizations are taking advantage of the willing and cheapened specialized workforce.”

In the US, Papachristos says, there are a decent number of counterfeit products that are made locally, however for most brands, the majority are made in China.

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**Some counterfeit goods are very dangerous – and also very difficult to detect. For such fakes, people are more willing to stay informed.**

*- Jonathan Mesiano-Crookston, partner,  
Goldman Hine, Toronto*

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A variety of other counterfeits are mainly made in China, Thailand, Hong Kong and Vietnam. Lawyers also note that Turkey, the UK, the US and the Middle East are all common

counterfeit exporters.

### International Customs

Despite advances in technology and information sharing among IP owners and enforcement authorities, infringers still manage to keep counterfeits under the radar of customs officials, lawyers say.

In the US, there are various federal agencies involved with investigating counterfeit and fake goods in the US, including the Customs and Border Protection and Immigration and Customs Enforcement in coordination with other domestic and international partners through the National Intellectual Property Rights Coordination Center (IPR Center), but insufficient funding and training might affect their ability to adequately address the problem, says Sunisha Choksi, managing attorney at Law Office of Sunisha S Choksi in Texas.

Fake goods don't just enter the US through cargo shipments. “Counterfeits also enter through individual smuggling, says Papachristos. “Customs regularly seize counterfeits at the [land] border between Mexico and Texas,” she says.

Problems arise when the goods are somewhat similar to a

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registered mark. “In such cases, if the goods owner does not act quickly or lacks the resources to fight that determination in court, the goods might be destroyed, even if a court or jury ultimately disagree that they were infringing,” says Rourk.

The same applies in Australia. “Upon seizure, the onus is on the importer to claim the seized goods within a specified timeframe, failing which the goods will be forfeited,” says Greg Ross, a partner at Eakin McCaffery Cox in Sydney. “If an importer lodges a claim for the return of the goods, the IP owner can institute legal proceedings to prevent the release of the infringing goods to the importer.”

For the year ended June 30, 2013, Australian Customs reported 3.5 million import declarations, 28 million consignments of air cargo and 2.7 million sea cargo manifest lines. Of these, Customs physically examined the equivalent of 14,220 twenty-foot containers, 84,365 consignments of air cargo and 223,150 mail items. Of these, Customs made 1,694 seizures of counterfeit goods. “In other words, the number of goods examined by Customs is a small proportion of the total number of imported goods, and the number of seized goods is a small proportion of the total number of examined goods,” says Wen Wu, a litigator at Shelston IP in Sydney. “Customs’ role as an IP enforcement agency is constrained by its limited resources and priorities in other areas, such as the importation of illegal drugs and weapons.”

Based on new European Union Customs Regulation No. 608/2013, effective January 1, 2014, it is also possible for the

IP owner to request a so-called “destruction of goods in small consignments.” If one files such a request with the customs, the offices will automatically seize small quantities, and if the importer does not file a complaint against the seizure within 10 days, these small consignments will be destroyed. The IP owner will merely be notified of the destruction and, upon request, s/he will be informed of the address of the importer.

While not all lawyers agree, Markus Graf at Mitscherlich in Munich thinks this regulation will be beneficial to IP owners. “The big advantage of this procedure is that the IP holder does not have to spend resources in legal proceedings and will not even be notified of the action performed by the customs authorities. This regulation shows again that European Custom seizures are very effective and inexpensive.”

A common way to avoid seizures is to import into a country that has fewer custom officers, Blumenröder says. “In patent cases, an infringer might arrange to have the final assembly executed in the EU.”

In Belgium, customs officers often act upon requests only and would “pay more attention to goods coming from Asia (especially China and India). [They] rarely act *ex officio*, though,” Callens says. “Most infringing goods enter Belgium through the harbour of Antwerp or Rotterdam (Netherlands). Other ways to enter are by airmail.”

With clothing and luxury goods, Italian customs authorities tend to pay more attention to the manufacturing countries, including India, China, Vietnam and the Philippines, says Dragotti.



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German Customs do random tests, and pay particular attention to goods coming from China, Thailand and Hong Kong. "It is often observed that tricky counterfeiters from abroad opt for a considerable number of small consignments of counterfeits. The sole purpose is to bypass the quantity limits," Hackbarth says. "Moreover, the applicants or the freight forwarders, having been disclosed as possible participants of trademark infringement in custom proceedings, are swiftly replaced with 'fresh players.'"

Most counterfeit goods are shipped into Canada in the same manner as legitimate goods, only with a modified shipment description, Johnston says. "Another simple method is storing counterfeits in the middle of a box surrounded by legitimate goods."

The Canadian Trademark Act and Copyright Act are enforced primarily by the Royal Canadian Mounted Police (RCMP), not the Canada Border Services Agency (CBSA). The CBSA must therefore refer counterfeiters to the RCMP for action, which typically includes seizure and destruction of goods, says Johnston.

While the CBSA does not pay extra attention to goods from certain countries, "I would be surprised if they did not align their searches to match where, statistically speaking, most counterfeits were arriving from," says Mesiano-Crookston.

Similarly, inspections of Polish Customs are based on risk analyses, says Krakowiak.

Portuguese Customs analyze documentation associated with imports or exports, Fernandes says. "Additionally, a right owner may file a custom intervention application in which it identifies the

characteristics of the original and counterfeit, as well as countries for inspection."

In Spain, customs mostly focus on drugs and weapons, rather than counterfeits, says Miazetto.

### Ways to Find Fakes

After counterfeits cross borders, authorities do find ways to identify them, but due to limited resources – especially compared with the massive inflow of counterfeits – many enforcement officials tend to act on requests only.

Although it has no widespread proactive approach, the Ministry of Economy in Belgium has had a task force against counterfeiting since 2009. The force randomly visits markets, but the impact is small, Callens says. "To effectively beat counterfeiting, the distribution needs to be cut. This can be a task for both customs and police, but they only act on a complaint basis."

In Australia, trademarks are primarily enforced by owners, rather than investigators, Drummond says. "The Australian Competition and Consumer Commission acts on complaints rather than market surveys."

In recent years, counterfeits have been identified through periodic searches of auction, "daily deals" and other websites, says Wu.

In China, market and online surveillance has been adopted as a proactive approach by authorities, says Liu.

In Canada, most counterfeits are brought to the authorities' attention by individuals who find counterfeits through shopping, customer complaints or private investigators, Mesiano-Crookston



## AFD China Intellectual Property Law Office

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says. "Canadian police occasionally conduct raids on markets known for counterfeiting, but limited resources tend to restrict the type and number of raids."

Ideally, companies will build relationships with the RCMP before questionable goods arrive at the Canadian border, Johnston says. "This proactive approach is especially useful when the RCMP must conduct an investigation. Companies are the best eyes and ears for the CBSA and RCMP."

In the US, authorities also proactively target the sale and transport of counterfeits at ports, warehouses, flea markets and online, especially fakes that could negatively impact consumers' health and/or safety. The IPR Center encourages the public to report suspected violations, says Choksi.

Polish customs and police initiate regular *ex officio* actions, including inspections/raids on local markets/bazaars. From time to time, they also monitor online activities of infringers, Krakowiak says. "In the majority of cases, however, brands' involvement is crucial. A criminal complaint and verification of products is always required."

Similarly, ASAE inspectors in Portugal check markets regularly and act upon complaints filed, says Fernandes.

Since the reformation of the Spanish Criminal Code in 2003, IP criminal offences have become public crimes, and they are very often prosecuted *ex officio*, says Miazetto.

In contrast, there is no *ex officio* administrative body for counterfeiting in Germany, but large companies often have brand protection departments, which search globally for counterfeits. They also seek assistance of private investigators specializing in

IP, says Hackbarth.

But when complaints are filed, German customs are responsible to counteract fakes. "Officials are active at the borders and also within the country, such as at trade fairs," Klinski says. "At the borders, checks are performed on a regular basis. Within the country, checks are performed upon complaints."

Some people consider the "trade show walk" on the eve of major trade shows to be a proactive approach, Blumenröder says. "However, customs still need a motion for seizure."

### The Keys to Distinguishing Fakes

The key to distinguishing fakes from authentic merchandise is the information given by and training coming from companies. Without their involvement, authorities are unlikely to be able to do anything with an impact.

Large companies with products that are widely counterfeited often have internal legal departments that conduct enforcement actions or work closely with IP lawyers and investigators to accomplish the same goal. "These companies create policies and procedures that are distributed to customs, and offer training to aid them in distinguishing counterfeit and authentic goods," Johnston says. "Although the RCMP receives training and has knowledge of counterfeits, it always relies on a company expert to make that determination. The RCMP notifies the company by telephone or email, and an expert will come in to see the goods or the RCMP will send photographs."

In the US, companies provide local and federal authorities with training manuals that help identify counterfeits, Papachristos

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says. "Customs also regularly holds training sessions whereby brand owners can conduct presentations."

"Increasingly, I have seen a lot of efforts in China to educate customs officials and other people on counterfeit examination very, very intensively," Goddar says. "The local Chambers of Commerce try to create awareness, particularly in the form of education, with administrative authorities involved."

While authorities are equipped with the skills to distinguish fakes, the general public should also be educated to prevent them from jeopardizing their health and safety by purchasing fake drugs, food, etc. But for items without safety concerns – such as handbags – do people care about the authenticity?

"Providing education of this nature is only effective if individuals actually care about avoiding purchasing counterfeits and the effects it causes. There are many individuals who purchase fakes fully aware of their identity. They tend to purchase large quantities at lower prices and resell them here at significantly higher prices," says Papachristos.

Parts of the German public, for example, embrace fake luxury goods for social reputation, Hackbarth says. While quality and security are the reasons to buy the original, not everyone can afford the original, so consumers buy the copy to keep up with

fashion trends.

Public education directed towards these customers should focus on the local economic or employment effects, and possibly quality issues, says Mesiano-Crookston.

The other type of counterfeits is more insidious, which includes fake automobile brakes made with substandard parts and sold in place of genuine equipment and fake pharmaceuticals sold in legitimate dispensaries. These are very dangerous – and also very difficult to detect, Mesiano-Crookston says. "For such fakes, people [are more willing] to stay informed."

In Australia, public education is left to the IP owners, but "there are plenty of information websites from authorities and there is education about respect for copyright in schools and libraries," says Drummond.

The US Commerce Department has established a "Stop the Fakes" initiative to actively hold seminars to inform businesses and the public on the importance of IP protection, says Choksi.

With the support of the Spanish Patent and Trademark Office and of brand owners, many awareness programmes have been launched in Spain in recent years, Miazetto says. "Results have been positive among the public, which is now more acquainted to the idea of IP." **AIP**

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# IP Beyond Asia – When Outbound Asian Investment Reaches Africa and Latin America

To celebrate INTA's annual meeting coming to Hong Kong for the first time, **Amanda Shuai** reaches out to professionals and asks about IP matters that outbound Asian investors face in Africa and Latin America.

With a booming economy in Asia, investors are turning outside the region to expand their business, and are receiving the largest investment from China on each continent, US\$20.5 billion and US\$32.1 billion respectively, according to the China Global Investment Tracker created by the US-based American Enterprise Institute and the Heritage Foundation.

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**Many developing countries are only recently starting to see the potential benefits of more robust IP protection as their indigenous industries start to take off. Consequently, the IP field is in its infancy in many of these countries.**

*- Liam Garvey, senior legal advisor,  
Shawbell Consulting, Accra*

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Nigeria, one of the biggest economies in Africa, is also one of the fastest-emerging markets in the world. Chinese and Indian companies have a stake in many sectors of the Nigerian economy, ranging from mining to agriculture, transportation, motor vehicles, household goods, medical care, pharmaceuticals, to entertainment, according to Bankole Sodipo, a partner at GO Sodipo & Co in Lagos, Nigeria.

