The Asian perspective

Four experts from some of the leading firms in Asia and the Pacific Rim discuss key IP issues facing their jurisdictions

By **Joff Wild**

Asia and the Pacific Rim are home to some of the most important established and developing markets for IP owners. Although often characterised as a single region, this part of the world is actually home to a wide range of culturally, economically, politically and linguistically diverse countries.

In this special roundtable, experts from four key countries in Asia and its Pacific Rim – Pravin Anand of Anand and Anand in India; Connie Carnabuci of Freshfields Bruckhaus Deringer in Hong Kong/China; Karen Sinclair of Watermark in Australia; and Yoshitaka Sonoda of Sonoda & Koboyashi of Japan – examine some of the major IP issues facing companies that operate in their jurisdictions, as well as looking forward to what might happen in the future.

Joff Wild: *How would you describe the general climate for IP owners in the country in which you operate?*

Karen Sinclair: *The Australian Federal Government strongly encourages both the import and export of knowledge and intellectual property by the proactive maintenance of world's best practice in IP law, support for an independent judiciary and strong industry programmes designed to foster the advancement of science, technology and innovation.*

Current IP laws ensure a high presumption of validity by providing for rigorous examination of applications including benchmarking against the standards set in the EPO and the USPTO. Patent laws enable prior art notification, pre-grant opposition and re-examination, and trademark laws include both absolute and relative bars to registration.

Granted intellectual property is well-respected and there is seldom the need to put in place extended assertion programmes. Infringement is actively discouraged by the existence of customs seizure provisions for trademarked goods and, on a world scale, accessible and relatively inexpensive court procedures, including injunctive relief, Anton Pillar orders, court-ordered mediation and alternative dispute resolution.

Connie Carnabuci: *IP is a very hot issue in China. The Chinese government is pushing a policy that says real economic growth can be derived only through innovation. In order for innovation to drive economic growth there must be a robust regime recognising and protecting intellectual property rights.*

Pravin Anand: *The general climate for IP in India has changed dramatically in the past decade due to extensive publicity and an almost universal awakening among legislators, judges, academics, enforcement agencies such as the police and customs, journalists, diplomats and students and, above all, industry.*

There has been a shift from an entirely urban focus to one that incorporates rural areas as well. Bodies such as the National Innovation Foundation have listed as many as 50,000 rural inventions – as opposed to traditional knowledge – which are all

potentially patentable.

Alongside this, we are seeing more and more SMEs and individual inventors focusing on IP rights and using these to compete with big multinationals.

The government too is awakening, as a policy maker anxious to develop the IP content of the country. For example, the Intellectual Property Rights Promotion Advisory Committee of the Ministry of Information Technology has cleared more than 50 IP-based projects since it was established.

And quite apart from all of this we have seen patent filings increase from a static 3,000 to 4,000 applications per year between 1972 and 1995, to about 25,000 applications in 2006; in other words, an increase of some 400%. The number of IP lawsuits has also doubled in the last 10 years; while the number of IP seminars all over India now runs into thousands.

Every single section of society now seems to be interested in IP. There is a realisation that the IP age has dawned and we must now use IP to our strategic advantage.

Yoshitaka Sonoda: Great importance is placed on intellectual property as can be seen from the Outline of IP Strategy published by the Japanese government in 2002, part of which reads: "This outline declares the government's firm determination to develop a bright future for our country by henceforth further promoting creation of intellectual property which will be a source of wealth for our country, indicating concrete reforming procedures for the activation of the economy and society of our country through appropriate protection and promotion of intellectual property. We therefore request the nation's understanding and assistance in connection with this outline."

However, the Japanese climate cannot be simply explained as pro-patent because obtaining a patent is becoming more difficult and courts are not necessarily siding with the IP owners. To the contrary, the Japanese Patent Office and Japanese courts are considered to be in conformity with the Intellectual Property Strategy despite their strict attitudes towards granting IP rights and their enforcement. This is due to the widely accepted understanding that overly easy and broad protection would have adverse effects on society by disrupting fair competition, creating legal instability and even conflicting with fundamental social norms such as freedom of expression.

JW: In many parts of the world, companies now view IP as a business asset as well as a legal right. Is the same kind of thing occurring in your jurisdiction?

CC: Yes, both domestic Chinese companies and foreign companies doing business in China are conscious of the economic value associated with intangible assets such as IP. Increasingly we are seeing sophisticated valuations done by expert appraisers in the context of transactions. In addition, in the formation of equity joint ventures, any contribution of assets in kind in exchange for equity (including IP) is subject to strict valuations by official appraisers.

