

IP Key

Exploiting Patents in China Methods and considerations in strategic patent portfolio management

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EXPLOITATION WAYS

FULL EXCLUSIVITY

(enforceability concerns)

via local sub-manufacturers/distributors/resellers

Financial evaluation / pledge

FULL LICENSING OUT

(royalties collection concerns)

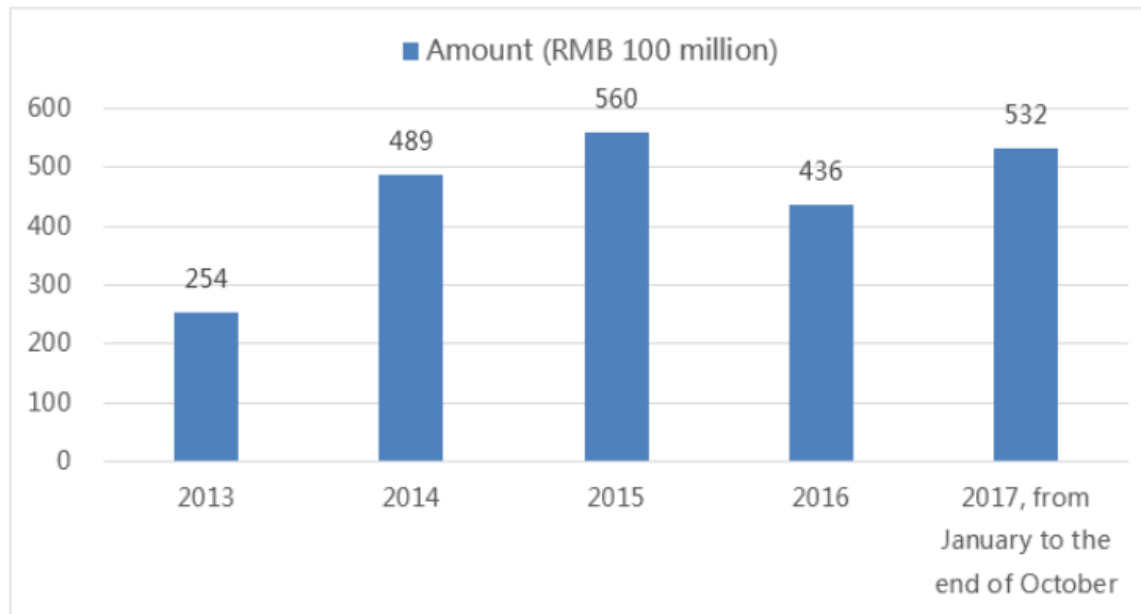
via local manufacturers

MIX STRATEGIES

Issues

3) Patent Operations

China's patent rights pledge reached RMB 43.6 billion in 2016, marking a minor drop compared with the previous year. The IPR operation funds collected RMB 4.28 billion in the initial raising. By the end of October, 2017, the newly raised funds through patent pledge reached RMB 53.2 billion, setting a new high for the same period. See the figure below.



China patent rights pledge financing and the number of companies

<http://www.san-you.com/English/a/9694.htm>



CHINA issues

- A) **Check the Technology Import – Export Catalogues**
in order to avoid to set up a wrong exploitation model

- B) **Selecting the right partner/s**
accurate investigations before

- C) **For sub-manufacturing issues adopt a “modular strategy”**
unrelated companies and clear confidentiality issues

- D) **Setting up a WFOE or JV**

- E) **Adopt a clear and Chinese system consistent
Contractual policy**



CONTRACTUAL IP issues

- 1) Improvements management**
- 2) Inventions realised by Chinese employees (R&D in China)**
- 3) Confidentiality and Know How management**
- 4) Reverse engineering : licit**
- 5) Avoid abusive clauses**
- 6) Compulsory license**
- 7) Recordal of the License agreement**
- 8) Dispute resolution options:**
 - IP Courts**
 - ADR (in that case manage the interim measures option)**

Thank you !



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