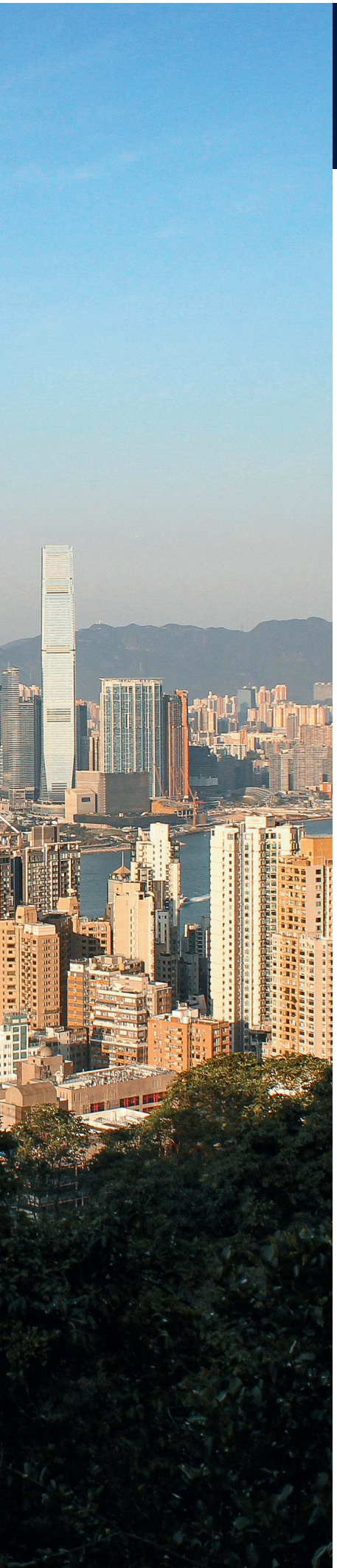


WHEN IP ENFORCEMENT STRATEGIES COLLIDE: NAVIGATING THE EAST-WEST DIVIDE

INTRODUCTION

Picture this: a technology company has meticulously registered its intellectual property across major markets — France, Japan, China, and Hong Kong. When suspected infringement emerges simultaneously across all four jurisdictions, the IP owner naturally turns to local counsel for a coordinated enforcement strategy. What follows is a masterclass in cognitive dissonance:

THE **FRENCH** LAWYER POUNDS THE TABLE: "STRIKE NOW! SEIZE THE EVIDENCE BEFORE IT VANISHES! "

THE **JAPANESE** ATTORNEY URGES RESTRAINT: "PATIENCE. WE MUST INVESTIGATE METICULOUSLY — A MISSTEP HERE BECOMES A LIABILITY."

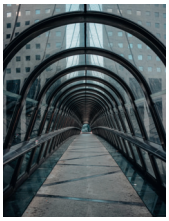
FROM **CHINA**, A PROCEDURAL WARNING: "AFTER SENDING OUT THE WARNING, YOU MAY HAVE ONLY 30 DAYS BEFORE YOU HAVE TO FILE THE LAWSUIT."

THE **HONG KONG** COUNSEL SOUNDS ALMOST ALARMED: "CAREFUL NOT TO MAKE ANY THREATS — YOU COULD END UP AS THE DEFENDANT! "

Four jurisdictions. Four strategies. Each lawyer adamant that their approach is not just different, but essential for survival in their legal ecosystem.

The Critical Insight: In cross border IP enforcement, success is not about applying one universal strategy — it is about recognizing that your instincts, shaped cases of suspected infringement of IP rights, evidence collection is crucial. The French Intellectual Property Code provides specific provisions for by jurisdiction, your home may be your greatest liability abroad. This is not merely an East-meets-West divide; it is a fundamental challenge of global IP protection.

OVERVIEW OF THE DIFFERENT APPROACHES



France: Lawful Collection Measures

Since the enactment of the first intellectual property law in 1791 France has developed a robust system for intellectual protecting property rights. Today, while its legal framework is shaped by EU legislation, France still maintains certain distinctive features — particularly in the area of evidence gathering for IP infringement cases.

