

BELL GULLY

# NZTE Beachheads Programme

**Protecting and Managing Intellectual Property  
Workshop 1 August 2008**

# Overview

- IP Environment in China and India
- Trade Mark registration processes and how to apply in China
- More about PCT – which can be used in China and India

## China and India

Minimise the impact of piracy by

- being aware
- committing to protection and enforcement
- budgeting for protection and enforcement
- doing your homework
  - check out partners
  - sign up confidentiality agreements
  - have contracts governing ownership of IP etc.
- track counterfeits and strike at the best time.

# China

- 2008 – 16% patent applications by foreigners
- 2006 – copyright piracy 85+%
- 2006 – China responsible for 69+% of counterfeits seized at US border

## China – IP Laws and Agencies

- China's IP laws are TRIPS compliant
- Patents/Utility models and designs administered by SIPO
- Trade marks administered by SAIC
- Copyright administered by NCAC
- Unfair competition laws

# China

## Registering IP important to:

- provide legal basis for proceeding against counterfeiters
- prevent pirates registering your IP

## China

- register patents unless secrecy is a better option
- registration of trade marks is essential – no registration – no rights
- no need to register copyright but can do so
- don't forget domain names but watch for scams

# Enforcement Options in China

- Civil
- Administrative
- Criminal

## Enforcement of Judgments

- 2003-2006 – 90% for Beijing Courts
- 40% nationally for High Peoples Courts
- 50% nationally for Intermediate Courts
- 60% nationally for Primary Courts

# China

- Civil enforcement
  - for complex matters
  - for large scale infringement
  - can result in award of damages
  - costly and time consuming
  - need to select right forum

# China

- Administrative enforcement
  - easier and more cost efficient
  - no damages
  - confiscation of infringing goods
  - fines for infringers
  - infringer may simply start up again

# China

- Criminal enforcement
  - lock them up!
  - serious fines
  - but high evidentiary thresholds

# India

- TRIPS compliant IP laws but poor IP track record
- making progress in IP protection and enforcement
- revamp of administration of IP offices
- new emphasis on curbing piracy
- courts adopting international principles and rulings

# India

- Patents now allowed for end product
- Trade marks – rights to register extended to services – protection of well known marks
- Copyright for literary, artistic, dramatic, musical works, film and sound recordings.
- Design protection for up to 15 years

# India - Enforcement

- Customs –
  - new measures in place in 2007 to prevent counterfeits.
  - notice procedure
  - detention of infringing goods

## India - Enforcement

- Civil enforcement
  - injunctions
  - damages
- Criminal enforcement for copyright and trade mark infringement
  - heavy fines
  - imprisonment

# Trade Mark Registration

- Essentially territorial
- Start with New Zealand application
- Use Paris Convention to buy time and defer cost for 6 months

# Madrid Protocol

- International system for obtaining protection for a number of countries/regions in a **single** application
- but New Zealand not yet a signatory

## Community Trade Mark

- Allows for a single registration enforceable throughout the European Union
- Operates alongside national systems
- Less cost
- Drawback – if opposition may have to convert to national filings
- Can be used with Paris Convention

# China – Trade Mark Application

- Decide what to register
  - Transliteration
  - Translation
  - Distinctive Chinese trade mark

## Searching in China

- Work with local adviser
- Bell Gully uses network of reputable agents all around the world including in China

## Application in China

- initial filing in appropriate class(es) according to Nice Classification
- examination – possible objections
- acceptance/publication
- opposition?
- registration

# Costs of Registration

- Official fees including:
  - Application fees
  - Registration fees
  - Renewal / maintenance fees
  - Trade mark attorney fees
  - don't forget initial search costs

