



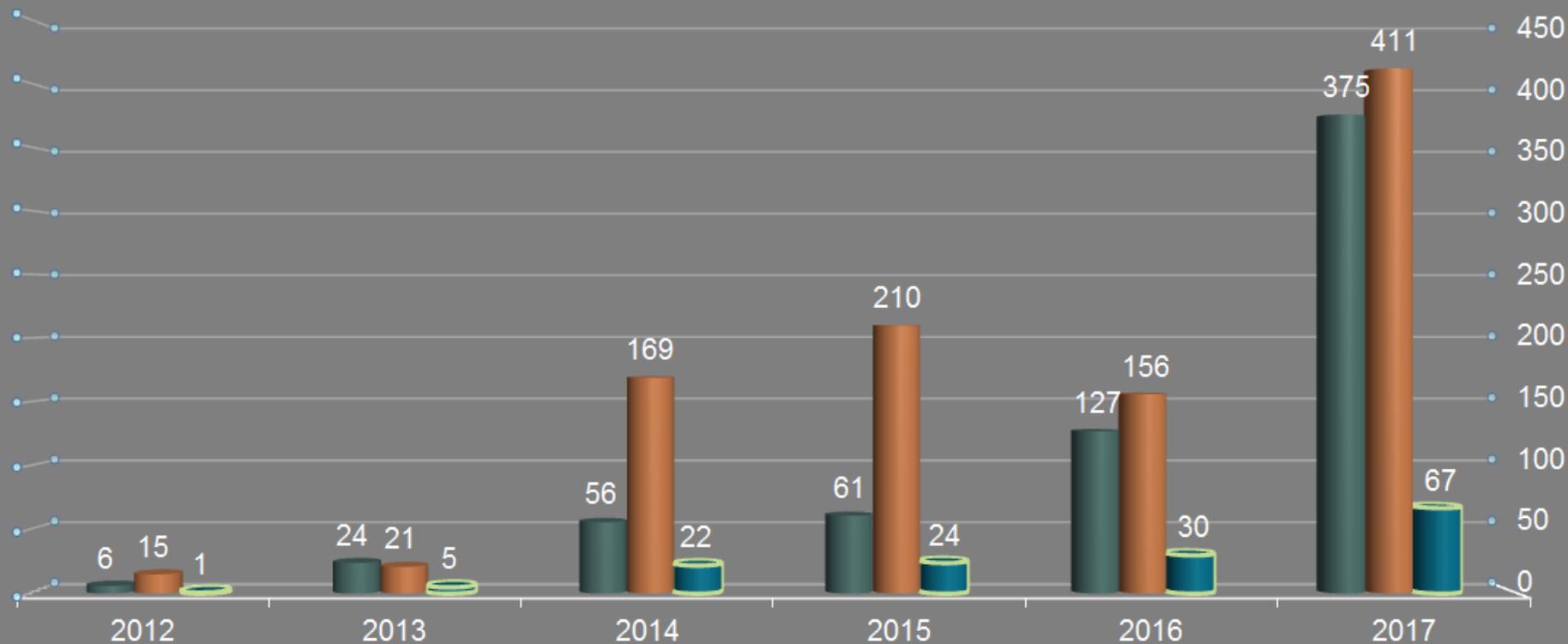
隆天知識產權
LUNG TIN IP ATTORNEYS

Established since 1994

Protect Your Trade Secrets in China