There have been many Chinese and Indian companies entering the South American market – including the Argentine market – in the last five years, says Dámaso A Pardo, co-chair of the IP team at PAGBAM IP in Buenos Aires, Argentina.

investing technology and capital in African and Latin American markets. Among these destinations, Nigeria and Brazil have

more and more cooperation between Asian investors, especially Chinese and Indian companies, and local markets such as



Brazil, Mexico and Argentina. From the commercial point of view, Estela Mariel De Luca, IP lawyer and partner at Gaffoglio, De Luca & Asociados in Buenos Aires, has observed that Asian

Cardinal, Tützer, Zabala & Zaefferer in Buenos Aires. The strong commitment of some individual officials, consulting firms and NGOs related to IP regulation is one of the best points of the IP environment in Argentina, he says.

The economic and political stability in Colombia represents a reliable structure for success. Its GDP has doubled in the last decade, and the country has become party to several multilateral commercial agreements, resulting in a very interesting market with enormous possibilities to continue growing, says Laura Michelsen, a partner and head of the intellectual property department at Triana, Uribe & Michelsen in Bogotá.

Recent developments and initiatives in Colombia regarding IP matters have established conditions for the adequate and effective protection of IP rights. Colombia's recent approval of the Madrid Protocol and its previous subscription to the Patent Cooperation Treaty (PCT) are particularly important because they are international instruments that contribute not only to the economic growth, but to the elimination of unnecessary obstacles for the protection of IP rights around the world, says Danilo Romero Raad, founder and partner at Romero Raad

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**It is important to apply for IP registration and to check what IP competitors have registered before entering the market. Often problems arise through importation of generic pharmaceuticals or agricultural chemicals while patents are still in force for these products or for production of these products.**

- Janusz F Luterek, director and head of patents,

Hahn & Hahn, Pretoria

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investment has been favoured within Latin American region due to international expansion policies to encourage outward investment, intergovernmental agreements, tax advantages and public funding, among other factors.

### IP Environment and Awareness for Investment

On the Latin America side, Brazil has been demonstrating real interest in IP matters and offering a gamut of rules to insure its enforcement, says Paulo Brancher, a partner at Barretto Ferreira e Brancher in São Paulo, Brazil. Besides the IP treaties that the country is a member of, Brancher says internal provisions related to the subject can be found in the Brazilian Federal Constitution, Industrial Property Law, Copyright Act and Software Act, among others.

Adding to Brazilian government's interest in stimulating the innovation environment of the local market, Luiz Felipe Di Sessa, senior associate at Souza, Cescon, Barriau & Flesch in São Paulo, says it has also launched attractive programmes to encourage innovation and facilitate foreign investment into the country.

Brazil is not the only country that is welcoming foreign investments; other jurisdictions on the continent are also being favoured by Asian investors.

Argentina has the highest regional level in respect to IP knowledge, and most of the judges understand the subject perfectly, says Lisandro Frene, a partner at Richards,

Abogados in Bogotá.

Peru has the commitment to be closely integrated with the global economy and thus become a focal point for foreign investment in the Andean Community, which is a customs union comprised of Bolivia, Colombia, Ecuador and Peru. The country has made significant efforts to reflect international standards in protecting IP and foreign investment, says Fernando Barreda, a

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**Checking whether the local market is a first-to-use or a first-to-file country should be a key consideration. If the latter, there is very little that can be done to protect and enforce unregistered trademarks of investors that have been adopted and registered by third parties.**

- Ilse du Plessis, IP director,

ENSAfrica, Kampala

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partner at Barreda Moller in Lima, Peru. The legal framework has opened the economy to private investment, and it also promotes

competition and foreign investment, he says.

While the economic environment is relatively better prepared for Asian investors in Latin America, the continent across the Atlantic Ocean – Africa – is experiencing a development stage of IP awareness.

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**Timely monitoring and filing, as part of a global effort to protect IP rights is the first, cheapest and most effective course of action to start on the right foot in this region.**

*- Loke-Khoo Tan, partner,  
Baker & McKenzie, Hong Kong*

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Many developing countries are only recently starting to see the potential benefits of more robust IP protection as their indigenous industries start to take off, according to Liam Garvey, senior legal advisor at Shawbell Consulting in Accra, Ghana. Consequently, the IP field is in its infancy in many of these countries. Although laws and regulations are being developed and the situation is changing, the current state of protection is not ideal for either foreign investors or locals.

Wole Araromi, a partner at Lexx & Sophy in Lagos, Nigeria, agrees that IP rights awareness is still in a developmental stage in Africa and that part of the populace is still ignorant about IP rights and laws. He says a bill has been proposed to the national assembly for the review and update of Nigeria's IP laws. There has been some progress made to improve the IP environment, but efforts are still needed to enhance investors' IP protection.

Much effort has been put to improve the IP regime in Ghana as well, where the government has been in the process of updating its IP laws. In recent years the government of Ghana has publicly prioritized the enforcement of IP rights. In 2012, the government started to develop a National Intellectual Property Policy and Strategy. The aim is to bring Ghana's IP regime in line with its international commitment under the WTO and TRIPS, according to Garvey.

### Before Entering the Market

It is as important to invest in IP as to invest in the business itself. Investors need to have the exclusive rights to economically exploit the results of their efforts, says Paula Mena Barreto, an attorney at Barbosa, Müssnich & Aragão in Rio de Janeiro. “IP

protection is the only way in which companies can assure their exclusive IP rights regarding a determined product, development and/or service in Brazil. That is why companies that do not invest in IP protection become more exposed to the damages caused by piracy or infringement in general.”

As investing in IP protection is an essential action for companies who wish to maintain or enhance their competitiveness in the market, experts have suggested the following factors to consider before entering a new market.

Investments in Latin American markets should be assessed upon local market conditions and jurisdiction, says Loke-Khoo Tan, a partner at Baker & McKenzie in Hong Kong. Due to wide and varying cultural and legal differences among multiple jurisdictions operating in the region, it hinders accurate benchmarking, as the benchmark and market conditions depend on the jurisdictions and parties involved, he says.

Tan says “the due diligence involved requires a comprehensive analysis of each jurisdiction and deep knowledge of local issues beforehand to ensure that the protection will be optimal.”

Conducting preliminary availability searches, preferably with a local legal opinion analyzing the facts of a particular case, will

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**By considering the current and potential value of the IP portfolio and each IP asset, it is possible to help clients to protect their IP from the beginning of the process and obtain appropriate, cost-effective protection.**

*- Paula Mena Barreto, attorney,  
Barbosa, Müssnich & Aragão, Rio de Janeiro*

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inform investors about the compliance with legislation as well as possible hindrances that the registration and use of a product could meet, so as to avoid possible obstacles, says De Luca.

Stephan Wegner, an international consultant at Baudelio & Cia in Mexico City, adds performing a pre-filing investigation would help to determine the chances of success of the applications in question.

Sharing the same idea, Janusz F Luterek, director and head of the patent department at Hahn & Hahn in Pretoria, South Africa, also tells *Asia IP* it is important to apply for IP registration and to check what IP competitors have registered before entering the



market. "Often problems arise through importation of generic pharmaceuticals or agricultural chemicals while patents are still in force for these products or for production of these products," he says.

"It is extremely helpful to conduct searches both to detect possible obstacles and to enable clients to evaluate the chances of obtaining registration of the intended mark, especially considering the substantial extra delay that can be caused by

oppositions to applications filed by third parties," Barreto says. Just as for trademarks, prior search and analysis on validity is advisable for patents as well, to determine satisfaction of patentability requirements and to discover possible conflicts with existing patents, she says.

Investors should consider the enforcement mechanism in the market that they intend to enter, says Mark Ndumia Ndung'u, a partner at BM Musau & Co in Nairobi, Kenya. For companies to

## Counterfeits in Nigeria

Counterfeiting remains a significant problem in Nigeria, which has had a weighty financial impact on various IP owners, says Remi Dalley, a partner at GRF Dalley & Partners in Lagos.

Counterfeiting, though a global problem in most countries, is now a peculiar problem in Nigeria. "It has cleaved many IP

the name and mark of the product they intend to purchase, it is the original product of the brand owners.

The media and the National Agency for Food and Drug Administration and Control (NAFDAC) focus mainly on pharmaceutical products, and little attention is geared towards raising the public's awareness of other counterfeit products like food, alcoholic drinks, juices, mobile phones and other consumables, which can have the same grave impact as counterfeit drugs have to the public, says Dalley.

Furthermore, he says many foreign and local companies faced with the problems of counterfeits in Nigeria are reluctant to raise consumers' awareness on counterfeits through the media for the fear that such action might lead to dwindling sales of their products. There is a general belief that once consumers are aware that there are counterfeits of a particular product, the tendency is for consumers to shift to other like or similar products.

Counterfeiting is perceived as a minor problem without a clear understanding that counterfeiting to a large extent affects not only the economic standing of a country but also greatly diminishes the financial benefits to the nation, Dalley says. Thus, it is essential that public education at the common level form a



**In Nigeria, counterfeiting has cleaved many IP owners of the bonuses for their efforts. In Nigeria's marketplace, counterfeiting affects all consumer products, creating immense liability issues for both manufacturers and retailers.**

- Remi Dalley, partner,  
GRF Dalley & Partners, Lagos

owners of the bonuses for their efforts. In Nigeria's marketplace, counterfeiting affects all consumer products, creating immense liability issues for both manufacturers and retailers," Dalley says. There is a huge vacuum as counterfeiting affects virtually all areas of human desirability, including but not limited to drugs, food, books, electrical parts, phones, alcoholic, non-alcoholic drinks, all forms of textile material and footwear, amongst others, he says.

Dalley says the current policies and laws that exist with respect to IP rights do not take into account the true life issues that are necessary to curb counterfeiting in Nigeria.

The prevailing laws of the land are not freely available even to the educated, nor can one be oblivious to the fact that the general populace is not conversant with the benefits of intellectual property protection, says Dalley. He adds that most Nigerians are unaware that counterfeit products abound in the market. Nigerians tend to purchase products with the belief that if it bears

critical component of IP enforcement in Nigeria, he says.

In terms of border protection, Dalley says there are no effective records by the Nigerian Custom Services in prohibiting goods over the borders. Rife corruption undermines the enforcement capacity of the Nigerian Custom Service and the police.

Dalley further notes that the lack of sufficient remuneration for staff of the various authorities also hinders the fight against counterfeiting in Nigeria. As much as the government is aware of these factors, little or no attempt has been made to remedy the situation.

In order to achieve a robust and conducive environment in the combat against counterfeiters, it is imperative to have well-staffed and well-trained personnel, with the addition of the adequate equipment in carrying out their duties, Dalley says.

- Amanda Shuai

enjoy their IP rights, dispute resolution is key. He says factors to consider include the length of time it takes for a matter to be determined by the court and the possibility of other avenues of dispute resolution including arbitration and mediation.

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**I believe that prevention is better than enforcement.**

- Wole Araromi, partner,  
Lexx & Sophy, Lagos

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Companies should also check the institutional framework in place to prevent or reduce infringement, Ndung'u adds. For example, does the market have well-established institutions to fight the importation of counterfeit goods to an extent that the importation of such goods can be curtailed at the point of entry and/or destroyed?

In addition, Asian investors should take into account that the legal procedure, in general, and the criminal process, in particular, is often very slow and complicated, just as it often is at home, says Frene. This is particularly important to patents and lack of enforceability.

Checking whether the local market is a first-to-use or a first-to-file country should be another consideration, says Ilse du Plessis, IP director at ENSafrica in Kampala, Uganda. If the latter, there is very little that can be done to protect and enforce unregistered trademarks of investors that have been adopted and registered by third parties.

For instance, Peru follows the first-to-file rule in IP system, meaning that all rights stem from registration with the exception of well-known trademarks. In this regard, the first and more important step is to proactively file application for registration for all relevant IP trademarks, designs and patents prior to conducting any business or rolling out new marketing campaigns, says Barreda.

Under the first-to-file system, not doing so may create an unnecessary risk of facing a potential trademark hijacking or unlawful registration from a third party later on, which entails a litigation proceeding that may hinder the possibility of entering the marketplace, Tan says. “Thus, timely monitoring and filing, as part of a global effort to protect IP rights is the first, cheapest and most effective course of action to start on the right foot in this region.”