# Patents

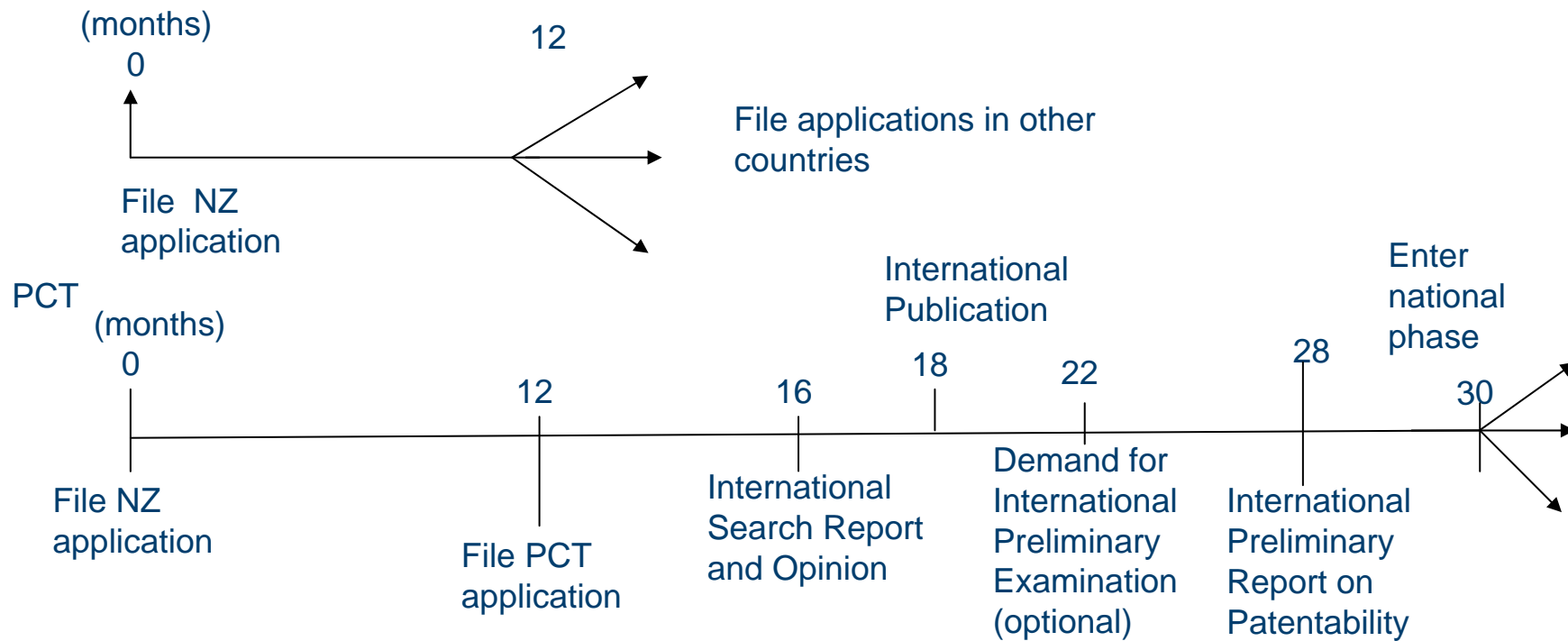
- Protection territorial
- PCT is a useful filing strategy
  - procedure for filing of a single application for a patent in a large number of countries which are treaty members

## Benefits of PCT

- defers filing in each country – more time for assessment and decision making
- defers costs
- can use in conjunction with Paris convention to buy time
- good source of information

# Patent Application Processes

## Traditional



# Costs

- Application fees to national/regional patent offices
- Patent attorney fees
- Translation costs
- Maintenance fees