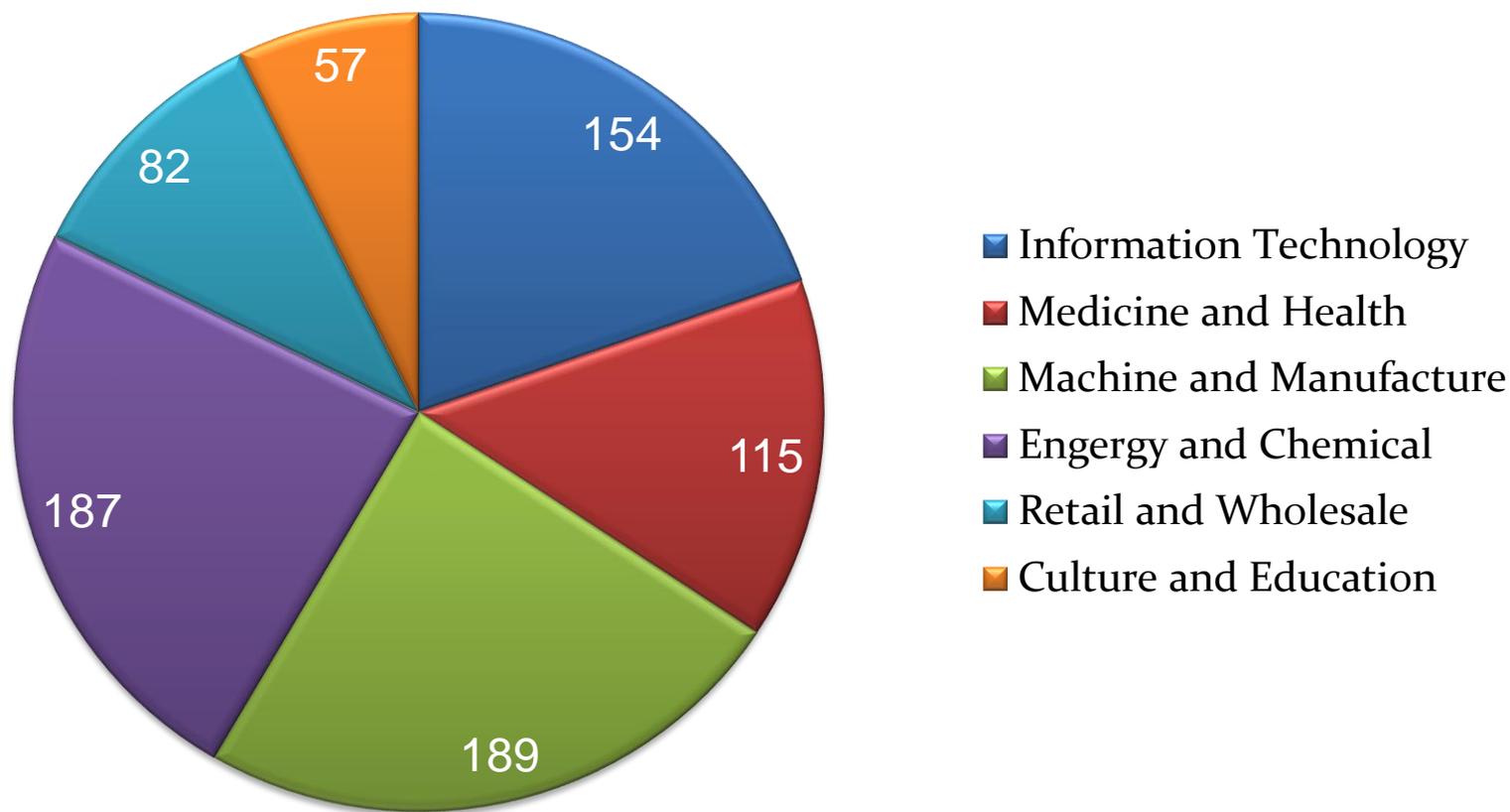
Part I : Trade Secret Cases in China

Trade Secret Related Litigation Cases (2012-2017)