Whether or not to use one of the centralized filing systems should also be considered to see if one application can be extended to more than one country, Plessis says.

In Africa, there are mechanisms such as the African Regional

Intellectual Property Organization (ARIPO) and Organisation Africaine de la Propriété Intellectuelle (OAPI). The OAPI system works very well with its central registry in Cameroon, as all OAPI trademark applications automatically cover the 17 member countries, says Plessis.

She says the use of the ARIPO system, on the other hand, still needs careful consideration. Only certain states have acceded to the Banjul Protocol and may therefore be designated in an ARIPO trademark application. According to Plessis, while some member states have made legal provision for the recognition and enforcement of ARIPO registrations domestically, others are yet to do so, with the result that ARIPO registrations may not be valid and enforceable in such countries.

By using a regional system, trademark owners can benefit from the use performed in other member countries, which may not be the case in countries that follow a local system and are not part of a regional IP agreement, says De Luca. “If trying to obtain a right of priority, investors should file for the candidate trademark as soon as possible in all the country markets of current or future interest, in order to enjoy a right of

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**Requesting the protection of IP rights even before their effective entrance to local markets is crucial. This may not only avoid possible obstacles such as previous registrations of similar or identical distinctive signs, but will also be useful in opposing a local application of worldwide-owned trademarks.**

- María José García, associate lawyer,  
Romero Raad Abogados, Bogotá

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preference against future trademarks in the name of third parties that may be considered confusingly similar to the proposed one,” she says.

It is important to make IP strategy a central part of market entry plan for companies wishing to do business in Ghana, says Garvey. He says the best way to accomplish this depends on the industry and the products involved. An example that he gives is that health-related products or pharmaceuticals must be registered where necessary with the Food and Drugs Board and the Ghana Standards Authority. At the very least, trademarks should be registered at the relevant registrar office.

Tan says it is advisable to have a strategy based on extensive



research and deep cross-border knowledge which already considers local market conditions and jurisdiction. This is especially important for taking actions against counterfeiters, as it is necessary to address not only the basic needs for IP protection, but also to enhance the marketplace as much as possible with an efficient and integral filing strategy.

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**Argentine courts agree that an unregistered mark deserves protection when there has been public and continued use thereof. This point is especially relevant for foreign companies that have trademarks outside of Argentina and want to have a right in the country.**

- Lisandro Frene, partner,

*Richards, Cardinal, Tützer, Zabala & Zaefferer, Buenos Aires*

By considering the current and potential value of the IP portfolio and each IP asset, it is possible to help clients to protect their IP from the beginning of the process and obtain appropriate, cost-effective protection, as well as to plan the most effective ways to market their IP assets, including defense against attempted infringement and piracy, says Barreto.

Tan suggests Asian investors create a broad range of protection not only in core goods and services, but also in related goods and services, to develop a broad IP rights portfolio in various jurisdictions across the region. “This would help to create and ensure an enhanced market position that allows the investors to have an extensive and thorough platform of IP rights, not only for registration purposes but also for enforcement issues,” he says.

With some simple planning at the outset, investors can avoid many of the most dramatic economic and legal risks despite the abundance of potential pitfalls in Brazil, says Brancher. “Doing things right from the beginning could lead to an overall increase in Chinese economic influence in Latin America,” he says.

Moreover, when trying to enter local markets, Sodipo says Asian companies must have a budget to secure and enforce their IP through registration in their own name and not in the name of local partners. A foreign investor who secures registration in the

name of a local partner may lose its rights if there is a dispute in future.

“I believe that prevention is better than enforcement,” says Araromi. Consequently, he would advise foreign investors to seek good professional advice on the investment climate and general legal and regulatory regime of the country in which they intend to go and do business.

### **First and Foremost Step – Registration**

The current level of IP awareness in some Latin American countries cannot be considered on par with industrialized countries, but it is encouraging to note that the situation is improving, albeit slowly, in most of the region, says Tan. He says it is thus crucial to focus on the protection of IP rights from the very start to ensure favourable conditions for the business and its assets.

For companies entering the Nigerian market, they need more than an understanding of the legal regime for the protection of IP rights. Ultimately, they should ensure that registration is obtained in respect of trademarks, patents and industrial designs which they own, says Tiwalola Okeyinka, an associate at ALEX in Lagos.

The first and most important piece of advice in Argentina is to register every

good that will be commercialized under the corresponding IP figure in order to prevent the “first come, first serve” scenario, says Frene.

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**If Asian companies are seeking trademark protection claiming their own alphabet, we should consider that in many Latin American jurisdictions, that could be catalogued as a label trademark based on the fact that they are not written in the Latin alphabet.**

- Estela Mariel De Luca, IP lawyer and partner,

*Gaffoglio, De Luca & Asociados, Buenos Aires*

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When Asian investors, and in general any foreign company or person, are considering the possibility of entering the Colombian market, requesting the protection of their IP rights even before their effective entrance to local markets is crucial, says María José García, associate lawyer at Romero Raad Abogados in Bogotá. This may not only avoid possible obstacles such as

previous registrations of similar or identical distinctive signs, but will also be useful in case they are interested in opposing a local application for any of its worldwide-owned trademarks, says García.

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**Unlike in a great number of other countries, an opposition system against trademark applications does not exist in Mexico. The legal means a registered trademark holder has at his disposal to proceed against any trademark application are very limited.**

- Stephan Wegner, international consultant,  
Baudelio & Cia, Mexico City

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Having their IP assets protected saves a lot of time and money, says Alberto R Berton-Moreno, Jr, a partner at Berton Moreno & Asociados in Buenos Aires, adding that recovering IP assets is of course more expensive than being a step ahead. “When there is a big chance or negotiations are advanced to start doing business in Argentina, protecting all IP assets, or at least the most relevant, is the first necessary step in order to avoid surprises,” he says.

Ovie Ukiri, managing partner at Ajumogobia & Okeke in Lagos, Nigeria, also advises outbound Asian companies seeking to introduce goods into Nigeria to register IP with the registry and relevant government agencies as “this would ultimately help to safeguard the rights of a registered IP holder in Nigeria.”

### Application for Trademarks

The application system varies jurisdiction by jurisdiction, which requires the understanding of local dispositions, which are sometimes quite different from those of the country’s investors, says De Luca. She gives examples that in Argentina, the mediation procedure is a preliminary and compulsory step before the filing of court actions against an opposing party, and that in Venezuela, colours, either single or a combination of the same, are not acceptable for registration.

According to Frene, the Argentine legal system follows the first-to-file principle to award ownership rights in a mark as opposed to the first-to-use principle. He further notes that the courts tend to acknowledge the value of unregistered marks when there is a

case of bad faith from the registrant. Even though this is evaluated on a case-by-case basis, the courts agree that an unregistered mark deserves protection when there has been public and continued use thereof which has consequently allowed the owner to generate significant goodwill, says Frene. “This point is especially relevant for foreign companies that have trademarks outside of Argentina and want to have a right in the country.”

“If Asian companies are seeking trademark protection claiming their own alphabet, we should consider that in many Latin American jurisdictions, that could be catalogued as a label trademark based on the fact that they are not written in the Latin alphabet, and ‘fancy’ names considering its meaning are not known by the average consumer,” says De Luca. This, of course, may have an effect when carrying out a preliminary trademark search and performing the comparison between trademarks in conflict, she says.

De Luca adds there is no regional filing system in Latin America, which means that in case of seeking trademark protection in Latin America, one trademark application should be filed in each jurisdiction of interest. Exceptions can be found in those country members

of the Madrid Protocol, which allows filing one application directly with the national or regional trademark office.

In February 2013, the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks entered into force in Mexico. Wegner says at this moment, the

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**The quality of the counterfeit goods in some cases is almost the same as the original, and it is not easy to determine the real origin of the goods, especially when such opinions must be given from such a distance.**

- Laura Michelsen, partner and head of IP,  
Triana, Uribe & Michelsen, Bogotá

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examination period for international applications filed under the Madrid Protocol is considerably longer than for regular national applications, although it makes filing more attractive for foreign investors. He therefore recommends applicants to file a national application in case they are seeking to obtain registration as soon as possible.

Araromi notes that the trademarks registry in Nigeria has done



well in protecting trademarks, especially in the pharmaceutical industry. “It cross-references with the National Agency for Foods

to oppose a local application for any of its worldwide-owned trademarks, says Raad, who suggests using international treaties to overcome such problems.

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**It is important to monitor the potential use of such IP rights in the market [and to] maintain high levels of vigilance.**

- Leanne Mostert, partner,  
Webber Wentzel, Cape Town

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and Drugs Administration and Control, in order to check and confirm the true ownership of marks attached to the product to be registered. This helps to protect both foreign and local registered trademarks.”

### Challenges for Trademark Owners

International trademark owners face several problems when they have not registered their trademarks in Colombia and want

a similar-sounding mark. According to Moore, the IP offices are aware of this possibility and appear to be inclined to reject a mark originating in China if it shows any similarity to an existing mark, particularly a well-known mark, for similar goods or services.

Unlike in a great number of other countries, an opposition system against trademark applications does not exist in Mexico. The legal means a registered trademark holder has at his disposal to proceed against any trademark application are very

### Bridging the Cultural Gap

In 1959, author Boye DeMente first introduced western readers to the Japanese concepts of *wa* (a Japanese cultural concept usually translated into English as “harmony”) *nemawashi* (an informal process of quietly laying the foundation for some proposed change or project) and *kaizen* (the Japanese practices that focus upon the continued improvement of processes in manufacturing, engineering, business management or other process) through his book, *Japanese Etiquette and Ethics in Business*.

It was a world where doing business between East and West was significantly more challenging than doing so is today. It generally took a week or more for an air mail letter to travel half-way around the world; airfares were much more expensive in present-day dollars than they are today; and communication between parties was, in most cases, a very formal affair.

Contrast that time with today: emails flash around the world almost immediately, airfare is such that many *Asia IP* readers are top-notch road warriors and communication style, in most places, tends to be much more casual.

One other important area where negotiation has gotten easier is, many lawyers say, that cultural differences no longer pose the roadblock to good communication they once did. In many cases, a lawyer in South America says, business etiquette in Asia is very similar, as Western standards for it are accommodated and accepted by Asian cultures.

“Today, I would say language is the most obvious and important

cultural difference,” says Jorge León, a partner at C&L Attorneys, an intellectual property boutique firm in Mexico City. “Investors should always bear in mind that language may cause omissions or loopholes that may affect reaching a positive result due to lack of understanding between the parties.”

Lawyers at B&R Latin America, an IP firm headquartered in Bogotá which works across the region, says that some of the most obvious differences come from greeting each other. “In Latin America, it is usual to make light jokes to break the ice, which are not always welcomed,” says Geraldine Peeters, the firm’s research and communications manager. “It is sometimes difficult to read facial expressions when light comments or jokes are made. Our culture is very open and it may be very direct and expressive, which sometimes contrasts with the discreteness of Asian culture, but I do not consider that is something difficult to overcome.”

Loke-Khoon Tan, a partner at Baker & McKenzie in Hong Kong, notes that cultural differences can derail good projects. “The differences can be often overcome if there are trusted and patient intermediaries with good communication and linguistic skills, who can clarify the priority issues, help iron out the differences and help seek a middle-ground which would get the deal going,” he tells *Asia IP*. “This needs someone who is mature, well-grounded and experienced in the local business community, who can be sensitive to the cultural nuances and take proactive steps towards problem solving.”

Once the deal is done, parties coming from vastly different

limited, says Wegner. He suggests that in case an application which is similar to a prior right is granted registration, the holder

of the prior right can proceed against the registration by means of a nullity action.