In cases of suspected infringement of intellectual property rights, evidence collection is crucial. The French Intellectual Property Code provides specific provisions for evidence gathering, "*saisie-contrefaçon*", for each type of right, namely copyright, trademarks, designs, and patents.

This measure allows for the collection of various pieces of evidence through a surprise visit at the opposing party's premises (e.g., detailed description, with or without sample collection, or the actual seizure of objects, materials, and instruments used to produce or distribute counterfeit goods, as well as accounting documents to assess the revenue and profits obtained by the infringer).

Sending a cease-and-desist letter is therefore not recommended, as it risks prompting the opposing party to conceal useful and important evidence.

Japan: Seeking Resolution Through Settlement

Reflecting its national character, Japan generally favors resolving disputes through settlement. This tendency extends to intellectual property matters as well. Unlike in France, it is common practice in Japan to first send a warning letter to the opposing party and attempt to reach an amicable resolution before proceeding to litigation.

However, parties should refrain from casually sending a warning letter or draft settlement agreement merely to initiate negotiations. As discussed below, Japanese patent litigation is characterized by tightly managed, court-scheduled hearings. Accordingly, careful preparation must be made with these structured proceedings in mind — not only at the time of filing the lawsuit but also when sending the warning letter that may precede it.

Moreover, filing a lawsuit without sufficient grounds, or despite the existence of clear grounds for invalidation, may expose the plaintiff to liability for damages in tort. For this reason, it is essential to develop a litigation and negotiation strategy from the outset that anticipates the possible final stage of argument.

China: The Evidence-First Imperative

In China, successful IP enforcement begins long before any communication with the alleged infringer. The critical foundation lies in methodical evidence collection and documentation. Chinese enforcement authorities and courts require compelling proof of infringement, making pre-action investigation not merely advisable but essential.

Evidence gathering typically encompasses several key methods: notarized purchases through authorized distribution channels, engagement of licensed investigation firms to document infringing activities, and strategic intelligence collection at trade exhibitions and industry events.

Each piece of evidence must be properly authenticated to meet China's stringent admissibility standards.

When drafting warning correspondence, precision is paramount. The communication must clearly delineate the scope of IP rights being asserted and provide specific details of the alleged infringing conduct. Under Articles 12 and 28 of the Anti-Unfair Competition Law of the PRC, fabricating information causing damage to others' commercial goodwill can lead to a fine of up to RMB5 million — a sobering reminder that aggressive enforcement without adequate foundation carries material risks.

Hong Kong: Navigating the Groundless Threats Doctrine

Hong Kong's approach to IP enforcement reflects its common law heritage, with a unique statutory overlay that can transform routine enforcement into potential liability. While cease-and-desist letters remain standard practice, the jurisdiction's comprehensive "groundless threats" provisions demand exceptional care in their drafting and deployment.

This threats doctrine spans the entire IP legislative framework — embedded within the Patents Ordinance (Cap. 514), Trade Marks Ordinance (Cap. 559), Copyright Ordinance (Cap. 528), and Registered Designs Ordinance (Cap. 522). Each statute creates an independent cause of action for parties who receive unjustified threats of litigation, potentially converting the enforcing party from plaintiff to defendant.

In the extreme, IP rights holders may attract liabilities under the Competition Ordinance (Cap. 619) if a pattern of aggressive threatening behaviour is implemented to exclude market participants.

The practical implication is clear: in Hong Kong, the tone, content, and targeting of enforcement communications require careful calibration to avoid triggering counterclaims that can derail the entire enforcement initiative.

IP ENFORCEMENT SCENARIOS

France : Powerful Yet Restrictive Evidence Collection Measures

The French "*saisie-contrefaçon*" is a powerful and efficient mechanism, but it is subject to certain conditions to prevent any abuse. First of all, at all times during the proceedings, the applicant is required to act with integrity, refraining from any unfair or disproportionate actions.