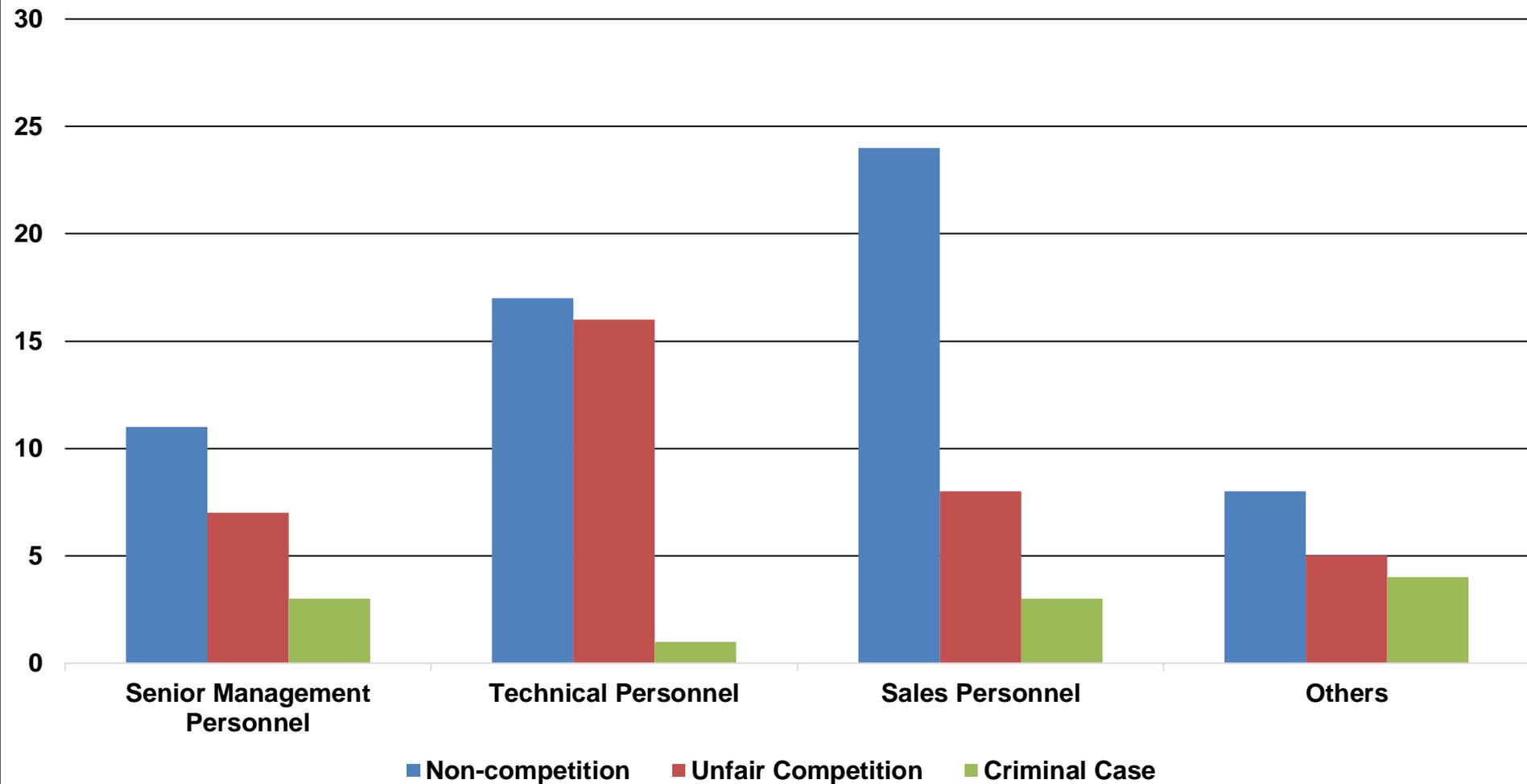


	2012	2013	2014	2015	2016	2017
Unfair Competition	6	24	56	61	127	375
Non-competition	15	21	169	210	156	411
Criminal Case	1	5	22	24	30	67

Industry Distribution of the cases (780 samples)



Occupation Distribution of the cases (150 samples)



- Article 10 of the Chinese Anti-Unfair Competition Law (effective September 2, 1993):

Trade secret refers to “*the technical information and business information which is unknown by the public, which may create business interests or profit for its legal owners, which possesses utility, and to which secrecy measures are applied by its legal owners.*”

- Article 9 of the Chinese Anti-Unfair Competition Law (effective January 1, 2018):

Trade secret refers to “*the technical information and business information which is unknown by the public, which possesses business value, and to which corresponding secrecy measures are applied by its legal owners.*”

⇒ The definition of trade secret is broadened in the new law.