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**The scope of the protection conferred on a registered patent is determined by the terms of the claims, and the description included in the patent application. It is the responsibility of the applicant to ensure that its claims are all encompassing in relation to the product or process being patented.**

- Ovie Ukiri, managing partner,  
Ajumogobia & Okeke, Lagos

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With this in mind, Wagner says it is advisable to constantly perform researches on new applications which might infringe the holders' prior rights in order to be prepared to attack them promptly and in the most effective way, should they be granted registration.

### Fighting Counterfeits

The manufacture and sale of counterfeit products is considered a challenge to society, due to the damages not only caused to owners of IP assets, but also to the country's economy, Barreto says. This problem is not simple and exists in most countries to varying extents.

The vast majority of infringing goods in Ghana are not manufactured in Ghana, says Garvey; it has been reported that the largest sources for these products are China, India and Nigeria. Therefore, in most cases, enforcement action at the point of manufacture would not occur in Ghana.

According to Garvey, most infringing merchandise is sold at street stalls or

cultural viewpoints must also appreciate that sometimes it simply takes longer – and costs more – to be successful than they would

relationship with a Southeast Asian partner go sour for just such a reason. “Before signing the contract, as yourself and

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**Language is the most obvious and important cultural difference. Investors should bear in mind that language may affect reaching a positive result due to lack of understanding between the parties.**

- Jorge León, partner,  
C&L Attorneys, Mexico City

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your business partner that if the deal ends up costing twice as much as you're budgeting and take three times longer than you think to get acceptable returns, will you be able to stick with it? Because that's probably what it will take, especially for companies which haven't had much exposure to Asia,” she says. “If the answer is no, don't sign the contract.”

Tan says that parties can usually overcome any cultural differences that might exist as long as they realize that both sides want to get the deal done.

“The way I see it, each party should literally put himself in the other's shoes and appreciate the business drivers for that party to pursue the deal,” says Tan. “With that insight, each party should then consider a win-win scenario and work towards that goal. Some deal-breakers may be softened through each party taking a step back and realigning its priorities. This is easier said than done, of course.”

like, says a representative of a North American food products company.

The management-level employee watched her employer's

- Gregory Glass

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markets in relatively small quantities in Ghana. Enforcement measures at point of sale usually provide little long-term benefit to the company whose products are infringed. Especially considering the costs involved, it would not be generally worth

and implement protection strategies based on the challenges that were raised in the analysis, allowing us to then propose an efficient and adequate allocation of resources that were already identified in the assessment, says Tan.

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**All IP transactions – patents, know-how and software – will involve certain complexities. Legal assistance from local IP counsel will be required so that foreign investors fully understand the local legal environment.**

- Elton Minasse, partner,

*Machado Meyer Sendacz e Opice Advogados, São Paulo*

pursuing such sellers in the civil courts, he says. “Depending on the nature of the items, it may be more productive to focus on the supply of the goods, either when they are entering Ghana or where they are being stockpiled for distribution to the individual sellers.”

The number of criminal actions filed by legal owners against trademark counterfeiting has grown significantly in the last few years in Mexico, says Wegner. At the same time, he says, the authorities have drawn their attention to this problem and improved the legal and administrative framework to assure a more effective approach against counterfeiting.

The obstacles that arise in the enforcement of fighting counterfeits rely on the time of response of the clients in order to determine that the imported goods are, in fact, counterfeit goods and not original ones, says Michelsen. “The quality of the counterfeit goods in some cases is almost the same as the original, and it is not easy to determine the real origin of the goods, especially when such opinions must be given from such a distance.”

Tan says protection means should be tailored to meet specific needs and interests of the investors, combined with the company’s local market expertise and its set of rules and limitations for the jurisdiction.

An advisable starting point would be an assessment of the investor’s IP rights portfolio before entering the marketplace, with the intention of ensuring that it has met specific market conditions for optimal IP protection, he says.

Thereafter, it would be advisable to focus on the investors’ specific commercialization and distribution market to create

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It is important to monitor the potential use of such IP rights in the market, says Leanne Mostert, a partner at Webber Wentzel in Cape Town, South Africa. In this regard, she recommends maintaining high levels of vigilance by, for example, conducting internet searches with appropriate key words, perusing media publications relevant to applicable field of business and checking the online Trade Marks Journal which advertises movements in the Trade Marks Register.

In the context of trademarks, it is particularly worthwhile to monitor the use of a trademark in the market so as to prevent it from becoming a generic term in respect of the relevant class of goods or services, Mostert says.

To protect IP rights, reporting importation/production of counterfeits to authorities that have powers to take action would also be helpful, Ndung’u suggests. This would include the revenue

authority as well as the national bodies that are charged with the responsibility of ensuring produced or imported goods meet certain standards, he says.

The IP regimes in Latin America have varying degrees of

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**Confidentiality and non-disclosure agreements should be put in place prior to the disclosure of any confidential information, trade secrets and know-how.**

- Aalia Manie, associate,

*Webber Wentzel, Cape Town*

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effectiveness and enforceability, says Tan. “While there is ample room for improvement, most Latin American governments have begun cracking down harshly on the counterfeit black market. However, there is still a long way to go in establishing and enforcing safeguards for IP rights throughout the region as there are other socio-economic challenges each government must deal with first.”

### Border Protection

When referring to border protection, De Luca says that not all Latin American countries have formal IP recordal systems with customs. As such, IP owners should inform the authorities

about authorized channels of importation/exportation, importer/exporters and characteristics of goods in order to allow them to detect any suspected operation which may represent an act of infringement.

If companies are facing counterfeiting and no formal system is available, De Luca suggests there are informal surveillance systems which allow IP right holders to send warning letters to customs officials in order to inform them about suspected transactions and therefore request to be notified of any import/export related to the particular IPR of interest.

### Consumer Education

In Latin America, Tan says a big challenge is the high income disparity that exists in most jurisdictions and its impact on safeguarding IP rights. While the gap in income has been reduced over the last decade, it is still a red flag that affects consumer habits, as these are market conditions that might reinforce and perpetuate the black market for luxury counterfeit goods, he says.

As perceived by entities fighting counterfeiting, law enforcement is not enough.

Sessa says society must understand the extent of the damage caused by counterfeiting. Improving the situation usually takes more time since some consumers feel that they are merely taking advantage of a market failure, he says.

Consumer education is essential to make people aware of the unlawfulness purchasing of counterfeited goods and the

consequences of doing so, such as how to detect infringing goods, the risks of using counterfeited products and whether the product has any sort of authenticity verification system, says De Luca.

### Patent Protection

Not all Latin American countries are members of the Patent Cooperation Treaty (PCT), which allows a unified procedure for filing patent applications in each of its contracting states, such as Argentina, Bolivia, Paraguay, Uruguay and Venezuela.

The scope of the protection conferred on a registered patent is determined by the terms of the claims, and the description included in the patent application. Ukiri says it is therefore the responsibility of the applicant to ensure that its claims are all encompassing in relation to the product or process being patented.

A common scenario when it comes to patent applications is the regular use of characteristics such as "thickness," "density" and "core hardness," for example, as essential characteristics that define the invention, García says. Even though in different patent offices around the world, such characteristics are admitted, the Superintendence of Industry and Commerce in Colombia considers them as results to be obtained, which are not allowed to characterize the invention, as it would include not only the solution proposed by the applicant, but all present or future alternatives which reach said result. In this case it is required that these expressions be replaced by the essential structural



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characteristics that contribute to the obtainment of said effect, García.

A difficulty that arises in Colombia is the fact that the parameters to determine if a patent application is in accordance

country, says De Luca.

For example, in Mexico, a licence agreement should be recorded in order to benefit the owner from the use performed by the trademark owner, and in Venezuela, non-registration carries out the suspension of payment agreed between both parties, says De Luca.

In Brazil, Brancher says foreign investors shall bear in mind that the registration of their intangible assets before the National Institute of Industrial Property (INPI) is needed in order to obtain the exclusive right to exploit them in Brazil, taking into consideration that industrial property rights are territorial.

He adds that when establishing an agreement with a foreign entity, registration before INPI and the Central Bank of Brazil is also a condition precedent to enable the remittance of payments abroad and deductibility of payments by the Brazilian licensee/payer for Brazilian corporate income tax purposes.

In terms of restrictions on the contractual terms by which a patent owner may license a patent, the

exclusive grant-back clauses are generally not allowed, but the licensor has a preferential licence right to the improvements in Brazil, according to Maria Inez, a partner at Merkl E Advogados Associados in Paraná, Brazil.

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**A local firm with experience in IP matters will provide potential Asian investors with very useful legal assistance in the framework of particular national regulations and practices.**

*- Danilo Romero Raad, founder and partner,  
Romero Raad Abogados, Bogotá*

with patentability criteria vary depending on the patent office that examines the case, according to Raad.

For example, imprecise and/or relative terms such as “higher than,” “at least,” “lower than,” “a portion” or “some” used to define the range of several of the characteristics in international patent applications are not accepted in Colombia. Raad explains according to the Superintendence of Industry and Commerce, these terms do not allow establishing a precise interval for each of the technical characteristics as they are imprecise and, therefore, unclear and do not allow a comparison with the state of the art.

In Argentina, the main obstacle encountered when trying to enforce IP rights remains in patent protection, Frene says. He says the main reason for that is the number of requirements imposed by Section 83 of the Patent and Utility Model Act, which are very difficult to comply with.

Frene adds that the registration process is slow, as the entire process takes about six years, during which there is no protection to the patent in process of registration. Moreover, he says the backlog of patent applications remains substantial, even though the National Intellectual Property Institute has taken a number of steps to reduce it, including the implementation of fast-track procedures and opportunities for companies to prioritize their patent applications.

### IP Exploitation

In many jurisdictions, the license agreement is enforceable against third parties upon its recordal with relevant authorities, in some cases followed by the corresponding publication, and for the remittance of royalties to companies located outside the

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**Asian investments have been considered an important path for technology development, infrastructure construction and energy in Brazil.**

*- Luiz Felipe Di Sessa, senior associate,  
Souza, Cescon, Barrieu & Flesch, São Paulo*

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Licence agreements must be recorded at the patent office in order to be opposable against third parties, including tax authorities. The deduction of royalties as operating expenses may be limited to 5%, according to the field of the technology, especially in the case of royalties paid by a local subsidiary to its foreign parent company, Osdimar Gonçalves, an associate at Abreu, Merkl E Advogados Associados in Paraná, Brazil, says.

Foreign exchange is a facet of South African business life, says Hugh Melamdowitz, a partner at Spoor & Fisher-South in Pretoria.

He says any licence agreement pursuant to which royalties are required to be remitted offshore will be subject to the local licensee obtaining foreign exchange approval. The South African



Reserve Bank (SARB) does not grant foreign exchange approval for IP licence agreements where there is a guarantee for the payment of minimum royalties offshore. It is the policy of the SARB not to grant foreign exchange approval where a licence agreement provides that minimum royalties are obliged to be remitted offshore or, alternatively, should the royalties payable exceed 10%.

The coming into effect of any IP licence agreement reached with a South African licensee should be subject to the condition that the local licensee obtains foreign exchange approval, says Melamdowitz. "In the event that foreign exchange approval is not obtained, the South African licensee will not be in a position to remit funds offshore," he says.

Minasse says he has only recently been involved in transactions contemplating transfer of technology from China to Brazil. However, as the rules applicable to cross-border transactions are the same regardless of the jurisdiction from which the technology is transferred, it is reasonable to assume that Chinese companies are facing and will face basically the same issues and difficulties faced by other international companies.

In terms of technology transfer, all IP transactions – patents, know-how and software – will involve certain complexities. Therefore, Minasse says legal assistance from local IP counsel will be required so that foreign investors and suppliers may fully understand the local legal environment and use the best alternatives to ensure their IP rights are fully-protected in Brazil.

## Domain Names

Shen Li, a partner at DLF Lawyer in Shanghai, says e-commerce sales in overseas markets have been growing very well.

However, due to the lack of IP protection awareness, e-commerce vendors rarely think about registering trademark in destination markets. As such, it is difficult for these companies to grow into international brands.