PA: The knowledge industries are estimated to contribute almost 51% of the Indian GDP. Businesses at every level – large or small, and including individuals, artists, performers, composers, authors and the like – are looking to convert their creative genius into wealth-generating assets. Vast numbers of companies are mortgaging their intellectual property with banks and financial institutions. IP has also entered onto the balance sheets of a large number of companies, such as Biocon, Infosys, Wipro, Hindustan Lever Limited and Tata Consultancy Services, by means of asset leveraging IP in particular and asset value creation solutions.

YS: The trend towards considering IP as a business asset is also widening in Japan, although some companies already have a long history of obtaining a substantial income from licensing patents. However, it is still not easy to evaluate the monetary value of IP precisely unless money is actually being made through licensing. Reliable methods for evaluating IP as business assets are still being sought.

KS: It's a similar picture in Australia. The size of the market cannot often justify the traditional use of intellectual property solely as a legal right. Australian organisations, in both the public and private sector, are world-renowned innovators and, in order to ensure a satisfactory return on their investment in R&D, are increasingly seeking to attract capital or do international deals by leveraging their intellectual assets. Building shareholder value by such activities is a C-suite function and, accordingly, active management of intellectual property is being afforded more top-level attention than ever before. Australians are on an exponential learning curve in this area as they compete on the world stage in most technologies.

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Mr Anand has authored a number of papers on intellectual property and has spoken extensively at various forums such as WIPO, AIPPI, INTA, LES, IBA, LAW ASIA and the UN Conference on LDCs in the Digital World at Brussels. He has also appeared as an expert witness before Parliamentary committees to give evidence on amendments to trademark, patent and copyright law.

Mr Anand is the author of Halsbury Laws of India – Intellectual Property, *volumes 21(1) and 21(2). He is also president of the AIPPI, Indian Group, and a member of the Board of Directors of the INTA.*

JW: *How important is it for foreign IP owners to understand the cultural environment in which they are operating in your jurisdiction? What differences might European and US companies find from the ways in which they do things at home?*

PA: *It is critical for foreign IP owners to understand the cultural environment in India. For instance, a lawsuit in the US is generally large in magnitude or at least perceived to be so. Consequently, law firms will concentrate on a fewer lawsuits, as a result of which billing in those suits is far heavier, and perhaps a large percentage of these lawsuits would get settled before reaching trial. The model in India is somewhat different. The paying capacity of the client is limited, as a result of which the suits are smaller in magnitude and yield mainly non-monetary reliefs such as injunctions, Anton Piller orders (search and seizure) and destruction of goods. Law firms have a very large number of lawsuits and the relative time that they give to each one is much less when compared to what happens in the west. Thus, leading lawyers in the IP field may well have about 15 to 20 suits listed before the court every day.*

Another problem is that of delay. When a foreign company files a lawsuit for an IP matter in India, the process involves preparation mostly through correspondence and sometimes through one or more personal meetings. As opposed to this, if a client physically located in India wanted to institute legal proceedings, this can be done very rapidly. Notarisation or, in some cases, legalisation of documents and sending originals by courier from one country to another all consume time. The delay is a very important factor in influencing Indian courts and this can be reasonably dealt with by having a local representative act as a constituted attorney and sign under a power of attorney after all the approvals have come through email.

Indian courts are greatly influenced by technical arguments such as lack of territorial jurisdiction; misjoinder of parties; and lack of a cause of action resulting in summary dismissal. The lawyer selected only must not know intellectual property but also must be well versed in procedural law. It is for this reason that a non-litigation lawyer finds it very difficult to understand how the lawsuit will actually proceed in court. There are some things which an Indian court just does not like, namely a foreign company suing a small Indian company and insisting on huge damages. The judges' instant reaction would be to try and shelter the David against the Goliath.

YS: *Crucial to successful negotiation, enforcement and cooperation of IP rights is to have a good understanding of the Japanese legal background and company culture, as well as the Japanese legal system. The key is to understand the attorney-client relationship and company-company relationship.*

The relationship between the IP right owner and its Japanese attorney could be fundamentally different from the client-attorney relationship in the US and Europe. Japanese attorneys tend to behave in one of two extreme ways: according to what they believe to be correct without fully explaining to the IP owner the background and future influence of the action; or only according to instructions from the IP owner.

