



THINK FORWARD

Cornerstone To An International Intellectual Property Protection Center

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On January 11, 2018, the newly established Shenzhen intellectual property court issued a decision in a dispute between Huawei and Samsung involving standard essential patents in the wireless communication field. This was the first case in China of its kind. The court stated: "The launching of the Shenzhen intellectual property court demonstrated the dedication of the Shenzhen judicial system to assist the technology innovation of Shenzhen enterprises, the strategic position and function of Shenzhen."

Brinks Gilson & Lione also established a Shenzhen connection by officially opening its Shenzhen office on Dec. 1, 2017, becoming the first international law firm in Shenzhen. Besides providing Shenzhen companies substantive legal services relating to U.S. IP matters, the office will work closely with the Nanshan IP center, speaking to Shenzhen companies on U.S. IP protection, enforcement, Section 337 and other international trade related matters.

Thanks to its booming hi-tech sector, Shenzhen recorded a nominal output of 2.24 trillion Chinese Yuan (US\$338 billion) GDP in 2017, surpassing cities like Guangzhou, Hong Kong, Seoul, Osaka and Singapore according to the *Shenzhen Special Zone Daily* report published on January 15, 2018.

Accompanying such growth, there have been dramatic increases in both patent filings and IP litigation. In 2016, Shenzhen had more than 140,000 China patent applications, 10 times the national average and close to 20,000 PCT filings, which accounted for more than half of all the PCT filings by Chinese companies. Shenzhen courts handled 14,887 IP cases in 2016, half of Guangdong Province and one tenth of all cases in China. Given this volume, we can expect the Shenzhen IP court to be at the forefront of efforts to provide IP protection for developing technologies and both international and domestic hi-tech companies.

As part of the Qianhai court system, the Shenzhen IP court will most likely adopt the Mainland-Hong Kong expert jury system, under which 13 Chinese and/or Hong Kong residents are selected as a jury to participate in the decision of a litigation. The Shenzhen IP court will also implement a party-in-suit and attorney service system instead of a traditional court service system where a party-in-suit or its representative is allowed to serve the opponent. In addition, the Shenzhen IP court is permitted to apply Hong Kong and other foreign laws in deciding cases in according to *Shenzhen Qianhai Cooperative District People's Court Service and Free Trade Zone Development Guidance White Paper* published in August 2017.

In addition to the IP court, the Shenzhen Intellectual Property protection Center opened for business on August 8, 2017. This center functions as a consolidated intellectual property service hub to hi-tech companies nearby. "Together with the Shenzhen IP court, the South China Hi-Tech IP arbitration center, two IP forensic institutions and top intellectual property service providers and law firms, the IP protection center has laid the ground work for the intellectual property protection in Shenzhen," said Mr.

Fu Tian, deputy chairman of the Shenzhen municipal committee, during the IP center opening ceremony, "There is plenty of room for improvement in IP mediation, arbitration, litigation, administrative protection, efficient IP right verification and enforcement, monetization and operation. In addition to China's Silicon Valley, we dedicate ourselves to make Shenzhen an international IP protection center by the year of 2020."