The registration of a domain name is inexpensive in Argentina, says Frene. For that reason, Asian investors should be aware of the cyber squatters who take advantage of oblivious companies and individuals who do not register their domain name in Argentina.

There have been modifications in the procedures for domain name protection, according Pardo. The most relevant change in respect of IP was the management of the domain name system. The Network Information Center Argentina has adopted a new system for the registration of domain names. Under the new system, the registrant should first be registered as a user of the new system with a user name and password. This will allow registrants to operate and administer domain names under a single account, says Pardo.

## Trade Secrets

Aalia Manie, an associate at Webber Wentzel in Cape Town, suggests investors ensure that any and all confidential information, trade secrets and know-how are kept strictly confidential and remain a secret. "Confidentiality and non-

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disclosure agreements should be put in place prior to the disclosure of any confidential information, trade secrets and know-how. Employment agreements as well as any contracts with suppliers or independent contractors should contain appropriate confidentiality, restraint and IPR provisions," she says.

## Copyright

For copyright, registration is not required in most jurisdictions. Elton Minasse, a partner at Machado Meyer Sendacz e Opice Advogados in São Paulo, points out that if an employee in Brazil creates work protected by copyright for his employer, the employee will own the copyright, but that this is not the case with software and industrial property rights. In order for the employer to become the owner of copyright of works developed by his employees, an assignment agreement must be signed, separately or as part of a labour agreement.

## Importance of Local Expertise

Clients usually find it easy to grasp the differences in IP laws between countries, but sometimes they do not comprehend the variations in the process, especially where enforcement procedures are concerned, says Garvey. "It may be the case where the client does not understand why a particular course of action was taken or why a process took longer than anticipated." It is advisable to seek for expert support. A local firm with experience in IP matters will provide potential Asian investors with very useful legal assistance in the framework of particular national regulations and practices, says Raad.

In addition, because of the time and expense involved travelling between Asia and Africa, it is vital that any Asian based company seeking to do business in Ghana has confidence that they have local representatives to adequately serve their best interests, Garvey says. "To do this successfully, local counsel

must be sensitive to the needs of the client yet have sufficient local knowledge to be able to accomplish the work.”

Moreover, Ndung'u finds a need for lawyers to share information on IP freely and across the board. "As Asian companies continue to invest in other continents, especially Africa, exchange of information will become critical. Cooperation between advocates from Asia and the local market should be fostered through conferences and networking for the mutual benefit of their respective clients.

## Impact of Asian Investment

Asian investment, as all foreign investment does, can bring many benefits to the host country, one of which is the technology transfer that results in the acquisition of knowledge for the workforce, and thus raising a better human capital, says Luis José Semprum, a lawyer at Bolet & Terrero in Caracas, Venezuela.

He also adds that foreign investment raises the level of competitiveness in the region, which brings high-quality products and better services.

Asian investments producing positive spill-over effects in Brazil have strong complementarities, which are beneficial to Brazil's IP development. This is strongly verified by business that demands technology transfer, considering that such foreign companies disclose and share their know-how with Brazilian companies, says Sessa.

Sessa adds that the Asian investments have been considered an important path for technology development, infrastructure construction and energy in Brazil. Considering that Asian companies focus their international initiatives on the acquisition of strategic assets, as technology and trademarks, such investments are an important portion of the foreign investments in Brazil's economy.

in Brazil's economy. **AIP**





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# Optimizing Trademark Enforcement Budgets

Litigation can be a costly and time-consuming process. **Editha Hechanova, Chrissie Ann Barredo** and **Maria Leah Lara** explore alternative methods of trademark enforcement in the Philippines.

No one would dispute that litigation could be very costly, and the time it takes to closure could be exceedingly long. In some cases, litigation may be the only best solution. A trademark owner preparing an annual enforcement budget could look at alternatives of actively enforcing its trademark rights.

## Register Your Trademark

The ownership of a trademark is recognized and protected by the law in the same manner and to the same extent as

been instrumental in bringing into the market a superior article of merchandise, the fruit of his industry and skill; to assure the public that they are procuring the genuine article; to prevent fraud and imposition; and to protect the manufacturer against substitution and sale of an inferior and different article as his product.

Today, the trademark is not merely a symbol of origin and goodwill; it is often the most effective agent for the actual creation and protection of goodwill. It imprints upon the public mind an anonymous and impersonal guaranty of satisfaction, creating a desire for further satisfaction.

In other words, the mark actually sells the goods. The mark has become the “silent salesman,” the conduit through which direct contact between the trademark owner and the consumer is assured. As such, a trademark owner has in its best interest to ensure that its rights over its trademarks are protected – and the best way to do so is to secure the registration of its marks with the Intellectual Property Office of the Philippines (IPOPHL).

A registered trademark also makes it easier to avail of other ant-counterfeiting remedies, such as border control measures, the customs visitorial powers, and the IPOPHL visitorial powers.

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**The ownership of a trademark is recognized and protected by the law in the same manner as other property rights.**

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other property rights. In Philippine jurisprudence, the function of a trademark is to point out distinctly the origin or ownership of the goods to which it is affixed; to secure to him, who has

### Border Control Measures

Section 166 of the Philippines IP Code prohibits the entry of counterfeit goods at any customhouse of the Philippines. To

the trademark owner, or on its own, the BOC issues alert or hold orders for suspect goods. With the IPR registry, the BOC can easily contact the trademark owner or its agent for the inspection

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**Requests for the implementation of the visitorial power of the BOC are investigated thoroughly.**

of the samples to determine whether the goods are counterfeit or not. Once the trademark owner or its agent certifies that the goods are imitations, alert orders are issued against the consignee, broker, etc. and forfeiture proceedings are conducted. In the past forfeiture proceedings and the subsequent action for disposal take over two years. The new BOC Commissioner has instituted some reforms in this area, and for the last few months the Law Department of the BOC has resolved a many forfeiture cases including seizures in 2014.

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implement this, the Bureau of Customs (BOC) has a recordation system for registered trademarks and other intellectual property rights (IPR Registry, CAO 6-2002) being administered by its IPR department. The certificate of recordation is in the form of a Customs Circular setting forth the recordation together with a description of the registered product, and has a validity of two years, subject to renewal.

This serves as basis for the BOC's monitoring of imported articles. Information on suspected entries of prohibited goods into the Philippines come from the trademark owner, or from tips in the market place which the BOC validates, and at the instance of

In a forum among enforcement agencies and trademark owners sponsored by the BOC and the IPOPHL in March 2014, Ted Raval, the IPR Department head of the BOC, stated that he plans to have some measures to enhance the department's services approved by the commissioner, including: (i) to require the registered IPR owner to conduct, at least once a year, a product identification workshop for the customs staff to improve their ability in detecting counterfeit goods, and make this a condition for renewal of the customs recordation, and (ii) to make it mandatory for importers or shippers to indicate the brand of the goods in import entry documents, e.g., bill of lading. He

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said that there is already an existing customs circular requiring this disclosure, but is not being implemented by the BOC. With this, the job of the BOC in examining the shipments would be facilitated, and the proper duties and taxes collected.

### Visitorial Power of the BOC

The BOC's seizure power may be applied outside the customs zone. Section 2536 of the Tariff and Customs Code authorizes the Commissioner of Customs and Collector of Customs or any

area to store the new seizures, and hopefully the bureaucracy will not be a stumbling block in making this area useful. For the IPOPHL initiated seizures, the IPOPHL has provided its own warehousing facilities at no cost to the trademark owner while awaiting the decision of the forfeiture proceedings.

For the months of February and March 2014 alone, the combined aggressive implementation of the visitorial power of the BOC and the IPOPHL in a number of warehouses in Paranaque City and Pasay City has resulted in the seizure of

fake famous brand footwear, apparel, shampoo and personal care products, with market value of about P2.4 billion (US\$54 Million).

### Visitorial Powers of the IPOPHL

The IPOPHL also has visitorial powers under Republic Act No. 10372 and Office Order No. 13-170 issued in 2013. By its own initiative or upon the complaint of a trademark owner, the IPOPHL can visit a establishment and find out whether it is violating the IP Code. However, unlike the BOC, the IPOPHL cannot issue warrants of seizure and can only issue warnings or notices of violation. Hence, the IPOPHL seeks the assistance of

the BOC for suspected presence of fakes coming from outside the country on which no duties or taxes have been paid. The enforcement activities conducted by the BOC this year pursuant to its visitorial powers were in cooperation with the IPOPHL. Notwithstanding the limited power of the IPOPHL, its power to issue notices to infringers or IP rights violators, and its support for the ensuing complaints initiated by the trademark owner, may be considered as a useful tool to combat counterfeiting problems.

**“The implementation of Mission Orders, particularly those affecting trademark owners, does not come without problem. There are many cases where the trademark owner does not cooperate.”**

other customs officer, with the prior authorization in writing by the Commissioner, to demand evidence of payment of duties and taxes on foreign articles openly offered for sale or kept in storage, and if no such evidence can be produced, such articles may be seized and subjected to forfeiture proceedings. The person or entity owning or having possession of such articles shall be given the opportunity to prove that the proper duties and taxes have been paid or prove that no such duties and taxes are imposable on the articles.

Requests for the implementation of the visitorial power of the BOC are screened and investigated thoroughly, and no Mission Order is issued by the BOC unless the chance of seizure and forfeiture is very high.

The implementation of Mission Orders, particularly those affecting trademark owners, does not come without problem. Most of the time, the BOC initiates its own investigation and then informs the trademark owners of the presence of counterfeits in particular locations. There are many cases where the trademark owner is indifferent or does not cooperate, for a variety of reasons.

The BOC also has limited personnel to conduct the inventory of the seized goods, and lacks the storage area to keep the seized goods while undergoing forfeiture proceedings. The most important assistance that a trademark owner can give the BOC is to identify and certify that the goods for seizure are counterfeit. With this, the BOC will be advised that the disposition of the goods should exclude public auction.

The BOC actually has a large storage area called 159, but the accumulation of seized goods over the years, and their slow disposition, have rendered the area useless for new seizures. The IPOPHL has volunteered to help clear the



**Philippines Customs officials seized counterfeit footwear at a warehouse in Paranaque City, south of Manila, in February 2014.**  
(Photo: Philippines Bureau of Customs)



### Disposition of Counterfeit Goods

Since the owner or consignee or even the warehouse owner would most likely ignore the forfeiture proceedings summons of the BOC or could no longer be found, to ensure that the fake goods would be properly disposed of, the trademark owner may have to shoulder the cost of disposing it. The cost of destruction

that the IPOPHL would shoulder the cost of destruction as it had been doing, in time for World IP Day or the IP month celebrations.

### Conclusion

A registered trademark makes enforcement of one's rights easier, and allows faster access to such remedies as border control measures and visitorial rights of the BOC and the IPOPHL. The Director General of the IPOPHL, Ricardo Blancaflor, has been exerting a lot of efforts to get the Philippines off of the US Trade Representative's Special 301 list, and has gone to such extent as initiating enforcement actions, coordinating with other government agencies on IPR concerns, providing free warehouses for seized goods and initiating destructions at no cost to the trademark owners. The good news is that as of the time of this writing, the Philippines has been

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**The Philippines has been removed from the 301 list after nearly two decades of being on it.**

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would vary depending on the volume or quantity of fake goods to be destroyed. For IPOPHL-initiated enforcements, it is very likely

removed from the said 301 list after nearly two decades of being on it. **AIP**



**IPOPHL Director General Ricardo Blancaflor on a destruction event conducted at the premises of the Philippine National Police.**  
(Photo: IPOPHL)



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A wide-angle photograph of the Shanghai skyline at night, featuring the Oriental Pearl Tower and various illuminated skyscrapers along the Huangpu River. The city lights are reflected in the water.

# Reflections on the Status of Trademark Protection in China

## *Why we cannot always blame it on China*

Foreign brand owners perceive the Chinese trademark system as inadequate to protect foreign brands. **Paolo Beconcini** explains why this may not always be true.

