



Staff Memorandum

EXECUTIVE COMMITTEE Agenda Item #16

REQUESTED ACTION: Approval of request for the New York State Bar Association's ("NYSBA") Intellectual Property Section ("Section") to join the SIPO¹/ US Bar Liaison Council ("Council").

Attached as **Exhibit 1** is a memorandum from the Section outlining its request for participation in the Council. The purpose of participating in the Council would be to permit the Section to take part in discussions with China's State Intellectual Property Office ("SIPO"), thereby representing the views and interests of NYSBA members before SIPO.

As noted in the attached Section's memorandum, the Council has been recently established following the models of the European Patent Office ("EPO") and Japanese Patent Office ("JPO") councils. These councils have been operating for many years and are formed of U.S. representatives of various Intellectual Property Associations and representatives of the EPO and JPO. According to the SIPO/ US Bar Council Liaison bylaws, the council's goals are, among others, to serve as a forum for the exchange of ideas and information between council delegates and SIPO, provide information to U.S. applicants seeking intellectual property protection in China, communicate to SIPO the feedback of U.S. applicants of Chinese patents.

There is no membership fee. The only costs involved in joining the Council are travel expenses related to the participation in Council events. The Council has invited the Section to join its organization and nominate two participants. The Section has identified Rory Radding (former Chair and founding Chair of the Section) and Chehrazade Chemcham (current co-chair of the International Intellectual Property Committee of the Section) as participants. The Section's representatives agree to participate at their own expense. However, if in the future, travel expenses cannot be covered by the Section's representatives themselves, the Section could cover travel expenses provided they are reasonable.

In 2004 the Executive Committee adopted a policy prohibiting a section or committee from becoming a member of another organization without the Executive Committee approval. The purpose of this policy is to ensure that the proposed participation does not create actual or potential conflict with Association policy or otherwise be detrimental

¹ SIPO stands for State Intellectual Property Office, China's equivalent of the USPTO.

to the Association. It is the Section's view that the aims and objectives of the newly formed Council are not inconsistent with any NYSBA policy. A copy of the policy is attached.

The report will be presented by Paul M. Fakler, current Chair of the Section.

EXHIBIT 1

**NEW YORK STATE BAR ASSOCIATION
INTELLECTUAL PROPERTY SECTION**

MEMORANDUM

TO: NYSBA Executive Committee

FROM: Executive Committee of the Intellectual Property Section

DATE: January 7, 2012

RE: Participation of the Section in the SIPO²/US Bar Liaison Council

This memorandum was prepared by the Intellectual Property Section ("Section") of the New York State Bar Association ("NYSBA") to seek approval of the NYSBA Executive Committee to participate in a newly formed group called the SIPO/US Bar Liaison Council ("the Council").

Background:

On November 4, 2011 Frederick Koenig III, Organizing Chair and ABA/IPL Section Representative to the SIPO/US Bar Liaison Council contacted Paul Fakler, chair of the Section, inviting the Section to participate in the newly formed Council. The Section's Executive Committee discussed the matter on November 17, 2011 and identified many benefits to participating in the Council and endorsed such participation.

In November 2004, the NYSBA Executive Committee adopted a policy prohibiting any section or committee from becoming a member of another organization without its prior approval. The policy was prompted by a concern that a NYSBA constituent might join an organization that "either had or adopts policy positions that could conflict with those of the [NYSBA] or addresses issues concerning which the NYSBA does not wish to take a public position." A copy of the policy is attached hereto as **Exhibit A** for the convenience of the Executive Committee.

In light of the policy, the Section would like to seek formal approval of the Executive Committee to join and participate in the Council.

About The SIPO/US Bar Liaison Council

The SIPO/US Bar Liaison Council was formed in 2011 as a forum for discussion between U.S. bar associations and China's State Intellectual Property Office ("SIPO"). The Council's bylaws were adopted on December 15, 2011. A copy of the bylaws is attached hereto as **Exhibit B**. The Council is still in its infancy. Its original members have actively contacted many IP bar associations in the United States to participate, so as to give the Council its full meaning.

² SIPO stands for State Intellectual Property Office Of China.

According to its bylaws, the Council has four core goals: first, to serve as a forum for the exchange of ideas and information between Council delegates and SIPO; second, collect, summarize and disseminate to Council delegates information relating to U.S. applicants seeking patent protection in China; third advise SIPO of observations and experiences of U.S. applicants and their representatives on seeking patent protection in China; and fourth, seek from SIPO information regarding its observations and experiences regarding US-originating patent applications.