IP owners tend to feel uncomfortable with the first type of behaviour because they are not well-informed of the implications of the actions and statements made; but they will achieve satisfaction if the attorney simply follows their instructions. However, both cases could lead to an unwanted outcome for the IP owner. In the former case, the understanding by the attorney might be insufficient and too conventional, while in the latter case, the actions and statements made by the foreign IP owner may not necessarily address the points with which the court or the opposing party is concerned.

In order to be successful, it is crucial for both the IP owner and the attorney to have a full understanding of the background of the IP right, legal culture and requirements by Japanese courts, and company culture of Japanese companies which can be obtained only by spending considerable time patiently considering how cases should proceed.

CC: *Understanding the cultural environment in China is critical. Perhaps the most obvious illustration of this issue is bilingual branding. Foreign participants in China often don't think about the fact that their brand will be localised. Many foreign brand owners now seek to anticipate the market by creating a localised version of their brand. Recent experience of Starbucks and of Pfizer in relation to the Viagra brand makes it clear that all foreign companies should be considering the adoption and registration of Chinese-language versions of their brands, even if only as a defensive measure.*

KS: *As tourists, Australians have a global reputation for being genuine, friendly, adventurous and engaged. When dealing with Australians in matters pertaining to intellectual property management and technology transfer, all these cultural attributes are evident. It's all about a mutually beneficial outcome based on a strong underlying relationship. Since Australians look to the world stage, and operate at home in an increasingly multicultural environment, non-Australian IP owners should feel comforted that culture is rarely an issue for Australians. We are a very adaptable people. Aspects of our heritage are very European; we look to Asia-Pacific from a commercial and cultural perspective; and strong commercial and political links exist with the US. Europeans will find a willingness to negotiate a win-win solution, Asians will find sensitivity and Americans will find a steel spine if there is no option but to assert IP rights.*

JW: *For companies bringing IP to your jurisdiction, what are the most important things to remember? What would be the single most important piece of advice you would give them?*

YS: *Selecting the most reliable attorney is usually the key to success in Japan. Attorneys that are good for Japanese companies are not necessarily good for foreign companies. It seems that, historically, foreign companies have selected attorneys experienced in international business affairs, but not necessarily skilled in IP; and, as a consequence, have often failed to enforce their rights. Enforcement of IP right requires special experience and skills which are not gained by simply representing foreign clients in business. Good communication skills are essential. However, expertise in law and technology, if applicable, should be carefully evaluated through communications.*

KS: *At least traditionally, the isolation of Australia has ensured that we are innovative as a nation. Companies bringing IP to the jurisdiction should not underestimate the speed of technology uptake in Australia, nor the fact that it is a highly competitive market.*

Notwithstanding this, the Australian population is widely geographically dispersed, and IP owners should not assume that market entry on the east coast is a guarantee of market uptake in the west. One corollary of this relates to the fact that Australia is a federation of states and territories, each with local laws. This too may affect the ability of an IP owner to exploit and/or transfer technology in some parts of the country. Two examples here relate to technology concerning genetically modified organisms and foodstuffs, and stem-cell technologies. In both these technologies, state legislatures as well as the federal government have rights independent of each other to control the rollout of technology. Moratoria exist in some states preventing the growth of genetically modified crops, and stem cell research has been stymied for some time by state and federal government restrictions.

As in any other jurisdictions, IP owners must fully investigate the nature and size of the Australian market before venturing here.

CC: *A successful China IP strategy should not be based solely on legal measures; you also need to think about your processes and procedures, as well as your HR policy and how you can create operational disincentives to IP leakage.*

China is a civil law jurisdiction and so registered rights are essential, unregistered rights in the form of trade secrets and unregistered trademarks are significantly harder to enforce (although not impossible).

It is critical to ensure your China filing strategy is complementary to your China business strategy.

If you are translating patents claims from English or another foreign language, then you should have a bilingual patent attorney skilled in the relevant art review the Chinese translations of the claims (if they have been prepared by a translator who is not a patent attorney) to ensure they are precise and accurate.

You should consider whether you will pursue a bilingual branding policy and, even if you are not doing so, you should consider defensive bilingual filings for key trademarks. You should also consider .com.cn and .cn domain names and internet keywords as extensions to your China branding strategy.

