Managing an IP Portfolio in China

Presented by Greg Brown
Managing Counsel, Intellectual Property
Ford Motor Company
FORD’S HISTORY IN CHINA EXTENDS OVER 100 YEARS

1913
First Model T in China

1914
Letter to Henry Ford from Dr. Sun Yatsen

1915
Deng Xiaoping visited US

1924
First Model T in China

1979
F-Series Export to China

1993
Appointed Retail Dealership

1995
Ford China established in Beijing

1997
Changan Ford

2001
First Transit from JMC

2003
First Fiesta/Mondeo From CAF

2005
FAFC (Ford Credit) CFME

2007
NJ REC

2010
1 Millionth Vehicle

2014
 Lincoln China Launch

2017
Lincoln China Delivers 100,000th Vehicle

2017
China 2025 Plan
Zotye Ford JV
NTC opens

2017
Lincoln China Delivers 100,000th Vehicle

2017
China 2025 Plan
Zotye Ford JV
NTC opens
FORD’S FOOTPRINT IN MAINLAND CHINA

- 42,000 employees spanning 4 joint venture partners
- Research and Engineering Centre (REC) in Nanjing – including a newly opened vehicle test center
- 11 manufacturing plants
- A network of more than 1,000 dealers
FORD’S CURRENT PRODUCT LINEUP IN CHINA

Starting at Prices

- **Escort**
  - 96,800 RMB
  - Imported from **Europe**

- **Focus**
  - 115,800 RMB
  - Imported from **Europe**

- **Focus ST**
  - 259,800 RMB
  - Imported from **Europe**

- **Focus RS**
  - 391,800 RMB
  - Imported from **Europe**

- **Mondeo/ Mondeo Hybrid**
  - 179,800 RMB
  - Imported from **Europe**

- **Taurus**
  - 234,800 RMB

Starting at Prices

- **Mustang**
  - 399,800 RMB
  - Imported from **US**

- **GT**
  - 528,800 RMB
  - Imported from **US**

- **F-150 Raptor**
  - 528,800 RMB
  - Imported from **US**

- **Ranger**
  - 229,800 RMB
  - Imported from **Thailand**

- **Tourneo**
  - 176,900 RMB
  - Imported from **US**

- **New Transit**
  - 126,400 RMB

Starting at Prices

- **EcoSport**
  - 79,800 RMB
  - Imported from **US**

- **Kuga**
  - 169,800 RMB
  - Imported from **US**

- **Edge**
  - 229,800 RMB
  - Imported from **US**

- **Everest**
  - 265,800 RMB
  - Imported from **US**

- **Explorer**
  - 449,800 RMB
  - Imported from **US**

**To be launched in 2018**

- Import
LINCOLN’S CURRENT PRODUCT LINEUP IN CHINA

Lincoln Navigator: Starting at 1,128,000 RMB
Lincoln MKX: 284,800 RMB
Lincoln MKC: 298,800 RMB
Lincoln Continental: 398,800 RMB
Lincoln MKZ / MKZ H: 284,800 RMB

All Imported from North America
Continuing to set the benchmark in its segment for ingenious technology, the all-new Ford Focus will be the first vehicle in China to come equipped with Ford Co-Pilot360™, a segment-leading suite of advanced driver-assist technologies to help people drive more safely and confidently.

Adaptive Cruise Control with Stop & Go and Lane Centering
Your mind starts to drift while driving – and your car starts to drift, too. This tech helps you stay in the center of your lane, cruise at a set speed and maintain a safe following distance.

Fully Automatic Parking Assist
Take the guesswork – and frustration – out of parking! With the touch of a button, tight parallel and perpendicular spaces are no challenge for Fully Automatic Parking Assist.

Pre-Collision Assist with Pedestrian Detection
A distracted driver brakes suddenly in front of you. But don’t worry, this helpful tech has already scanned the road ahead and can apply the brakes autonomously to avoid a collision.