Industry members who are participating in the Council must be representatives of national, regional or local U.S. intellectual property associations or U.S. bar associations.

The Council does not take formal positions in its own name. It is understood that views and opinions expressed by Council delegates are their own views and opinions, not those of the associations or bars they represent.

The Council is to meet with SIPO at least once a year, alternating between China and the United States. Other meetings during the year are to be held either in person or via teleconference.

All expenses are to be borne by delegates themselves.

Benefits for the Section to Join The Council

It would be beneficial for the NYSBA and its members if the Section were to join the Council. China is a very important trading partner of the United States. Intellectual Property issues are always among the top priority issues in Chinese-US relations and talks. It is important for U.S. industry to be engaged in discussions with China on IP issues.

IP lawyers in law firms or companies in New York, a great majority of which are members of the NYSBA, regularly face challenges with IP protection in China, be it related to patent, trademark or copyright.

Participating in the Council presents many benefits for the NYSBA, which are:

1. represent the NYSBA members' interests before SIPO;
2. raise the profile of the NYSBA with SIPO;
3. increase the international work of the NYSBA;
4. strengthen the patent work of the NYSBA;
5. educate NYSBA members about nuances of Chinese patent law to help them navigate SIPO's requirements;
6. raise the profile of the NYSBA with the U.S. and international patent community, including in-house patent counsel and U.S. government officials;
7. generate more interest in the NYSBA by patent outside and in-house counsel;and

8. increase the NYSBA interactions with other U.S. bars.

Participation of the Section In The Council

The NYSBA would not formally join the Council. Participating in the Council would require the Section of the NYSBA to nominate two representatives who would then participate at their own expense in Council's meetings and events, including dinners with officials from China's Intellectual Property Office and travel expenses to China.

Members representing the Section before the Council will be asked to bear all costs of participating in the Council on behalf of the NYSBA. If some members cannot bear the cost of their participation in the Council and it is the view of the Section that it would be in the interest of the Section to have that person participate in Council events, the Section may cover expenses of participation if reasonable.

The Section's representatives will report to the Section and the NYSBA membership on Council's discussions and events and Chinese patent related news. The views presented to the Council or during Council's events and discussions will always be viewed as the participants' personal views. Representatives of the Section before the Council will be either chairs or prominent members of the Section, to ensure the best NYSBA representation before the Council.

Conclusion

The Section's participation in the SIPO/US Bar Liaison Council would be consistent with the Executive Committee policy on association membership and would greatly benefit the NYSBA. Thus, we hope that the Executive Committee will approve the Section's request for approval to become a member of the SIPO/US Bar Liaison Council.

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**EXECUTIVE COMMITTEE POLICY
COVERING SECTIONS OR COMMITTEES
JOINING OTHER ORGANIZATIONS
(Adopted November 5, 2004, as amended June 23-24, 2005)**

POLICY. Pursuant to the supervisory authority over sections and committees that has been vested in the Executive Committee under Article VII, Section 4 of the Association Bylaws, any section or committee must first obtain the approval of the Executive Committee before it may become a member of another organization. Should the Executive Committee determine that the proposed membership may create actual or potential conflict with Association policy, or may otherwise be detrimental to the Association, it may withhold its approval. Affiliation relationships will not be deemed to be partnerships or joint ventures. The section or committee and the group with which it is affiliating will be deemed to be independent contractors, with neither party having the right to act or undertake commitments on behalf of the other, or to purport to speak on behalf of the other. The approval by the Executive Committee shall be for a period of one year and may be renewed thereafter for one-year periods at the request of the section or committee.

EXPLANATORY NOTE. There may be occasions when it is beneficial and will advance the work of a section or a committee to secure membership in another organization. However, there may be times where such a membership could pose a potential or actual conflict if the other organizations either has or adopts policy positions that could conflict with those of the New York State Bar Association or addresses issues concerning which the NYSBA does not wish to take a public position. Given this potential, advance review by the Association's Executive Committee should serve to minimize the opportunity for these types of problems or conflicts to arise. While the Executive Committee will not unreasonable withhold its approval, it may exercise its supervisory authority under the Bylaws to disapprove a proposed membership in appropriate circumstances. The Executive Committee's approval is granted for one-year periods to provide for regular review of the relationship with the outside organization to ensure that the nature of the relationship or the purposes of the other organization have not changed such as to create potential conflict with association policy.