PA: *The single most important advice for foreign companies coming to India is to try and understand the local culture, including the judge before whom the matter comes up, if they are involved in a dispute. Some judges like reliance on case law while others prefer a thorough factual analysis with few cases. Some judges like English cases while others want the Indian Supreme Court cases cited before them. A similar situation arises*

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Ms Carnabuci has written extensively on matters relating to IP/IT and TMT. She is the author of the Hong Kong and China chapters of the Global Counsel Intellectual Property Handbook 2004/2005. She is also on the editorial board of Patent World. She was voted by Chambers Global 2006 as a leading practitioner in the communications sector; "very well rounded and a walking encyclopaedia when it comes to regulatory issues", and "one of the very few lawyers to combine technical abilities with a commercial approach and a human touch". She is also recommended by PLC Which Lawyer 2005 as a leading practitioner in intellectual property, and is highly recommended in IP by Global Counsel 2004-05.

before the Patent Office and Trade Marks Registry as controllers and registrars have their unique likes and dislikes which play an extremely important role in influencing their decisions.

Culturally, Indian courts look at and rely upon case law from most other English-speaking jurisdictions, such as the UK, the US and Australia. This is unique to Indian courts and gives them and their decisions great flexibility and strength.

JW: *What are the key elements to preparing a successful enforcement action in your jurisdiction? Are there any realistic alternatives to going to court?*

KS: Prepare, prepare, prepare! Australian court actions require the appointment of legal counsel in addition to a lawyer and/or patent attorney. Local experts are also required as the Australian market is unique. Take advantage of the expertise of these people by ensuring that all your ducks are in a row before the initiation of proceedings. By conducting an extended preparation with the assistance of Australian experts and local counsel before the event, any issues identified by these people can be timely addressed. This might include, for example, the execution or verification of the validity of licences; the completion of assignment documentation; the amendment of patents to address local patent law or newly identified prior art; or the deletion of goods from a trademark registration which are not used and are thus likely to attract a cross-claim for invalidity. Be aware that the discovery process can be lengthy and costly, especially if such preliminary preparation is not carried out.

Realistic alternatives to court action do exist. Australians do respect intellectual property and a well-directed cease and desist letter can be very successful. Be aware that even if private pre-litigation attempts to settle a matter have been made, the court may still insist on mandatory mediation.

CC: China provides a dual track for the enforcement of intellectual property rights. One track is judicial determination through the court system. China now has specialised intellectual property courts (the third civil division). The alternative route is administrative enforcement through the various government bureaux which are vested with powers and responsibilities for different types of intellectual property rights.

One of the key aspects to successful enforcement in China is to play close attention to the evidentiary requirements of the civil procedure rules; all documents should be notarised and legalised, and translated into Chinese. It is critical to be able to provide a certificate of registration and an original copy of receipt of payment of renewal fees in respect of the intellectual property.

Affidavit evidence from employees or other related parties in your distribution chain, while admissible, is often not given significant weight by the courts, as the evidence is discounted as potentially biased.

Infringement evidence is best if it is objective and trap purchases must always be made in the presence of a notary public in order to be enforceable.

It is also possible to engage in a degree of forum shopping, as IP cases in China can be brought at the place of domicile of the defendant or the place of infringement or the place where the infringing goods are stored. Consideration should be given as to which court would be best placed to handle the complaint.

PA: The key elements in preparing a successful enforcement action in India are: to know the cause of action clearly and the evidence that will be used to prove the case; to identify the witnesses who are likely to give evidence and, having visualised the case as a whole, then to draft the case; and to understand that Indian pleadings tend to be bulky and have a lot of detail as compared to their western counterparts.

In July 2002, the Code of Civil Procedure was amended and the lifespan of litigation was compressed from five to 10 years, to two to three years. The changes include deadlines for filing written statements, which the courts are now strictly adhering to. There are also efforts to mediate cases; the mediation centres in the district courts and the high courts have improved dramatically, and have a very high success rate – close to 70% success for the mediation centres in New Delhi, for example.

The problem is that most intellectual property matters are clustered in four high courts in the country: Delhi, Mumbai, Kolkata and Chennai – these high courts are called the Delhi High Court, the Bombay High Court, the Calcutta High Court and the Madras High Court, despite changes in city names. Although there are over 500 district courts in India, IP matters are heard by just a few of them, such as Delhi, Mumbai,

Kolkata, Chennai, Hyderabad, Bangalore, Pune and Ahemdabad.