Traffic Sign Recognition
Getting a ticket at the end of a long day because you missed a Speed Limit or No Passing sign is a thing of the past with Traffic Sign Recognition, which sees the signs that you may miss.
By 2020
Deliver the company’s first global full battery electric performance SUV that offers a range of more than 450 kilometers. This SUV will be manufactured in China.

By 2025
15 All-new electrified vehicles from Ford and Lincoln
70% of Ford nameplates in China will have electrified options, including 100% of those made by CAF

To make this possible, Ford is investing USD$11 billion globally from 2015 to 2022

FordPass
- Battery status check
- Public charging station locator
- Remote start
- Smart connectivity: embedded modem technology as standard with WiFi hotspot for 10 devices

2018
Ford’s first PHEV, the Mondeo Energi, went on sale in March.
In July 2017, Ford elected to participate in Baidu’s Apollo open platform for autonomous vehicle development.

In December 2017, Ford and Alibaba signed a Letter of Intent to jointly explore areas of cooperation in connectivity, cloud computing, artificial intelligence, mobility services and digital marketing.

On March 26, 2018 Ford partnered with Tmall for its first real Super Test Drive flagship store in Guangzhou in an exclusive way for the first month. The Tmall Super Test Drive service is one of the partnership’s key digital marketing initiatives.
1 of 9 Ford Global PD Centers

REC 10 Years of Growth

2100+ Employees
TREND IN FORD INVENTION, UTILITY MODEL AND DESIGN PATENTS
TREND IN COMPETITORS PUBLISHED APPLICATIONS

Filing Trend

- JAC
- BAIC
- Toyota
- Hyundai
- Geely
- GM
- BYD
- Great Wall


Values: 3050, 2953, 2028, 1869, 1542, 1117, 1041, 996, 881, 873
MNCs continue to lead Top 10 Invention applicants
MONITORING THE PATENT ENVIRONMENT (UTILITY MODEL)

No MNC among Top 10 UM filers
MONITORING THE PATENT ENVIRONMENT (DESIGNS)

Top 10 Design Applicants

- JAC: 417
- Hyundai ChangAn: 405
- BAIC: 299
- Geely: 224
- SAIC: 205
- Zotye: 169
- Honda: 158
- Ford: 155
- GAIG: 147

Local companies leading MNCs in Top 10 design applicants
Why China Is A Good Place For NPEs

March 13, 2017, 4:40 PM EDT

In the Law360 guest article “What To Expect From NPE Activity In China,” published on March 9, the author, Jackie Wong, addresses an important topic. However, his conclusion that China will see little nonpracticing entity activity over the next five years is short-sighted. I currently represent several NPEs in China, and my view is quite different. The purpose of this article is not to substantively rebut any “NPEs are evil” arguments but rather provide a different perspective on "what to expect from NPE activity in China."
INJUNCTIONS FOR EVERYONE!

Win and Injunction Rates for Patent Plaintiffs in China
By Country of Origin Against Chinese Defendants

ENFORCEMENT COMPARES FAVORABLY WITH OTHER REGIONS

Advantages of Patent Litigation in China

- High win rate (up to 75%)
- Foreign patentees win more than domestic patentees
- Virtually guaranteed injunctions (95%)
- Short time from filing to trial/judgment (< 1 year)
- Sparse discovery
- Low cost (<1/10 the cost of US litigation)
- Validity challenges are rarer than in the US and are often not complete until after judgment and injunction are issued
- Huge Chinese market: because what is not sold in China is made there, can effectively ban sales around the world through a single litigation
- Specialized IP courts
- Judges take pride in skill and fairness
- Judges use technical advisors
- Although a civil law system, judges generally respect prior decisions
BUILD A STRONG AND COST EFFECTIVE PORTFOLIO

Build a local team!

All forms of protection
- Trademarks
- Copyright
- Invention
- Utility Models
- Design

Carefully manage your quality
- Translation quality
- Glossary of Key Terms
- Advocacy

Carefully manage your costs
- Acquisition and Maintenance