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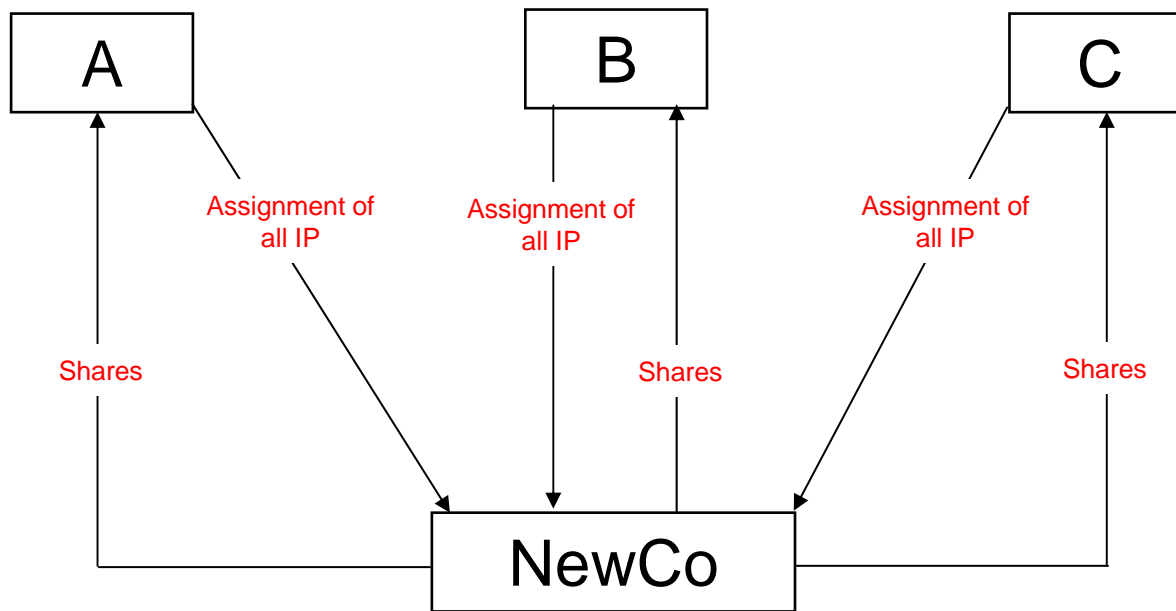
# NZTE Beachheads Programme

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**Protecting and Managing Intellectual Property**  
**Case Study - Betting or wagering on sports events**