YS: *It is important to select the best attorney and have him/her understand the entire situation so that both the IP right owner and the attorney have a common view of the strengths and weaknesses of the IP, and determine future procedures on such basis. When technological aspects are involved, a good patent attorney should be hired along with an attorney-at-law. Because the courts tend to place importance on swiftness and therefore determine the schedule of enforcement actions at earlier stages of the action, and refuse to consider arguments submitted later, the evaluation of possible counterarguments by the opposing party is strongly recommended. It is, of course, also very important to evaluate critically the evidence possessed by the IP owner.*

There is an Arbitration Institute run by the associations of attorneys-at-law and patent attorneys specialising in IP-related matters, in addition to international commercial arbitration. Settlements are made more often at court under the supervision of the court, probably because it provides broader selection in terms of the courses of action to follow.

JW: *How tuned in to IP are enforcement authorities and the courts in your jurisdiction?*

CC: *Both the courts and the enforcement authorities are extremely focused on foreign-related intellectual property claims in China. It is a topic that is highly publicised and well on the political and economic radar.*

The Chinese government is earnestly collecting statistics in order to provide hard evidence of the stated objective of providing effective enforcement of IP rights.

The courts and the administrative authorities do deal with issues quite speedily, with matters coming on for final hearing in about two months from filing of the complaint for final hearing. Interlocutory relief is, of course, supposed to be dealt with within the statutory 24 hours from the date of filing; in practice, it is usually dealt with within a week.

Administrative authorities are an effective and cost-efficient route for handling basic trademark counterfeiting cases. However, more complex complaints are best handled through the judicial system.

As I said before, China has the third civil division, which acts as a specialist IP court, and many of the judges possess both technical and legal training, as well as having studied abroad. This court has a "golden" reputation in China as an extremely effective forum.

PA: *Indian courts not only are aware of intellectual property issues, but are developing a healthy attitude towards them. That said, in the last 25 years several movements which have resisted IP reform have sprung up. These include the open source movement in Karnataka (Bangalore city), which took its toll on software giants such as Wipro and Infosys.*

The generic pharmaceutical industry, which is very large and strong, has used the press to its advantage and has spread messages about evil multinationals misusing patents. The result of this is that pharmaceutical and agro-chemical patents, although now granted by the patent office, have still not reached the stage where they can be enforced comfortably.

Then are the traditional knowledge and biodiversity movements, which are both good for the country as they seek to protect folklore, traditional knowledge and generic sources in India. However, to an extent, they encroach on intellectual property. For example, there is a rule that before the grant of a patent, any biological resources on which an invention is based must be disclosed to the National Biodiversity Authority or else the patent cannot be granted. The National Biodiversity Authority has the power to impose rules on cost sharing and prior informed consent. We do not know as yet how this legislation will be used and hope very much that it will maintain a reasonable balance between innovators' needs for sources and the country's need to conserve its biodiversity.

YS: *An IP High Court was created and started functioning in April 2005. This rules on IP-related cases appealed from district courts or the Board of Appeals of the Japanese Patent Office. At the same time, subject-matter jurisdiction on patent matters was concentrated exclusively at the Tokyo District Court and the Osaka District Court, which have special departments dedicated to IP disputes.*

The law enacted on 1st April 2005 enables the IP High Court to assign one or more technical experts to assist the judges in the understanding of technical matters when necessary. Approximately 200

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Karen is actively involved in industry associations in her fields of expertise, and takes a strong interest in the licensing of intellectual property particularly in the field of healthcare. She is the firm's team leader for the biotechnology and chemical industries group.

technical experts, most of whom are university professors or retired researchers at private companies, are preliminarily selected and listed. In addition to technical experts, technical assistants who are examiners at the Japanese Patent Office or patent attorneys on short-term appointments are assigned to assist the judges. The technical experts are allowed to explain technologies relevant to the case to the judges and ask questions of the parties when requested by the judge.