- Article 9 of the amended AUCL:

A business operator shall not engage in any of the following infringements of trade secrets :

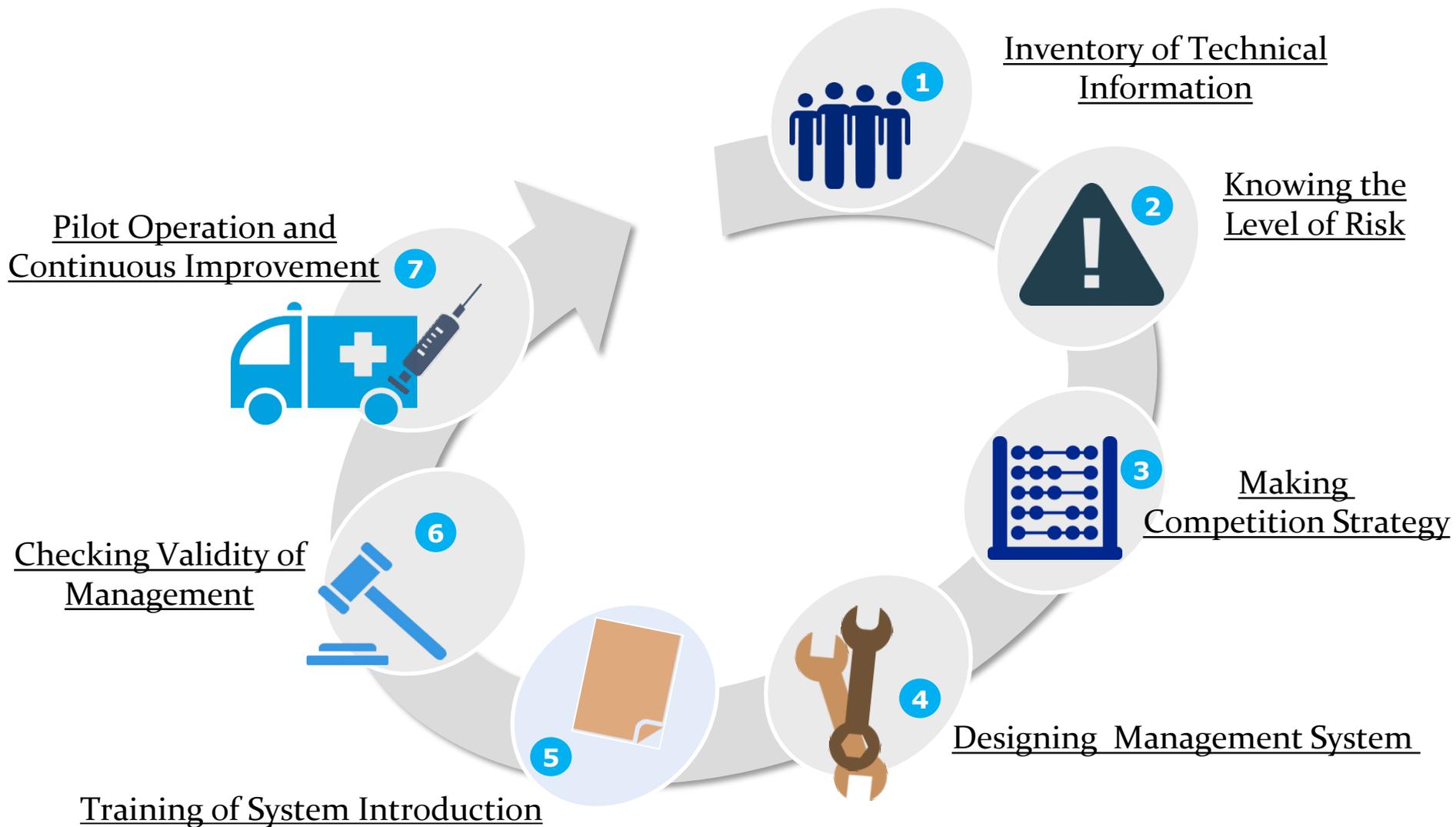
- (i) obtaining the trade secrets from right holders by theft, **bribery, fraud**, intimidation or other improper means;*
- (ii) disclosing, using or allowing others to use the trade secrets of right holders obtained by the means mentioned in the preceding paragraph;*
- (iii) disclosing, using or allowing others to use the trade secrets under its possession by breaching agreements or violating the requirements of the right holders on keeping the trade secrets confidential.*

