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LUNG TIN IP ATTORNEYS

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# Legal Challenges Faced by Chinese Enterprises in the US



# Contents



**Existing Concerns Related to Trade Secret Disputes**



**New Concerns Due to PAIPA**

## Overview of IP Disputes Chinese Companies faces abroad in 2023

- **US: 1173 new cases in total**

Patent, Trademark and **Trade Secret** disputes

- **Other major countries or regions (Europe, India, Russia and Australia): 207 cases in total**

Patent, Trademark disputes

- Chinese enterprises encounter much more IP dispute challenges in the US than in other countries;
- Especially, Trade Secret Disputes are the unique challenges faced by Chinese enterprises.

## □ Sectors Distribution for new initiated 23 trade secret cases in 2023

**9 sectors were involved.**

**Technology promotion and application services/software and information technology services: 10 cases, accounting for 43%.**

**Others: Electrical machinery/equipment manufacturing/...**

## □ Litigation Duration of Trade Secret Disputes for 18 concluded trade secret litigation in 2023

**The average duration was 343 days.**

**The case with the longest duration took 1513 days, involving a US plaintiff and a Chinese defendant. The parties settled.**

**The shortest duration was 37 days.**

# New Concerns Due to PAIPA



The Protecting American Intellectual Property Act of 2022 was passed on Jan.5, 2023, aimed at safeguarding U.S. companies' trade secret. This Act gives the US government the power to impose many sanctions without rights owner' s applications such as:

**1**

**Block and prohibit all transactions in all US property and interests in the property of the foreign entity**

**2**

**Place entities on a restricted list for activities contrary to the US national security or foreign policy interests**

01

## Broad Scope

- The Administrative sanctions according to PAIPA are much broader than Judicial punishment.

The sanctioned entities can be many different kinds of entities, including against a financial institution.

02

## Shadow Determination Process

- The standards of imposing sanctions are not clear. Therefore there is concerns related to transparency and due process.

Whether there is sufficient evidence or fair hearings before sanctions are imposed.

- **With such legal concerns related to existing judicial proceedings and newly passed Administrative proceedings, Chinese enterprises will make efforts to comply with the US laws to avoid being involved such proceedings related to trade secrets.**







# THANKS

Sincere Collaboration, Collective Innovation

Lung Tin——A Mature Intellectual Property Agency

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