KS: *Enforcement authorities and the courts in Australia are knowledgeable about IP and proactive in its defence and enforcement. The Australian Customs Service, which protects Australia's borders, is vigilant and effective in stopping the import of counterfeit goods if IP owners take advantage of statutory notification procedures. The Federal Court of Australia regularly hears IP matters in all states of Australia and there is specialist knowledge of IP both on the bench of this court and on the bench of the most superior court in the land, the High Court of Australia.*

JW: *How does the internet affect the way IP rights are managed in your jurisdiction? Has there been any significant internet case law and/or legislation?*

PA: *The internet has become an important tool in India as connectivity has now reached the common man. Although the legislation in the IP world is restricted to the Information Technology Act 2000, a large number of torts, such as framing, phishing, spamming, hyperlinking and meta-tagging, have been dealt with by the courts and restrained on traditional principles such as breach of privacy, negligence and nuisance. This shows the dynamic approach of the Indian courts in that they did not wait for the legislation to come through, but used judicial activism to fill the gap.*

The number of cases relating to domain names has significantly increased and the courts regularly grant injunctions restraining the misuse of trademarks as a part of domain names and restraining defendants from setting up websites with such domain names. There are several cases of stolen websites ranging from copying of HTML code to trade dress of a website.

YS: *The internet has drastically improved transparency and contemporaneousness of legal and technical information available from the Japanese Patent Office, Japanese courts and other information sources. It has become much easier and quicker to discover prior art of patents as well as relevant court cases, for example. Creativeness in arguments, logic and negotiation are now even more important than they were before, because relevant information is instantly available for everybody.*

Putting information on the internet is positively defined as an offer of sale in IP laws such as the Patent Law and there have been decisions made in line with this. However, there has been no case law particular to the internet, such as the infringement of IP rights when an internet server is located abroad in a manner accessible from inside Japan.

KS: *The most recent census data just issued by the Australian Bureau of Statistics shows that 60% of Australian households are regular users of the internet. The advent of the internet has enabled Australia to become more closely linked in commercial terms to its trading partners. As a consequence, Australians more readily engage these days in the increasingly globalised market for consumer goods, and arguably as a result are more brand savvy. This means that brand owners from outside Australia need to be vigilant in ensuring that their trademarks are protected in Australia, either directly or via the Madrid Protocol. Cross-jurisdictional enforcement is an increasing issue for brand owners.*

Ready dissemination of materials via the internet is slowly increasing the body of prior art relevant in patent and trademark management, but IP Australia, the government IP examination authority, is yet to find truly effective ways to tap into this material. It is likely that the development of collections of such information by organisations such as IBM and the USPTO will be leveraged by IP Australia through its strong links to the international IP bureaucracy.

CC: *There have been several decisions in China regarding the liability of internet service providers (ISP) for infringement of intellectual property rights. The cases have found both for and against the ISPs; much turns on the degree of involvement and knowledge of the ISP in respect of the infringing content.*

More recently amendments to the copyright law have introduced US-style-take-down provisions which cause the ISP to

become a joint tortfeasor if, having been provided with evidence by the right owner, the ISP refuses to remove the content from the site.

JW: *When seeking legal advice in your jurisdiction, what skill sets should companies be looking for in the firms they approach?*

YS: Experience as an IP attorney and the skill to communicate fully with the IP right owner are the two key elements. As a legal adviser, it is an ultimate requirement to be able to view the facts and arguments in a manner similar to that of the court, because the strategy of enforcement must be determined so that the court finds the evidence and arguments to be satisfactory. Since the IP-related disputes may have aspects that are quite different from those in other fields, such as corporate law and finance law, experience is needed to be able to make a good prediction of the court's view of the cases.

As for the ability to communicate with the IP right owner, technological knowledge is often required in addition to the ability to communicate well in a foreign language. An attorney is required to be a good communicator for both the courts and the IP owner.

As both of the two key elements are crucial, evaluations should not be based only on one of them. Although English ability is an important element when looking for a firm in Japan, the ability to communicate in English should not be overestimated because that is only a part of the overall requirement.

KS: It's important to ensure that the aims of seeking legal advice are clear before the search is started. Although litigation is not as expensive in Australia as it is in other jurisdictions, clearly, the size of the Australian market is such that it is not always economic to litigate. Thus, IP owners should look to engage firms with a track record in commercial negotiations resulting in win-win outcomes for all parties, as well as experience in cost-effective litigation practices. The market is large enough to accommodate specialists in IP management that have both these skill sets and so shopping around beyond the usual players will often bring rewards.

CC: The key skill set is really pragmatic advice having regard to the relative cost of action, in terms of both dollars and management time, to the likely benefit to be derived from that action by the company.

It is important to understand that an effective IP enforcement strategy is not merely a legal issue but a business issue, and requires a careful strategy of trademark and patent portfolio registration. One must also consider operational issues such as appropriate protocols within facilities for the handling of intellectual property and to raise the visibility of the creation of intellectual property as well as people issues. In relation to the latter, the company should employ people with the right mindset in respect of intellectual property. It is important that the company develops an internal culture of respecting intellectual property and educating staff about the importance of intellectual property, and rewards innovation. The company should provide sufficient employee compensation and demonstrate a long-term investment in individual career development to create disincentives to intellectual property rights leakage.