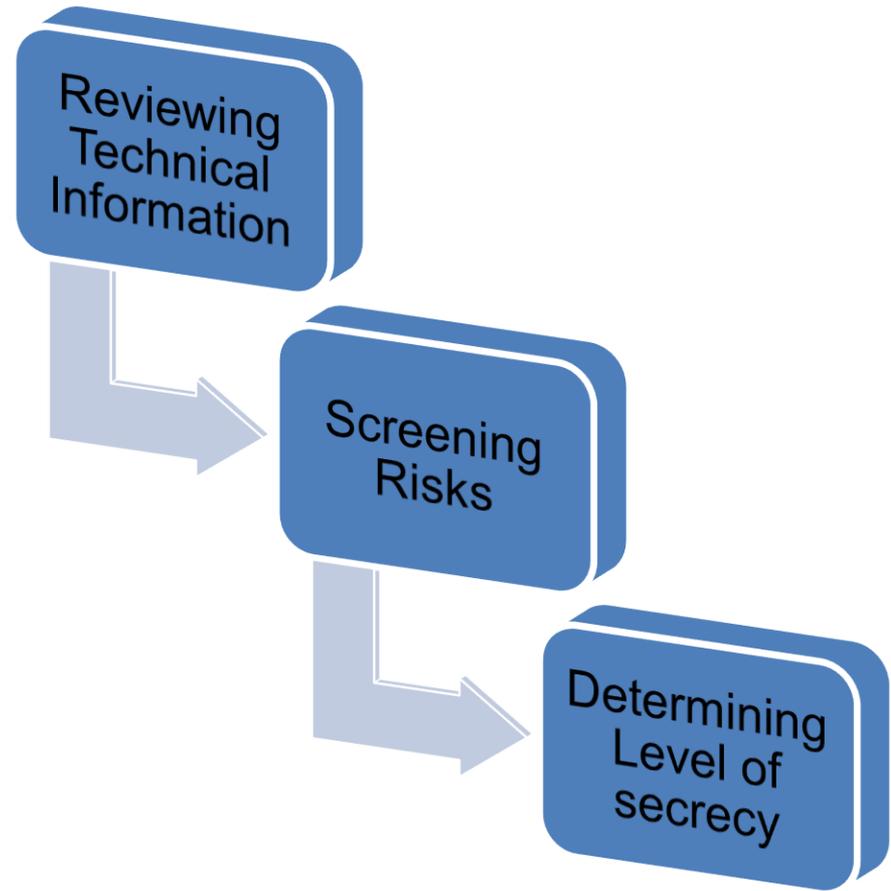
*Where a third party obtains, discloses, uses or **allows others to use the trade secrets of others** when it has, or should have, the clear knowledge of **the employee or former employee of the right owner, or any other entity or individual conducts the illegal acts infringing the trade secrets of the right holders**, the third party shall be deemed to have infringed on the trade secrets of others.*

*Trade secret refers to the technical information and business information which is unknown by the public, **which possesses business value**, and to which **corresponding** secrecy measures are applied by its legal owners.*

