



**Dids MacDonal on working with Chinese companies**



# China can be a chink in your IP protection

GOOD design is an effective conduit for innovation within the flooring sector but in order to compete on a global basis sourcing from China has to be a major consideration.

But how do designers and manufacturers safeguard their intellectual property (IP) and ensure that partnerships with Chinese companies will be honoured to allow products to reach their full market potential without being copied?

The UK is the top European investor in China with the value of projects in the region of £11bn so many companies are clearly following this route to market and having prosperous and positive relationships with Chinese partners.

However, the flip side of the coin indicates frightening statistics that 80% of all world counterfeit, pirated and copied goods come from China.

Increasingly, many companies within the flooring industry are facing challenges to their IP ownership through copying, predominately from the Far East. However, these difficulties need to be balanced with some of the many fiscal advantages of manufacture in the Far East.

There have been concerted efforts by lobbying groups around

the world to raise awareness with the Chinese authorities of the seriousness of the copying situation and improvements have been made, with more prosecutions and seizures reported.

However, pursuing a legal route is sometimes fraught with difficulty mainly because of the complicated legal system together with the expense of accessing a judicial system at distance.

So what are the non-legal and less traditional routes to follow should copying occur? In any settlements or legal challenges try and get information about the name and contact details of the Chinese manufacturer – these can be circulated to colleagues and sent to anti copying groups to contribute to their intelligence databases.

Establish where the copies come from in China with as much detail about the factories as possible, don't forget that within different industry sectors its still a relatively small world and good, shared 'intelligence' can be very useful.

Often competitors are the culprits and, according to Mark Chernick of Play Vision who has successfully created alternative strategies, 'We often change the rhythm of when we produce. Competitors always watch your

production patterns closely so we try to launch new items during the months of August to November, when the Chinese factories are at their busiest, therefore spending time on production, not product development'.

**From the factories themselves?** Install trusted informants to work on your behalf.

**Through website access?** Many companies now make their websites inaccessible to Chinese users.

**Via exhibitions in China or in the West?** Chinese knock off products need a channel of distribution – one of the most effective ways to cut off the oxygen supply from western markets is by accessing a more user-friendly judicial route or, at certain exhibitions, enforcement of IP rights and stands being shut down.

**In design magazines?** Always communicate your IP strategy on any ads or editorial – better still if you are a member of an anti copying organisation, like ACID – use the logo!

**There has also recently been a major crackdown on safety issues in China with new safety requirements,** meaning many more export licences have been revoked and hundreds of factories shut down. Therefore, those factories fearful of being shut down

by the Chinese Government can be targeted if there is an IP issue.

Factories are also very aware of complaints about poor quality and potentially unsafe products so there a very high chance they will discontinue producing copies of your items if they fear having their factory shut down.

Rumour and scandal mongering is effective and asking local agents or brokers to work within factories on your behalf encourages the grass roots spreading of information about successful infringements on your behalf, such as confiscations or customs involvement.

One of ACID's key strategies is to work within all industry sectors to recognise the practical benefits of working effectively with China and would welcome any feedback or information which would help in raising awareness of potential pitfalls, whilst promoting many of the positive methods of successfully sourcing from the Far East. **CFJ**

Next month, ACID will feature an article on Design Protection – China – the legal route.

- [www.acid.com](http://www.acid.com)
- [www.acidnews.info](http://www.acidnews.info)

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**Peter Allan on exporting**

# Do have designs on overseas markets

A DESIGN guru Matt Beale once said: 'Design is about making things good (and then better) and right (and fantastic) for the people who use and encounter them.'

The 'magic' of design is touching hundreds of industries. It seems the world has gone slightly design mad, which is fantastic news for the flooring industry.

From my travels around Europe, I am inundated with different countries' appetite for design individuality. No two countries are the same.

In the Mediterranean they opt for warmer pastel shades and sandy colours such as beiges, whereas Northern Europe leans towards stronger, brighter colours.

I think a great place to start the journey of understanding a country's design ethos is to

research established and respected furniture and fabric designers.

These types of designers create pieces of work that will influence other designers as well as specifiers that work within our industry, and 'tamer' versions will be considered for mass markets, which is symptomatic of a more daring industry in general.

By understanding conceptual designs, specific to individual countries, allows you to be more targeted with your product offer. This is especially relevant for hotels and new builds as they focus on integral designs which are heavily influenced by the style trend of the moment.

First things first, before you even consider approaching designers and specifiers who operate within

international markets, you have to have the right product offering.

It is essential to have a unique selling point and design innovation.

Designers and specifiers must feel from the onset they can get all they need from you. Presentation will make or break the deal.

Shade cards and portfolios give clients a flavour of the company, and we all know you only get one chance to make a first impression.

Briefing international agents to fully understand the products you are marketing is essential to get a foot in the designer's door.

This is another area we invest heavily in, as agents are representing us, and we want them to buy into our vision and innovation. We feel the best way to do this is to invite agents and

designers over to the UK to visit our design studio.

We invite international designers to our working studio to see our portfolio 'live' in action and work through ideas and concepts.

This type of meeting highlights design credibility and creates a lasting impression of confidence, which ultimately helps win the business and secure future contracts.

To conclude, there really is only one way to approach international designers and specifiers and that is with bags full of research and confident products. Once these elements are nailed down, the international market will open up a host of opportunities. **CFJ**

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