PA: In seeking legal advice, companies should look for the success rate of lawyers in dealing with complex litigation, as well as their infrastructure to manage large volumes of work. A lot of firms are good when it comes to a few cases, but the moment the number increases they buckle, resulting in the loss of IP rights. The tools used by a firm, such as the software, the internet, libraries and electronic databases, as well as the quality of the people that they hire, should also be closely looked at. It sometimes happens that firms advise multiple actions which are unnecessary. It is important to select a firm that is clear of this blemish. Finally, it gives the firm great strength if it does 360-degree IP work ranging from trademarks, patents, copyrights, trade secrets and enforcement, through to commercialisation/licensing, policy and education.

There are firms that stick to the highest ethical standards and will not bribe under any circumstances, but they need to help senior police officers, for instance, with articles and other IP materials including training. This focus of firms is another thing to look out for.

JW: *Is it possible for IP owners to think of Asia as a single region for IP management purposes, or are the countries and the challenges they present just too diverse?*

KS: Australia can be seen as a hub for IP

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management given our geographic location. A specific agreement exists between the governments of Australia and New Zealand which enables professionals from each jurisdiction to operate in the other and this can be cost effective. The Australian government and Australian IP practitioners are providing assistance to government and non-government organisations in several parts of Asia in order to fast track the adoption of rigorous IP regimes. It is true, however, that in Asia in particular there is a diversity of political regimes, languages, cultures and economic environments, and thus in relation to certain matters, specialist local IP knowledge is always advantageous.

CC: *It is not possible to think about Asia as a single region. The law is fragmented for a number of reasons. Firstly, some of the countries within the Asian region have common law systems while others have civil law systems. This necessarily creates differences in terms of how civil procedure plays out. Secondly, the economics are vastly different in terms of their level of economic development. Certain countries such as Australia and Japan enjoy high levels of economic development, whereas other countries such as Vietnam, India and China are still emerging markets.*

PA: *I agree. In Asia, there is a lot of diversity in cultures. India and the other SAARC law countries share a culture which may be quite different from Korea and Japan on the one hand, and Hong Kong, Singapore and Malaysia on the other hand.*

YS: *Asia should not be thought of as a single region. As the others have said, the legal systems, cultural background, economic status and so on are too diverse from country to country, and they do not have many features in common. Legal systems and cultural backgrounds in other Asian countries can be surprisingly different even for Japanese attorneys.*

JW: *What do you see on the horizon for IP owners in your jurisdiction?*

CC: *Intellectual property rights will continue to be a top priority for foreign investors looking to China. Equally, intellectual property rights will continue to be top of mind for Chinese corporations looking to drive economic growth through innovation.*

The IP regime in China is still undergoing a maturation process. A robust set of laws is now on the books following WTO membership, while the systems which support and implement those laws are continuing to evolve as is the practice.

We continue to see additional laws – such as the third patent law rewrite – and a series of judicial opinions which are providing greater depth and context to the evolving IP regime.

PA: *History shows that those IP owners that invested in India for long-term benefit have made huge gains. For India, think of long-term not mid-term results, and patience really helps. Second, adapt international principles and good practices to the local culture; avoid confrontations or comparisons of India with other nations. Judges, bureaucrats and the like love Indiaphiles and clients that behave in this way seem to get a distinct advantage.*

YS: *Criteria for obtaining IP rights in Japan will be clearer as technical and legal information will be more transparent and contemporaneous. However, that does not necessarily mean that obtaining IP rights will be easier, but rather the contrary. However, once IP rights are obtained, their enforcement may be more vigorous and their monetary valuations may be higher than ever.*

KS: *The market sophistication in Australia in relation to IP will continue to grow. Proactive IP management will become integral to good corporate governance, and will be a discussion had around the boardroom table. Public and private organisations will become much more effective in driving bottom-line value from their IP. Government and the courts will become even more global in their outlook and the value of IP in Australia will be measured favourably against that granted in other major IP jurisdictions. This will occur by the continuing engagement of IP Australia in international forums, as a result of the continuing shift to a knowledge economy driven by government policy and by the courts adopting mechanisms to ensure rapid and effective decision making for IP owners.*