Part II : Lung Tin's Exploration: Management of Innovation Outcome

Lung Tin's Exploration: Management of Innovation Outcome

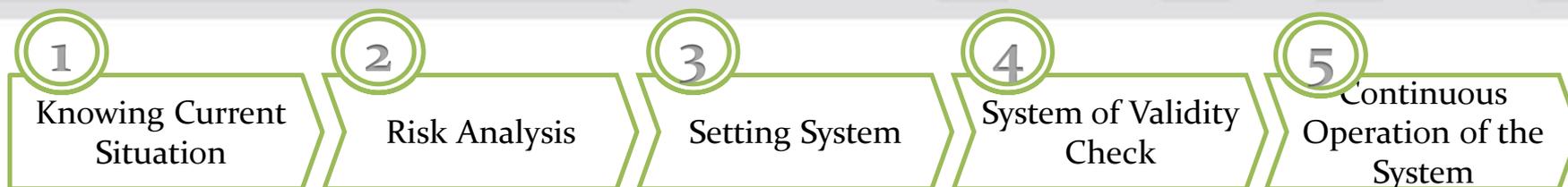




Inventory Module: Locating Technical Outcome

Management Type	Management Field	Management Purpose
Inventory and Risk Analysis	All departments: analysis of trade secret work and document risk	Checking work flow Checking document use flow Inventories
	Factory entity: client relationship analysis	Checking client's industry features Checking risk of technical integration of client's industry Analyzing competition of client relationship Analyzing product technology and market Checking risk of client complaint report Checking risk of client audit activities
	Technical entity: analysis of relationship with technical collaboration party	Analyzing technology independence Checking risk of technical provider integration Checking disclosure risk of core tech in commissioned development Analyzing secrecy capability of collaboration party Analyzing competition risk of technical partner's industry
	Analysis of large scale group corporation	Setting provisions of trade secret information for subsidiary Checking business relationship of subsidiary Setting provisions of non-recognition of technical information Setting and supervising information exchange channel
	Operation headquarter: risk analysis of management level	Checking status of company shares and listing Analyzing loyalty of management level Analyzing loyalty of R&D management level Analyzing loyalty of operation management level Checking recordation and management of data use
	Introducing outside investment party: analysis of investment team	Analyzing disclosure status of shares and confidential information Analyzing collaboration and competition relationship of investment party Analyzing competition relationship of investment party representatives

Analysis Module: Balancing Between Trade Secret and Patent



Objective	Main Activities	Delivery Items
<ul style="list-style-type: none"> • Knowing current situation and management drawbacks of use of technical information in respective departments • Identifying high risk items through risk analysis to avoid or reduce cost of management of non-necessary information • Designing risk improvement measures and corresponding control measures based on the current situation and risk identification • Setting up long term plan of technical information management 	<ul style="list-style-type: none"> • Conducting interviews regarding life cycle and current dispose situation of technical information • Designing risk analysis system • Conducting risk analysis • Determining acceptance level of risk • Determining risk dispose plan • Holding meetings explaining the risk dispose plan • Setting up technical information management plan • Conducing education and training for this stage 	<ul style="list-style-type: none"> • About 30 pieces of technical information inventory tables • Analysis and evaluation report of technical information risk • Protection strategy report of technical information • Evaluation report of improvement of information security tools