In order to benefit from this measure, the applicant files an *ex parte* motion before the President of the competent Judicial Court. The applicant must demonstrate that they are indeed the holder of an intellectual property right to be asserted and specify in detail the items to be seized or described.

Once the seizure operation has been carried out by a French bailiff, the applicant must pursue the merits of the case, either through civil or criminal proceedings, within 31 calendar days — from the date of the seizure. Prior to the seizure operation, it is strongly recommended to prepare all necessary actions to comply with the applicable deadlines.

In practice, we only proceed with "*saisie-contrefaçon*" when clients intend to pursue litigation, even if an amicable outcome is expected. Conversely, when the client's objective is to resolve the case out-of-court rather than litigation, evidence must be collected through alternative means.

Alongside the "*saisie-contrefaçon*", French law provides another powerful procedural instrument: the pre-trial investigation measure under Article 145 of the French Code of Civil Procedure. Though not specific to intellectual property, this mechanism is frequently used in commercial and technology disputes where there is a legitimate need to preserve or establish evidence before any proceedings on the merits are initiated.

A party may petition the court, either on an *ex parte* or *inter partes* basis, by demonstrating a legitimate interest in preserving evidence that could later prove decisive in resolving a potential dispute. The judge may then authorize the collection or disclosure of relevant information, including data held by third parties or technical intermediaries such as hosting providers, electronic payment platforms, or Internet service providers.

For IP owners, Article 145 represents a strategic alternative or complement to the "*saisie-contrefaçon*". It is particularly useful for identifying and locating infringers, tracing digital footprints, or uncovering the commercial structure behind an infringement network. Unlike the "*saisie-contrefaçon*", the Article 145 measure does not require immediate follow-up litigation, allowing rights holders to assess the strength of the evidence and decide whether further action is warranted. However, the measure must remain strictly proportionate, as French courts routinely reject requests that are overly broad, speculative, or intrusive.

In practice, Article 145 investigations serve as a discreet, risk-controlled precursor to formal enforcement. When deployed strategically, they enable companies to clarify infringement scenarios, quantify potential exposure, and refine their enforcement roadmap before taking public or contentious action.

This approach also underscores the importance of maintaining strict confidentiality during the initial phase. Premature contact with the opposing party could alert potential infringers, jeopardizing both the effectiveness of the investigation and the admissibility of the collected evidence.

Japan: Preparation Based on Planned Proceedings

In Japanese patent infringement litigation, the court typically first examines the issue of infringement. If infringement is established, the proceedings then move to the assessment of damages. Both arguments and the submission of evidence are conducted in accordance with a prearranged procedural schedule. The general model for the infringement phase is as follows:

Japan: Infringement Hearing Schedule

First Hearing

- Submit the complaint and supporting evidence. --Plaintiff
- File an answer and initial evidence. --Defendant

Second Hearing

1. Identify the allegedly infringing product or method and argues whether it falls within the patented technical scope; and --Defendant
2. Raise invalidity defenses. --Defendant

Third Hearing

1. Rebut the defendant's assertions regarding the technical scope; and --Plaintiff
2. Rebut arguments on invalidity. --Plaintiff

Fourth Hearing

1. Rebut the plaintiff's assertions regarding the technical scope; and --Defendant
2. Supplement arguments on invalidity. --Defendant

Fifth Hearing

- Submit a supplemental rebuttal to the invalidity defenses --Plaintiff
- May provide technical explanations --Both Parties

Sixth Hearing

Hand down preliminary findings:

- If non-infringement is found → the case may conclude or proceed to a settlement recommendation. --Court
- If infringement is found → the proceedings move to the **damages phase**, followed by conclusion or a settlement recommendation. --Court

Given that approximately one to two months generally elapse between each hearing, both plaintiffs and defendants must consider – at the outset – issues not only of technical scope but also of potential invalidity grounds, and collect all relevant evidence early. Failure to do so may lead to reactive, *ad hoc* responses during later stages, thereby weakening the overall persuasiveness of the party's arguments.