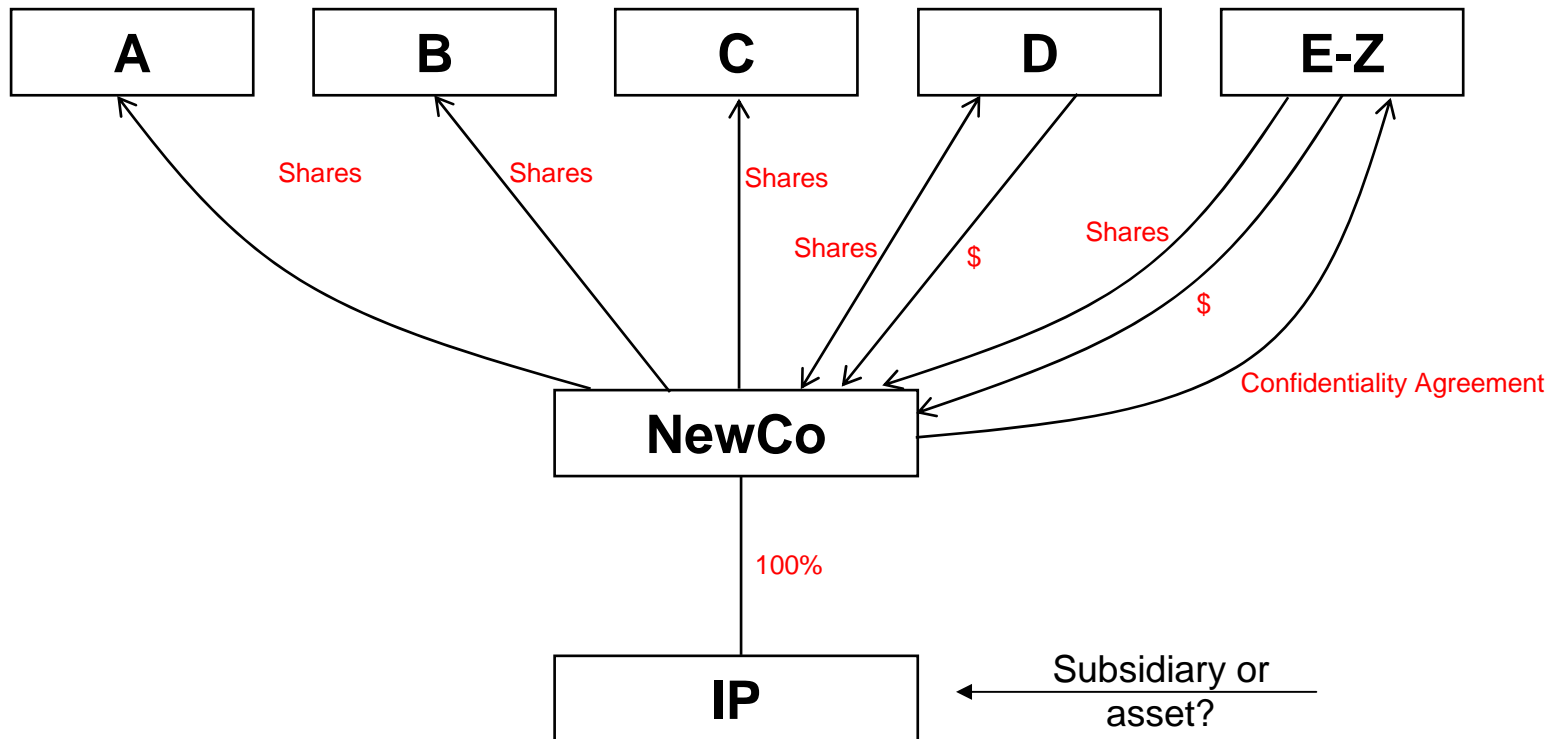
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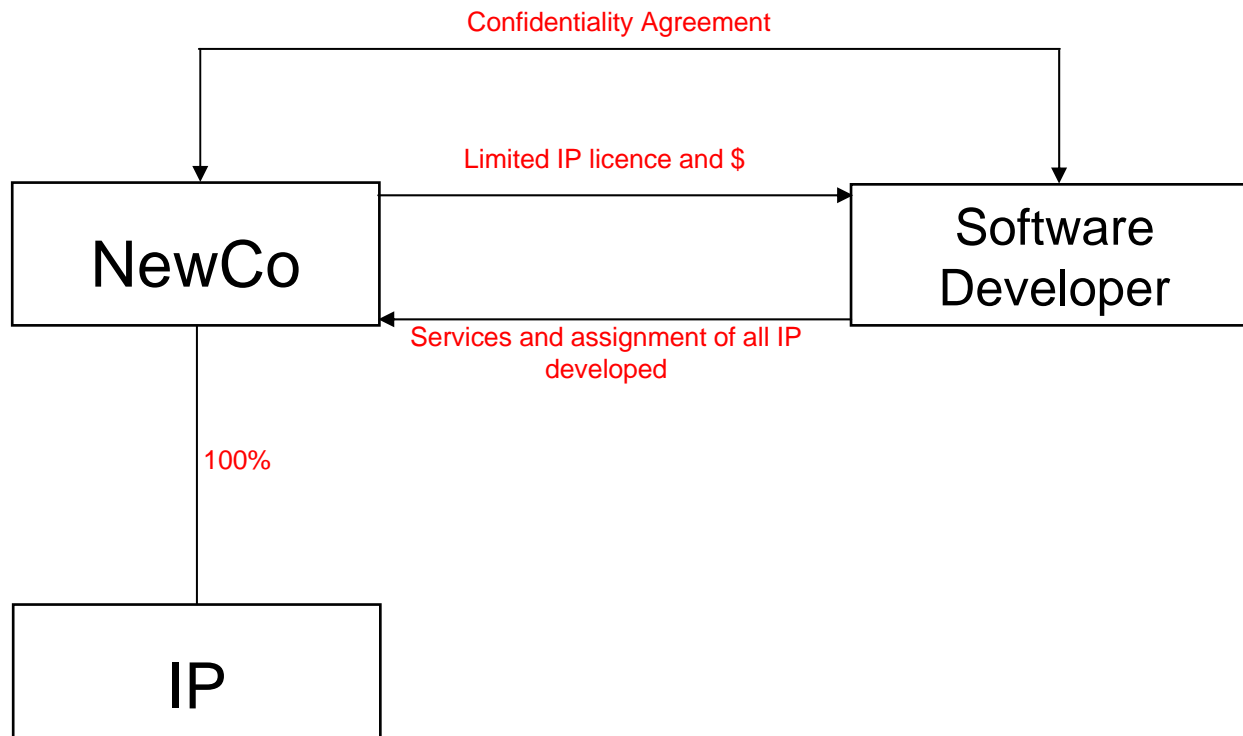
# Assignment of IP