**F**oreign brand owners perceive the Chinese trademark system as unjust, and the trademark law as inadequate to protect foreign brands – all to the advantage of younger and aggressive Chinese companies and individuals.

There are indeed reasons for such a negative perception of the trademark and, in general, the legal and enforcement systems in China. For years, inadequate legislation has allowed unfair practices such as trademark grabbing. The strict “first to file” principle in intellectual property prosecution in China, lack of specific provisions on bad faith and preventive registrations,

ride on foreign trademark rights that were left unregistered in China to throngs of Chinese competitors, individuals and criminal organizations. Until now, there have not been effective remedies to prevent or even solve the problem of trademark grabbing in China.

### **Legal Changes in the Immediate Future**

The situation seems about to change. China’s new trademark law, and the most recent jurisprudence have introduced a series of provisions and interpretations of the law which seem to finally provide remedies against the plague of trademark grabbing. The most remarkable deterrent against trademark grabbers will be the possibility of filing cancellations for bad faith registrations. In particular, the judgment sets a standard for the practical definition of bad faith in Article 7 of the new trademark law; not using a registered trademark and trying to sell it away is evidence that the trademark registration (the act of grabbing) was done in bad faith and with illicit intent.

This principle, taken in its broadest sense, is the best deterrent for trademark grabbing. Grabbers or squatters are not normally involved in the stolen brand’s business. Therefore, they will unlikely use that

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**China’s new trademark law has introduced interpretations of the law which seem to finally provide remedies against the plague of trademark grabbing.**

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and lack of legal relevance of prior use of a trademark, together with an often inconsistent jurisprudence, have offered a free





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brand for goods or services in the designated classes. Their major goal is making money by selling the stolen trademarks or by holding them on behalf of third parties willing to obstruct a competitor's business in China.. This judgment is indeed a very positive development.

### Can't Always Blame it on China

Not all of the alleged shortcomings of trademark protection in China are attributable to malicious political will, as many foreign companies seem to believe. Many other factors have contributed to the perception of the trademark system as faulty.

Some of these factors are not related to legal inadequacies, but rather to profound conceptual differences as to the protection of IP rights in the Chinese legal system and, therefore, on lack of proper knowledge of the Chinese legal system.

For example, China does not recognize protection of trade dress. Therefore, signs, patterns and three-dimensional designs or marks must be registered either as trademarks (if distinctive and functioning to identify a product's origins), design (if their esthetic value is the object of protection) or both. By virtue of

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**Not all of the alleged shortcomings of trademark protection in China are attributable to malicious political will, as many foreign companies seem to believe.**

the “first to file” rule in both patent and trademark laws in China, failure to secure both such rights will result in the complete lack of IP protection.

Even securing a trademark but not a design may, in some cases, result in inefficient scope of protection, or even legally improper use of the right and its surprising loss, as we have seen in the recent cancellation of the Haymarket trademark of Burberry due to non-use as a trademark.

Another factor to be considered is the swift evolution of commercial practices due to use of the internet, which has often put the whole legislative and judicial system under heavy pressure of quickly adapting to these continuous and rapid changes. In this respect, it must be acknowledged that, since 2001 – the year of China's accession to the World Trade Organization – the IP field in China has seen one of the largest proliferations of new legislation, and has rapidly adapted its laws and legal practices to such changes. China has taken its WTO/TRIPs obligations seriously and has begun enacting laws and regulations which comply with the required international standards of legal protection.

At the same time courts' IP chambers have set up their own websites where their jurisprudence is publicly available, judges have joined in educational activities and information exchanges with the public, and exchanged experience with other judges from foreign jurisdictions. This allows the Supreme People's Court to collect knowledge and experience, and issue interpretations and opinions each year addressing disputed legal issues, thus allowing courts to interpret the trademark law in an evolving way.



Paolo Beconcini is managing partner of Carroll, Burdick & McDonough's Beijing office, where he advises primarily on intellectual property and products liability issues. His clients include numerous German and multinational companies on matters including patent and trademark portfolio structuring, patent prosecution, IPR and technology transfer and licensing, IP due diligence in M&A, patent litigation and brand protection. He regularly attends hearings before Chinese courts and IPR raids carried out by administrative and customs authorities.

In most cases, the result is that amendments to the law have been somewhat anticipated by judicial practice. Though some gray areas remain – inasmuch as real life business practices and technology normally outpace the law – the Chinese legal system now has the instruments and the cultural means to adapt the written law to the evolving forms of infringement and enforcement.

### Conclusion

Blaming the Chinese legal system for failing to protect foreign brand owners' trademarks in China is only part of the story, and often becomes an excuse for managers to divert attention from their own responsibilities. A review of many trademark cases that have gained notoriety abroad shows how unprepared the foreign company actually was, and how ill-considered its actions in China.

If there is indeed reason to put some blame on China's real political will to protect foreign companies' IP rights, there is as much reason to criticize foreign companies for their poor performance.

The best way to cure all these ills is to develop and share knowledge among foreign companies and their management. Knowledge and education are a key factor in improving the performance of foreign companies' IP exploitation strategies in China. However, this does not mean that foreigners must learn more about Chinese legal and business thinking, but rather that their Chinese staffs, especially in multinational corporations, should learn the thinking of their foreign colleagues to be able to better adapt and implement a successful business strategy in China. **AIP**



**Foreign brand owners perceive the Chinese trademark system as unjust, but blaming the legal system is only part of the story.**

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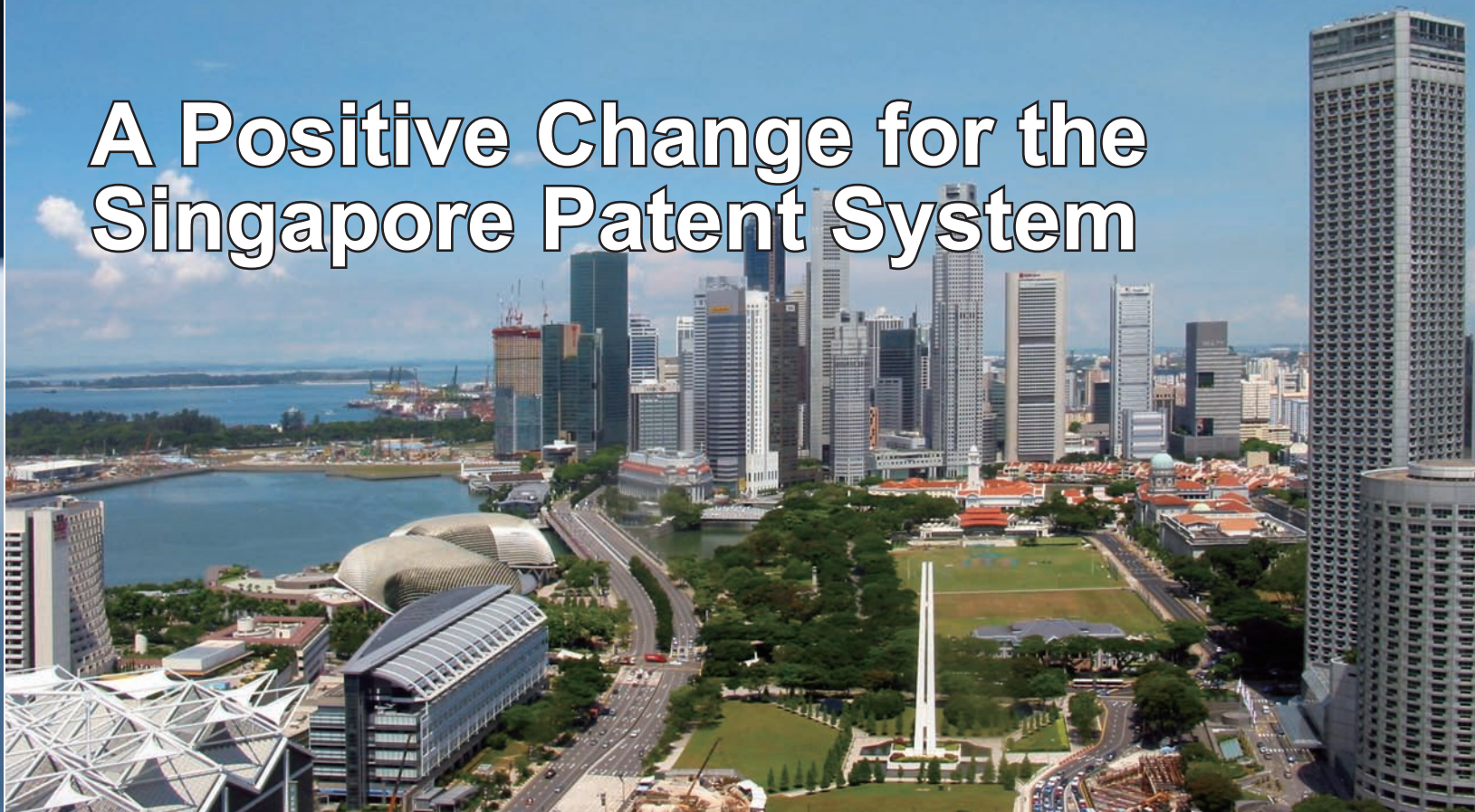
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# A Positive Change for the Singapore Patent System



Changes to Singapore's patents system are now in place, bringing the system more in line with patent office practices in other major jurisdiction. Patent attorney **Lee Miles** examines Singapore's shift to a positive-grant system, and what it means for those based outside of Singapore.

**O**n February 14, 2014, legislative changes to the Singapore Patents Act and Patent Rules came into force and will now apply to any applications filed in Singapore after February 14, 2014. The changes bring the Singapore patent system more closely in line with patent office practices in other major

(ii) liberalization of the patent agent regime, allowing foreign patent agents to undertake offshore patent agency work from Singapore; and

(ii) integration and streamlining of the IT systems and procedures of the different Registries at the Intellectual Property Office of Singapore (IPOS).

**“**  
**Changes to Singapore's patent system bring it more closely in line with Europe, the US, Japan and Australia.**

Perhaps of greatest importance to individuals and businesses with an interest in obtaining patent rights in Singapore is the move away from a self-assessment system to a positive grant system, and the impact that this will have on examination practice and the robustness of any patent rights issued.

**”**

Under the previous Singaporean self-assessment system, the decision as to whether or not a patent application proceeded to grant rested with the

jurisdictions, such as Europe, the US, Japan and Australia, and are intended to strengthen Singapore's patent system and assist in positioning Singapore as an intellectual property hub in Asia.

The key changes to the patent system are as follows:

(i) a shift from a 'self-assessment' to a 'positive grant' patent system;

applicant, and, as such, it was the responsibility of the applicant to ensure that any claims issued by IPOS were valid. This meant that patent applications could proceed to grant irrespective of whether the application satisfied patentability requirements following substantive examination by IPOS, provided that the formal filing requirements were met and the appropriate fees



paid. Notwithstanding the ease with which a patent could be granted under the self-assessment system, any patent rights issued under this system were, and may still be, vulnerable to third party attack.

Under the new positive grant system, an application for a standard patent will be examined by IPOS with the decision to grant a patent residing with the Registrar only after the application has been thoroughly searched, examined and is deemed to satisfy the patentability requirements under Singaporean law.

### Examination Procedure Under the Positive Grant System

The main examination routes available under the previous regime have been essentially retained under the positive grant



**IPOS will perform searches of the prior art and conduct substantive examination in respect of each of the claims.**

system, with the exception that there is no “slow” or “fast” track prosecution available under the new regime. Accordingly, prosecution of Singapore patent applications may now occur by requesting Conventional examination or Supplementary examination through IPOS.

#### Conventional Examination

For Singapore national phase applications undergoing Conventional examination, a request for local searching and examination by IPOS must be filed within 36 months of the earliest priority date of the application. Upon receiving a request for searching and examination, IPOS will perform searches of the prior art and conduct substantive examination in respect of each of the claims of the application to determine patentability. Alternatively, a request for local examination only by IPOS may be filed within 36 months of the earliest priority date of the application and the applicant may notify IPOS of their intention to rely on the International Search Report (ISR) from international stage processing or the search results available for a corresponding application.