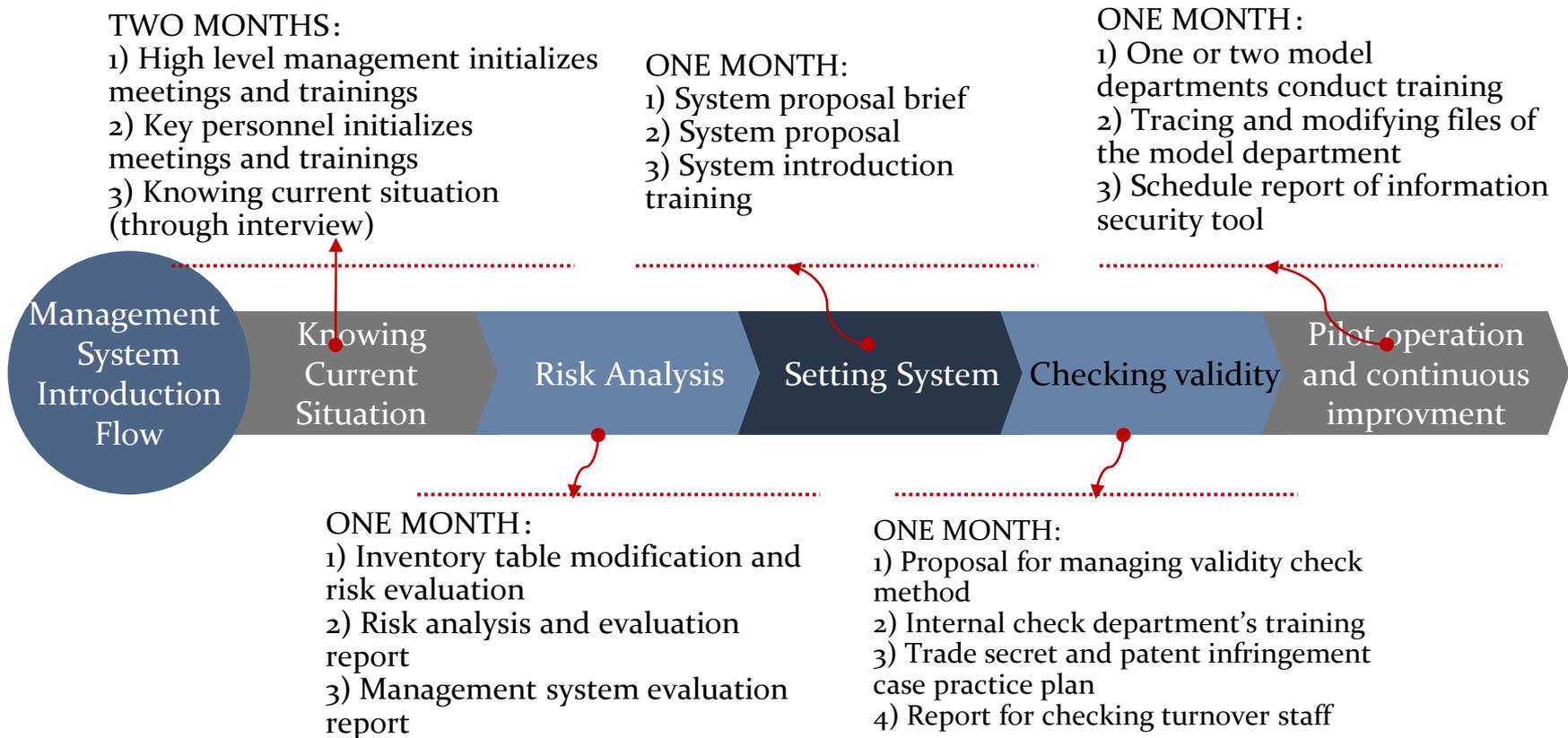
Management Type	Management Field	Management Purpose
Human Resource Security	Employment Contract	Intellectual property clause
		Confidentiality clause
	Non-competition Rules	Design of non-competition clause
		Non-competition of high level management
	Recruitment Management	Investigation of non-competition of former employer
		Background investigation
	Appointment Management	Trial period management
	Incumbency Management	Management of assessment
		Management of punishment
	Education and Training	Trade secret manager
		Trainings for new employees
		Training for middle or high level directors
	Turnover Management	Training for common employees
		Return of data
		Management of turnover interview
	Trace of non-competition	

Secrecy Module: Combination of Human Control and Material Control

Management Type	Management Field	Management Purpose
Management of Outside Associated Parties	Setting secrecy responsibility for outside associated parties	Basic level management: signing confidentiality agreement
		Middle level management: periodic self evaluation
		High level management: sending staffs to check on-site
	Management of confidentiality agreement	Classification of confidentiality agreement: normal, strict
		Setting principle of object classification
		Supervision of signing the agreement and periodic update
	Management of technical disclosure	Principle of de-identification of technical disclosure
		Setting technical disclosure template
		Management of technical disclosure staff
	Supervision and management of data exchange	Management of information exchange platform
		Archiving and monitoring information output
		Setting information output recordation

Helping Client to Establish Operable Protection System

Project Requirement	<ol style="list-style-type: none"> 1. Complying with requirements of trade secret and patent, and setting collaborative protection system. 2. Complying with ISO management framework. 3. Making sure main R&D, sales and factory management are all managed by strict internal control and ISO information security standard.
Project Area	Headquarter and factories (operation entities for core technology and business mode)
Project Period	6 months





Thank You for your time.

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Reliability, Proficiency, Teamwork & Innovation
LUNG TIN, Accomplished IP Firm

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