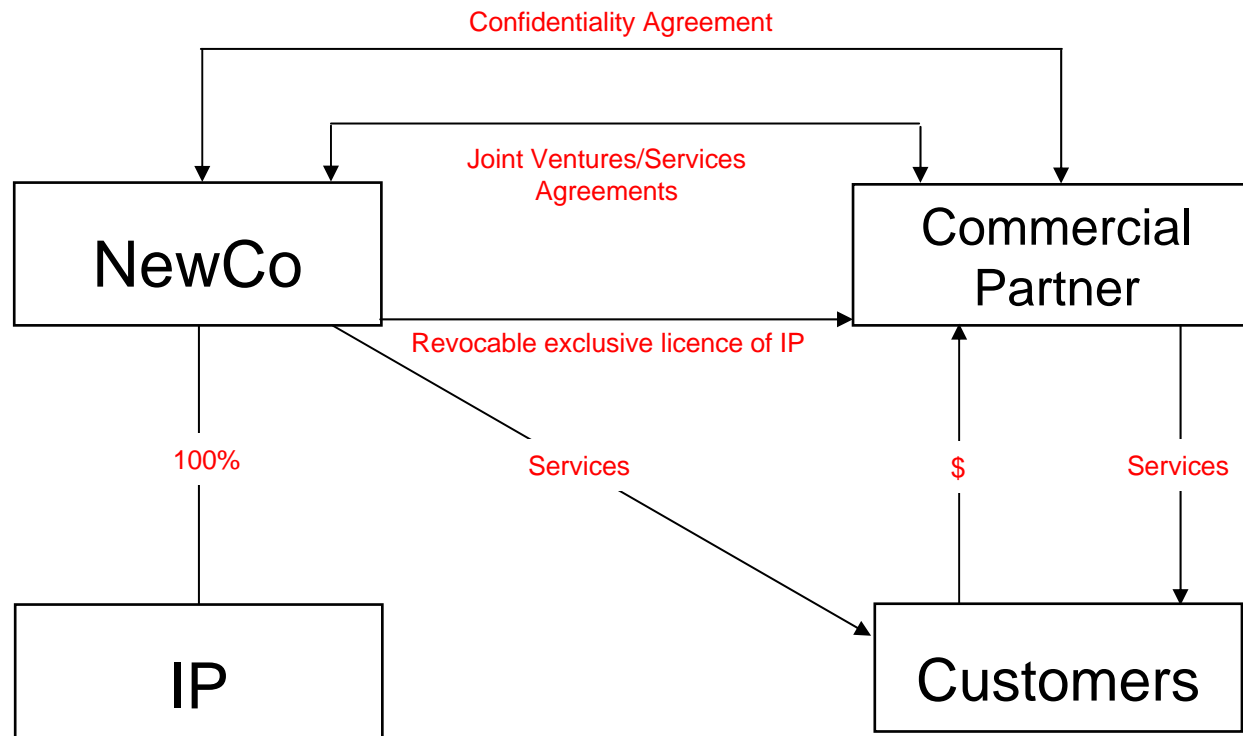


Shareholders' Agreement

Accession to Shareholders' Agreement







## Patents – initial steps

- Must be an “invention” that is novel (method and system for betting or wagering on sporting event)
- In some countries, “business methods” are excluded (e.g., U.K. and E.U.)
- Provisional application filed in Australia (July 2006)
- Priority period runs from filing date
- First in time rule of international patents for countries party to Patent Co-operation Treaty
- Search to gauge novelty of invention (\$2,000-\$3,000)

