

# Meeting Highlights

Membership Meeting with United States Patent and Trademark Office (USPTO)

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The prominence of patents and trademarks as part of corporate competitive advantage as well as national economic advantage are rising. While the increased trade of agricultural goods brings tremendous economic and quality of life benefits, companies and governments feel that intellectual property remains a critical linchpin in long-term bilateral relations.

**Highlights from “Membership Meeting with United States Patent and Trademark Office (USPTO)” July 7, 2020**

## Key leaders in attendance

<b>Alan Beebe</b> <i>President, AmCham China</i>	<b>Min Qin</b> <i>Vice President for Public Affairs, Mars China</i>	<b>Dr. Abigail Stevenson</b> <i>Director of Mars Global Food Safety Center, Mars China</i>
<b>Sophie Sun</b> <i>Managing Director, Merck Innovation Hub China, Vice President Strategy &amp; Transformation China, Merck China</i>	<b>William Watts</b> <i>Senior Director of Walmart Food Safety Collaboration Center, Walmart</i>	

## Developments

- Labor Costs and Welfare. China is by far the most expensive in the emerging Asian markets;
- Foreign investors get no regulatory leeway and must abide by rules strictly to the letter. Chinese companies are given more freedom within the regulatory environment;
- Foreign investors cannot get credit from banks, or financial assistance. That goes purely to Chinese companies;
- China is just getting too expensive, even compared with Hong Kong for luxury goods and services, and is not delivering the service aspect to match the high prices.
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## Industry Challenges

- Chinese nearly companies always win local Government tenders as a result of the rules being

- swayed that way or as a result of political connections or bribes;
- There is a massive upsurge in hardcore bribery and corruption;
  - There is an increasing and occasionally disturbing patriotism that can lead to conflicts, racism and deliberate poisoning of the atmosphere between Chinese workers and Foreign management for political reasons that can affect the harmonious relationships between them that is politically motivated to suit the Governments purpose, especially if the foreign investor is perceived as being in the wrong;

#### **Stakeholder Tactics**

- **Mars China:** The interference with communications and media and the blocking of English language social media and websites is becoming endemic to the extreme, even though English is by far a minority language. Hong Kong's daily newspaper now cannot even be purchased anywhere in China, and even Wikipedia is blocked from loading pictures on all of its pages;
- **Walmart:** IP transgressions, copyright infringements and technology transfer seems to be willingly abused as a national policy.
- **Merck China:** There is an increasing trend to politicize commerce and this is a developing risk in the business environment in the country that did not exist before. For example, China ceasing rare earth shipments to Japan.

#### **Recommendations**

- AmCham recommends that both sides collaborate on a joint framework for patent and trademark regulation with higher compatibility and application in both countries.

AmCham China Government Affairs and Policy Team

