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Motorola Wins In Patent Dispute With Chinese Firm

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Portfolio Media, New York (March 4, 2008)

Chinese authorities have ordered a local company to financially compensate **Motorola** Inc. after finding that the firm's two-way radio infringed one of the telecom giant's design patents, Motorola announced on Monday.

The First Intermediate Court of Beijing determined that the Chinese firm Guangzhou Weierwei Electronic Science and Technology Co. Ltd. violated Motorola's patent rights with its two-way radio model number VEV 3188, according to Motorola.

In additional to financial compensation, the court issued cease-and-desist orders requiring Weierwei to stop the manufacture and sale of the radios, Motorola said.

"We are very pleased that the First Intermediate People's Court of Beijing recognizes the importance of intellectual property protection and has ruled in Motorola's favor," said Johnathan P. Meyer, the company's senior vice president for intellectual property law.

"Motorola invests extensive human and financial resources to bring compelling designs to market, and the company will remain vigilant in protecting the value of this investment," he continued.

The company did not include information on how much Weierwei had been ordered to pay. A Motorola representative did not respond to a request Tuesday for additional details.

The decision, issued in December, stems from a lawsuit that Motorola filed against Weierwei in 2007, the company said.

Tim Malloy, founding partner with **McAndrews Held** & Malloy in Chicago, said that Motorola's success in the case was further anecdotal evidence that intellectual property laws were strong in China, despite criticism that enforcement there is lacking.

Malloy, who was not involved in the case, cited another recent case in which a French electrical company, **Schneider Electric**, was ordered to pay Chinese rival Chint Group \$45 million in damages for infringement of a Chinese utility patent for low-voltage electrical equipment.

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Even though the courts found in favor of the Chinese company, the case was noteworthy, Malloy said, because it involved such a large award for what is considered a "small invention" patent. The cases together show that "patent owners can win in China and win big," Malloy said.

"We think there's real teeth in the Chinese patent law and more is to come," Malloy said.

The Motorola case also shows the importance of filing infringement suits in more developed areas, said Dan Harris, founding member of Harris & Moure in Seattle. While less developed areas may be more cost-effective, foreign companies tend to fare better in places like Shanghai or Beijing when defending their intellectual property rights, said Harris, who writes a China law blog.

"You're giving up some of what you get in Shanghai by going into Anwei or something like that, because there are definitely differences in China in terms of law enforcement," he said.

Robert Katz, principal shareholder with **Banner & Witcoff** Ltd. in Chicago, said the case was encouraging news for patent holders looking to protect their intellectual property rights in China.

"China has not traditionally been known as a place where IP holders have been successful in enforcing their rights, and every instance of a successful enforcement is certainly an encouraging sign and one that is a positive note for all people who create and market designs," he said.

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