Hong Kong: preparing to issue a cease-and-desist letter

Before writing any cease-and-desist letter, consider whether your target is a primary infringer (manufacturer/importer) or secondary infringer (retailer). The law is more permissive for you to make allegations against primary infringers as they may well be the source of infringement and they tend to be more sophisticated. For secondary infringers, you need to trend more carefully and consider starting with an inquiry letter seeking information about suppliers rather than launching immediate threats.

Careful collation of documents and evidence are crucial. Maintain evidence of proper chain of custody for purchased samples and obtain expert analysis before making specific allegations.

The cease-and-desist letter's tone matters as much as its content. State your patent ownership factually, reference specific

products rather than broad categories, and frame demands as invitations to discuss resolution. For secondary infringers, focus on information gathering. Critically, avoid explicit litigation threats, damage quantification, or references to criminal prosecution – each a potential trigger for threats liability.

If the recipient of the cease-and-desist letter does not comply, the IP owner can file a formal lawsuit by issuing a Writ at the High Court. The usual civil procedures will follow, for example, if the defendant fails to respond to the Writ within 28 days, the plaintiff may enter a default judgment against the defendant. Injunction is also a civil remedy available in Hong Kong for the plaintiff to apply from the High Court.

China: the counterattack may catch you off-guard

A recipient of an IP infringement warning letter may ignore, deny, produce counterproof, negotiate, or otherwise dispute about the alleged infringement. On top of that, China laws give the recipient a weapon to counter-attack the IP owner: to bring a “lawsuit for confirmation of non-infringement” (确认不侵权之诉) against the IP owner.

This unique mechanism addresses a common abuse in IP enforcement: rights holders who issue threatening letters but never follow through with litigation, leaving recipients in commercial limbo. Chinese law empowers these recipients to force the issue through a carefully structured process.

The recipient first sends a “letter to procure actions” (催告函) demanding that the IP owner either withdraw the warning or file a lawsuit. If the IP owner fails to act within one month of receiving this notice — or two months from when it was sent — the recipient can proactively sue for a declaration of non-infringement. This strategic reversal transforms the accused infringer into the plaintiff, shifting litigation control and often catching unprepared IP owners off-guard.

Therefore, it is crucial for IP owners to be fully prepared not only when detailing allegations in the warning letter, but also for launching a lawsuit. In China's enforcement landscape, the warning letter is not the opening salvo of a leisurely campaign – it is a commitment to imminent legal action that the recipient can, and often will, call your bluff on.

CONCLUSION: BRIDGING THE ENFORCEMENT DIVIDE

Each jurisdiction we have examined offers valuable lessons that transcend borders:

FRANCE

IP enforcement offers robust evidence-gathering tools but their effectiveness depends on timing, proportionality, and discretion. Confidentiality during the preparatory phase is critical. A single premature warning or misstep can compromise months of strategic preparation by alerting potential infringers. Ultimately, the French system rewards those who act swiftly, strategically, and discreetly, balancing assertiveness with procedural rigor to secure the evidentiary foundation that makes enforcement truly effective.

JAPAN

We discover that in patent infringement litigation, companies tend to act with patience and precision — conducting thorough investigations and preparing all arguments through to the final stage even before filing, while at the same time seeking to reach a settlement prior to court proceedings.

CHINA & HONG KONG

We understand that procedural precision is the key that unlocks enforcement opportunities. Any written warning should be backed up with substance and evidence with carefully chosen tone.

Universal Truth

There is no single "correct" way to enforce IP rights globally. Success demands that we shed our jurisdictional assumptions at each border crossing. Whether pursuing infringers or defending against allegations, the winning strategy combines cultural humility, strategic adaptation, and — perhaps most critically — exceptional local counsel who can navigate their home terrain with the expertise that only comes from daily practice.

In an interconnected world, the question is not whether East meets West, but rather how skilfully we can dance between both.

LEGAL LENS

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When IP Enforcement Strategies Collide: Navigating the East-West Divide

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