During Conventional examination, the examiner will issue a first Written Opinion, setting a deadline of five months within which to file a response to address any objections raised therein. A further Written Opinion may issue at the examiner’s discretion following consideration of the initial response provided there is sufficient time to do so, setting a further period of five months within which the applicant may file a response.

An Exam Report will issue 18 months after the date of the first Written Opinion, indicating that: 1) the claims are deemed to be in condition for allowance, in which case a Notice of Eligibility will issue with the Exam Report, or 2) the claims are rejected, in which case a Notice of Intention to Refuse the application will be issued with the Exam Report as a precursor to issuance of a Notice of Refusal.

In the event of an adverse Exam Report and issuance of a

Notice of Intention to Refuse an application, the applicant may avail themselves of the new Examination Review process provided that a Request is filed within two months of receiving the Notice of Intention to Refuse the application. The new Examination Review process ensures that an adverse report is considered by a different (and presumably more senior) examiner. At this time, the applicant may provide written submissions and, if necessary, enter further amendments to the claims to address any outstanding objections.

IPOS will review any submissions and/or claim amendments, and the Registrar will subsequently issue an Examination Review Report together with (i) a Notice of Eligibility, or (ii) a Notice of Refusal, as the case may be. Provided that a Notice of Eligibility is issued, the applicant will have two months within which to request grant and pay the appropriate grant fee. If, on the other hand, a Notice of Refusal is issued, the applicant may file a divisional application to maintain their right to the subject matter of the refused application provided that this occurs within two months of receipt of the Notice of Refusal, at which time the application will be irrevocably refused.



#### Supplementary Examination

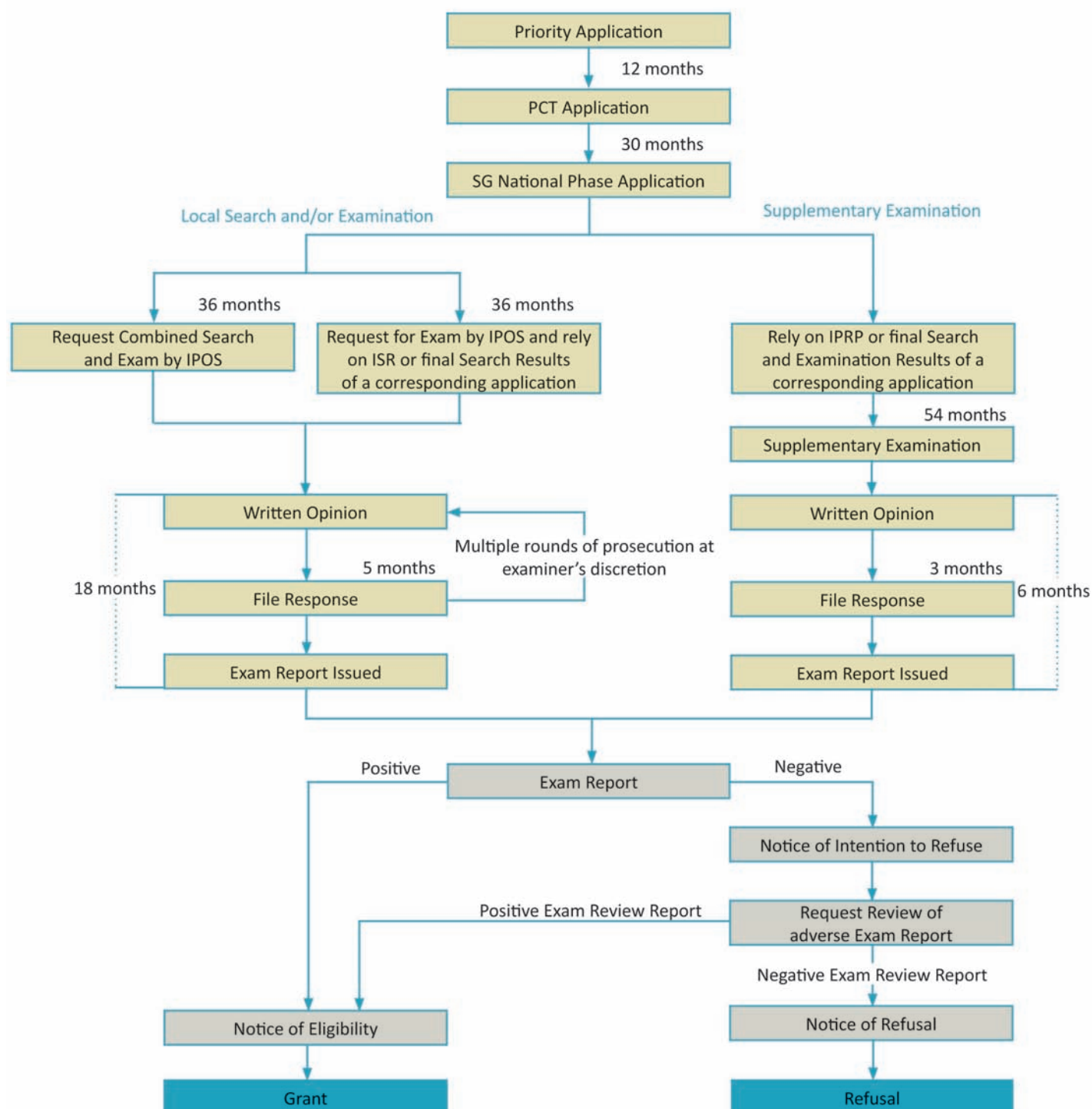
Supplementary examination (which is akin to modified examination under the self-assessment system) is also available

for applicants wishing to rely on: (i) a Patent Cooperation Treaty (PCT) application with a clear International Preliminary Report on Patentability (IPRP), or (ii) a corresponding patent application which has proceeded to acceptance/allowance or grant in a jurisdiction recognised by IPOS i.e., Australia, Canada, the European Patent Office (only if filed in English), PCT, Japan, New Zealand, Republic of Korea, the United Kingdom or the United States.

For Singapore national phase applications undergoing Supplementary examination through IPOS, a Request for examination must be filed within 54 months of the priority date of the application, after which time IPOS will conduct substantive examination to ensure the application conforms to Singaporean patent practice. While there is no express requirement to conform the claims of the Singapore application to those allowed in the corresponding application, the Singapore claims proceeding to grant must be “related” to those of the corresponding allowed claims relied upon, and must conform to Singaporean law. To demonstrate the relatedness of the respective claims, there is a new requirement for applicants electing Supplementary examination to file a claims correspondence table before expiry of the 54 month deadline for Requesting Supplementary Examination.

If, following Supplementary examination, the Registrar is satisfied that the application is in condition for allowance, a clear Exam Report will issue together with a Notice of Eligibility, after which time the applicant will have two months within which to Request Grant and pay the requisite grant fee.

If the Registrar is not satisfied, a written opinion will issue outlining the nature of the objections. However, in contrast to Conventional examination discussed supra, issuance of a Written Opinion under Supplementary examination sets a shortened deadline of just three months within which to file a response to address any objections raised therein, and the applicant is given just one opportunity to cure any deficiencies in the application at



Source: Lee Miles, FB Rice, Patent and Trade Mark Attorneys



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this stage. In any event, an Exam Report will issue six months after the date of the Written Opinion, indicating that: 1) the application is in condition for allowance, in which case a Notice of Eligibility will issue and the applicant will have two months to Request Grant and pay the grant fee, or 2) there are outstanding objections and the application is rejected, in which case a Notice of Intention to Refuse the application will issue as a precursor to issuance of a Notice of Refusal.

In the event of an adverse Exam Report and issuance of a Notice of Intention to Refuse an application, the applicant may avail themselves of the Examination Review process discussed previously by filing the appropriate Request within the prescribed time limit. Following completion of the review, the Registrar will issue an Examination Review Report together with (i) a Notice of Eligibility, or (ii) a Notice of Refusal, as the case may be. As with Conventional examination, the applicant will have two months within which to request grant and pay the appropriate grant fee once a Notice of Eligibility is issued. If, however, a Notice of Refusal is issued, the applicant may file a divisional application to maintain their right to the subject matter of the refused application provided that this occurs within two months of receipt of the Notice of Refusal, at which time the application will be irrevocably refused.

### Other Important Changes to Note

#### Voluntary amendments.

Whereas an applicant could previously file voluntary amendments to a patent application at any time prior to issuance of an Exam Report by IPOS, under the new regime it is no longer possible to file voluntary amendments after a Request for Examination has been filed with IPOS.

#### Re-opening of prosecution post-grant.

Whereas it was previously possible for a patentee to request re-examination of a patent post grant, for example, to determine the effect of newly-discovered prior art, under the new regime this



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is no longer possible and the effect of newly-discovered prior art may only be considered during third-party invalidity proceedings.

#### Liberalization of the patent agent regime.

Under the old regime, only Singapore-registered patent agents could undertake patent agent work, local or off-shore patent work, in Singapore. In contrast, the new patent system opens the possibility for foreign-registered patent agents/attorneys to undertake offshore patent agency work from Singapore.

#### Integration of Registries at IPOS.

Prior to the legislative changes, IPOS operated three separate IT platforms for the filing of patents, trademarks and registered designs. However, with the introduction of legislative changes, IPOS have launched an integrated Registry making it easier and more convenient for customers to execute transactions and access information related to their different types of IP.

### Summary

In many respects, the shift to a positive grant system brings the Singapore patent system more closely in line with patent office practices in other major jurisdictions, such as Europe, the US, Japan and Australia, and should be viewed as a positive step towards strengthening Singapore's patent system and subsequent patent rights which issue from IPOS. Furthermore, changes to the patent agent regime and integration of existing IT platforms at IPOS are positive steps towards growing and improving Singapore's IP capabilities. **AIP**

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# As Apps Rise, are Domain Names the Next AM Radio?

As the use of apps continues to rise, is the domain name system becoming the AM radio of the information age? **Sally Abel** and **Emily Gische** ponder whether ICANN, in its haste to expand and exploit the domain space, has hastened the demise of its own system.

**D**espite a deluge of seminars, conferences, newsletters, blogs and email reminders over the past year or so, many companies and public figures are just waking up to the reality of the massive expansion of the internet domain space taking place today. The familiar .com, .org and .net extensions are being joined by a veritable army of new “gTLDs” (generic top level domains), likely over 900, spanning every industry (e.g., .technology, .plumbing, .photography), profession (e.g., .actor, .lawyer, .florist), sport (e.g., .baseball, .golf, .soccer), and so much more (i.e., .sucks, .wtf, .love).

## Practicalities

As this new system lurches into being, best practices are anyone’s guess. Evolving checks and balances, including rights protection mechanisms, do little to protect brand owners in this uncharted territory, and some of the “protection” available smacks of highway robbery.

Take the Trademark Clearinghouse (TMCH), the first stop for brand owners looking to curb third-party exploitation of their marks in the new gTLD space. Depositing marks in the TMCH confers two benefits: (1) the chance to register those marks as second-level domains (SLDs) in the new gTLDs (e.g., yourmark.business) before the general public in “sunrise periods”; and (2) notice when someone tries to register an SLD that is identical to a mark (the “claims service”).

Using the TMCH to create a defensive registration approach for even one core mark can be costly. gTLDs directly related to a

business’ industry (e.g., .app for a mobile app company) are the highest priority, followed by gTLDs with a general relationship to the industry or potential for abuse (e.g., .technology or .sucks). gTLDs with no relationship to the industry and little potential for abuse (e.g., .plumbing), obviously, are a low priority. Registering 50 permutations of a core mark, covering the mark itself, the mark with disparaging or industry terms, misspellings and typos in 10 directly related gTLDs would total 500 defensive registrations. A business could register fewer permutations of a core mark in medium- and low-priority gTLDs, but potentially in a greater number of total gTLDs. The cost for just a single mark could be well over US\$100,000 per years for defensive registrations, not including enforcement costs. Adding in enforcement costs and covering multiple marks, costs can balloon to well over US\$1 million per year.