# Patents – next options

## •Next options:

- File an Australian complete specification (i.e., continue in Australia only and file by July 2007 to avoid lapse of provisional patent application) (\$4,000-\$6,000 + official fees)
- File PCT (Patent Co-operation Treaty) international application with World International Patent Office in Geneva covering about 130 countries (\$8,000-\$10,000 + official fees)
- File corresponding applications in individual countries
- Conduct patent searches
- Let patent application lapse

## Option 1 – file PCT (Patent Co-operation Treaty) international application

- **File PCT (Patent Co-operation Treaty) international application covering about 130 countries (\$15,000-\$20,000)**

- compulsory search is made of prior patents and published applications in major countries
- official opinion on patentability is prepared (takes 4-6 months and costs \$1,500)
- costs of responding to international examination report can arise
- individual national patent applications must be separately filed in each country of interest (within 30 months of filing date of provisional PCT international application in July 2006 – i.e., by January 2009)

## Option 1 – file PCT (Patent Co-operation Treaty) international application (cont.)

- PCT international application defers costs of national patent applications in countries of interest
- if PCT international application is examined successfully, then greater confidence that national patent applications will also be successful
- not all countries belong to PCT system (China and India are covered; so need to know countries of interest)
- International examiner did consider patent application is novel and has an inventive step (may still be subject matter problems in U.K./E.U. because of exclusion of business methods)

## Option 2 – conduct patent searches

### • Conduct searches

- U.S. patent database search (\$1,200-\$2,000) – covers keyword searching of one or more U.S. patent databases
- Database patent search (\$2,500-\$4,000) – covers keyword searching of database of patent records from over 30 countries
- Search can indicate likely prospects of success for patent application
- Search can indicate, for countries covered, likely success of commercialisation of invention without infringing existing patent that is already in force

## Option 3 – patent applications in individual overseas

- Known as entering national phase
- Costs for preparing and filing patent applications in individual overseas countries (New Zealand - \$2,000; U.S. - \$6,000-\$10,000; U.K. - \$3,500; E.U. (U.K. and 27 other countries) - \$12,000-\$16,000; China - \$6,000-\$10,000; Taiwan - \$6,000-\$10,000; Singapore - \$3,500; Malaysia - \$3,000)
- Overseas patent application costs depend on factors such as length of patent specification (must be translated for non-English language countries)
- Costs/fees additional to application costs:
  - annual fees to maintain patent pending in some countries
  - examination fees
  - dealing with patent office examination reports
  - final fees payable in some countries to have patent issued

## Trade mark – initial steps

- Common law countries have first to use right
- Civil law countries generally have first to register right
- Searches of official databases in certain countries for use of brand/logo name (up to \$2,500 per country)
- Searches in China can be out of date

## Trade mark – next steps (1)

- File Australian trade mark application for logo and word in two classes (\$2,800, of which \$600 is official fees)
- New Zealand trade mark application for logo and word in two classes (\$2,900, of which \$400 is official fees)
- These filings established six month priority date for filing in other jurisdictions
- Applications examined in Australia (AIPO) and New Zealand (IPONZ) and advertised

## Trade mark – next steps (2)

- Trade mark knock-out searches in U.K.; E.U.; U.S.; Canada; India (no knock-out searches in India) (\$2,000, about half is Indian associate's fees)
- Priority markets are India and England – trade mark applications filed in those countries (\$6,000)
- Changed logo/branding (so search and registration process repeated, in some countries only)