At least post-sunrise, the TMCH has serious disadvantages. Most significantly, the claims service does not prevent others from registering a mark as their SLD. Rather, brand owners and domain applicants merely receive *notice* that an attempted registration may infringe a mark. But nothing short of litigation stops the applicant from completing that registration and using the domain. Additionally, brand owners only receive notice for identical marks, not misspellings, typos or words containing the entire *identical* mark (e.g., yourmark.business but not yoromark.business).

Some enterprising registries offer a blocking service – for a fee – that prevents brand owners’ marks from being registered



as SLDs across all gTLDs that the entity owns. Donuts Inc. offers that service, known as its Domains Protected Marks List, across the 200-plus gTLDs it is likely to operate for US\$2,500 to US\$3,000 for five years. While this may be more cost effective than counting on hundreds of individual registrations, downsides remain. The blocks don't apply retroactively, so you won't be able to block SLDs already registered containing your brand. Terms containing the identical mark will be blocked, but not misspellings or typos. Also, another brand owner with rights in the same mark can trump a block (e.g., Delta Air Lines can override Delta Faucets' block if the former has a valid registration in the TMCH). And, of course, there will be hundreds of gTLDs to which blocking does not apply.

Another form of protection is the Uniform Rapid Suspension (URS) System. The Internet Corporation for Assigned Names and Numbers touts the URS as a cheaper and faster UDRP (Uniform Dispute Resolution Policy) – US\$300 to US\$500 for a URS versus US\$1,500 to US\$2,000 for a UDRP. But like the previous rights protection mechanisms mentioned, the URS may be a hollow remedy: Even if the trademark owner wins, the domain is not transferred to the owner as it would be in a UDRP; instead, the domain is rereleased into the general pool of available domains, for the owner or someone else to pick up.

The safest approach may be to record core marks in the TMCH, participate in the relevant sunrise periods, and police actual infringements. Just as registering marks in various countries is like buying insurance that a business will be able to enforce rights, participating in the sunrise periods is another kind of insurance

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## The Trademark Clearinghouse has serious disadvantages.

– insurance that a business controls the use of its exact mark as an SLD. As mentioned, this is a form of limited control, however – registering yourmark.app won't cover yourmarks.app, yorumark.app, or any other permutations. As has always been true in the domain space, it's just not realistic to be able to control every conceivably related domain across all new gTLDs.

### Predictions

This change should be viewed both from a historical perspective and with an eye toward the future. Two predictions: First, regardless of how many gTLDs ultimately go live, .com will remain king. All past efforts to displace .com, including ICANN predecessor the International Ad Hoc Committee's proposal to add seven TLDs back in 1996 (.arts, .firm, .info, .nom, .rec, .store and .web) and subsequent initiatives (such as .pro, .mobi and other new TLDs) have failed to unseat .com. This one will too: The cachet will remain with .com.

Second, regardless of whether any new gTLD is competitive with or even overcomes .com as the domain space of choice, domain names are not the future. The future is apps. And the future is now. Over a billion people currently use smartphones, and they have less and less need to access the internet, whether by URL or otherwise.



trademark lawyer.

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and the Honorable James Larson of the United States District Court in the Northern District of California. Prior to law school, Gische worked in the legal department at Google.

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Most personal banking can be done via mobile app, so the consumer never has to access the bank's website directly. The URL – the domain name – is irrelevant. Consumers can also shop, make dinner reservations, book flights and hotel rooms, track their workouts, and much more, without leaving their phones. Searching for and downloading these apps in Apple's App Store, Google Play and similar stores do not require knowing a URL, just the app name.

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The domain system may fast be becoming the AM radio of the information age. We tolerated AM radio, until the mindless, unrelenting advertisements became too much to bear, and a less commercial alternative – more music, less talk – became available: FM radio. FM, which became too commercial, was followed by satellite radio, then,

most recently, by digital music services like Spotify or Pandora, focused on individual preference and immediate gratification.

In this context, it is possible that ICANN, in its haste to expand and exploit the domain space, has only hastened the demise of its own system. Once the space is cluttered with another 900-plus gTLDs, with misinformation and fraud abounding, consumers may rush even faster to the relative safety of the platform that they, themselves, control (or at least think they do) – the smartphone. And the apps are there waiting for them. With the new gTLDs, the domain name system may just scale to the point where it obsoletes itself.

But before we get to that point, there will be conflict and chaos, as there has been at every turn of the domain system's development. The courts will struggle with solutions, and overseas piracy will abound. As domains take a back seat to app names, the impact of the new gTLDs on enforcement strategy and resources diminishes. But the importance of building a protectable trademark portfolio remains high. That is, of course, until the next technological advance, which may be just as game changing as the developments we have seen in the past 20 years. **AIP**

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## ASEAN

**Patents as Collateral for Singapore Companies**

Patents were first used as collateral to secure financing by Thomas Edison in the late 1880s. Edison used his patent for the incandescent electric light bulb as collateral to secure financing to start his company, the General Electric Company. Since Edison's use of his patents as collateral, intellectual property has been used as collateral in the United States. Although the use of intellectual property as collateral did not gain popularity in the late 1800s with Edison's use, it has become quite popular in recent years.

A patent is a right granted to the owner of an invention that prevents others, without the owner's permission, from making, using, importing or selling the invention. A patentable invention includes a product or a process that gives a new technical solution to a problem, or a new method of doing things, the composition of a new product, or a technical improvement on how certain objects work. A patent has a term of 20 years from the date of filing, subject to the payment of annual renewal fees. One main thing to think about when using patents as collateral is the fact that patent protection is territorial. If filed and granted in Singapore, a patent is only enforceable within Singapore and therefore, the protection is only afforded to a patent owner within Singapore.

On April 8, 2014, Singapore announced details of a new financing scheme aimed at helping local businesses secure bank loans by using their patents as collateral. The Intellectual Property Office of Singapore (IPOS) is the agency that implements this scheme and hopes that this will spark the interest of local companies.

Companies interested in availing

themselves of the scheme must be local enterprises incorporated in Singapore and use a granted patent as collateral. As part of the approval process, their patent will be valued by a member of an IPOS-appointed panel, which includes valuation companies, i.e. American Appraisal Singapore, Consor Intellectual Asset Management and Deloitte & Touche Financial Advisory Services. The panel will determine the worth of the patent to help banks decide on how much to lend. Three local banks – DBS, OCBC and UOB – are currently participating in the scheme.

This two-year plan by IPOS will involve the Singapore government sharing the default risk with participating banks. The banks will start accepting loan applications under this scheme from late second quarter of this year until April 2016. Interest ranging from 3.5% to 7.5% will be charged for loans of between one and six years. This rate is lower than the interest charged to smaller companies seeking unsecured loans, which is 8% to 10%.

IPOS chief executive Tan Yih San, during the scheme's launch, said: "What we are (doing) is to work with the banks to recognise intangible assets, which is not quite something that is readily available in the loan market today." He added that the scheme will open opportunities for companies to grow and expand not just locally, but overseas as well.

During the same event, Indranee Rajah, Senior Minister of State (Law and Education), said: "There is a growing trend of businesses being valued based on intangible assets. According to a report by Brand Finance, 42% of enterprise value in Singapore was in intangible assets in 2012, up from 35% in 2011. With IPOS' new IP Financing Scheme, businesses can monetize their IP assets," she added.

There are several advantages of using intellectual property as collateral.



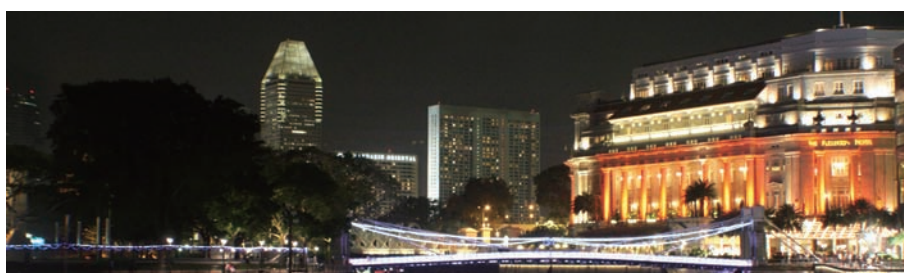
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One advantage is that intellectual property can be more secure than other forms of collateral. Most investors only invest in intellectual property that is receiving licensing royalties. The royalty payments are the ultimate source of cash that repay the loan. Hence, there is a consistent source of cash flow to repay the loan through licensing and, therefore, lower the risk of default. Another advantage is the increased return the owner of the intellectual property earns. Using intellectual property as collateral increases the owner's return through increased leveraging. Many royalty streams are collected in one lump sum rather than over time, and this lump sum can then be invested in future or current projects that have a higher return than the cost of financing.

On the other hand, risk is the main disadvantage in using intellectual property as collateral. However, this can be minimized through proper loan structure.

As Singapore is increasingly becoming a technology-driven, knowledge-based economy, the use of intellectual property as collateral will become popular moving forward.



**On April 8, Singapore announced details of a new financing scheme aimed at using patents as collateral.**



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## INDIA

### Anand and Anand Celebrates World Art Day

On April 5-6 2011, the 17th General Assembly of the International Association of Art (IAA/AIAP) voted unanimously and declared April 15 – the birthday of Leonardo da Vinci – World Art Day. World Art Day is an international celebration of the fine arts which aids in the spreading of art awareness worldwide.

The words of the late Mahatma Gandhi that “a nation’s culture resides in the hearts and in the soul of its people” hold deeper meaning today when our growing nation looks back and reflects on the last more than six decades of its journey post-Independence. In pursuit of growth, developing countries like ours tend not to reflect upon the simple fact that a nation’s greatness comes not only from its material prosperity but, importantly, through the preservation of its cultural heritage.

As a law firm with a dedicated and substantial practice in copyright laws, it is the belief of Anand and Anand that a resurgent India requires the introduction and practice of a disciplinary regime of laws relating to arts, antiquities and cultural heritage and a corresponding infrastructure to support its implementation. The firm has a committed team of individuals focusing their professional competence to provide legal services to cover the entire gamut of the world of the arts and its various participants, be it the artist, the museum professional, the bureaucrat serving in the administrative Ministry of Culture, the art dealer, the collector, the gallerist or an art conservator.

To take forward this challenging initiative and to mark the occasion of the World Art Day, Anand and Anand hosted a first of its kind interactive session of various participants so as to understand first-hand the issues and concerns that plague the art world.

The guest speakers for the evening represented some of the key constituents of the art world. The discussion between panelists Manisha Gera Baswani (an artist), Aparajita Jain (a gallerist) and Rajiv Savara (an art collector) and the audience was stimulating and allowed us to identify the vacuum that exists in the current



**Artist Manisha Gera Baswani, gallerist Aparajita Jain and art collector Rajiv Savara joined Anand and Anand managing partner Pravin Anand for a spirited panel discussion to celebrate World Art Day on April 15 at the firm’s Noida headquarters.**



**Anand and Anand celebrated World Art Day on April 15 with a panel discussion and displays of local arts, antiquities and cultural heritage.**

Indian laws relating to the world of the arts, antiquities and cultural heritage. While it was recognized that some of the pertinent issues faced in India were those of authenticity disputes and forgeries, for a more holistic development of the field, the importance of mitigation of risk in transactions relating to this fragile and invaluable subject matter was not lost on anyone.

The session concluded with an understanding that India’s legal regime on art is an unfinished canvas and currently faces two broad issues: Ambiguity (in the letter of the law) and ad-hocism (on the part of the authorities). It will be the endeavor of the firm to constantly evolve with the new challenges being faced by the art world and more importantly to preserve the cultural fabric of the nation.

Anand and Anand, which prides itself in always treading the road less

travelled, takes this opportunity on World Art Day to introduce its exclusive practice focusing on providing expertise to supporting the requirements of the fraternity of humanities related to arts, antiquities and cultural heritage.



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